LATE INDUSTRIALIZATION AND CLASS FORMATION IN EAST ASIA

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The rapid pace of industrial growth in the "Four Little Tigers" of East Asia (South Korea, Taiwan, Hong Kong, and Singapore) has attracted considerable attention among political economists. Much of the discussion of these newly industrializing countries (NICs) has focused on the implications of "late industrialization" for alternative theories of economic development and underdevelopment. By comparison, the social and political implications of rapid industrialization in East Asia have received only limited attention.

This paper seeks to redress this balance by presenting a comparative analysis of the process of class formation in South Korea, Taiwan, Hong Kong, and Singapore.¹ The goal of this analysis is to clarify the social and political correlates of late industrialization in East Asia and to compare these with the effects of capitalist industrialization in earlier periods. In addition, the paper seeks to identify significant differences in the patterns of class

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formation among these four societies and to elucidate the political implications of these differences.

The four societies examined in this paper have each undergone a rapid process of economic transformation during the last three decades. At the present time, each faces an uncertain economic future as it strives to make the leap from low-wage, export-oriented manufacturing to high-tech, high-value added production. Several of these countries, notably South Korea and Taiwan, have recently experienced increased levels of political protest and widening opposition to authoritarian rule. In another, namely Hong Kong, political mobilization has been accelerated by the impending restoration of Chinese sovereignty. Essential to the analysis of these unfolding political events is a better understanding of the patterns of class formation that have resulted from three decades of rapid industrialization.

This paper is organized as follows. First I present a general model of the class structure of capitalist societies and review the main trends in class formation in earlier periods of capitalist industrialization. I then present empirical estimates of the growth and decay of different social classes in the four East Asian NICs. This provides the basis for some tentative conclusions about the distinctive consequences of late industrialization in East Asia and also highlights some important differences in the class structures of these societies. This is followed by a more detailed analysis of specific classes and their distinctive patterns of development in each of the four East Asian NICs.

I. CAPITALIST INDUSTRIALIZATION AND CLASS FORMATION

In the discussion that follows, classes are defined from the standpoint of the social relations governing the production and appropriation of the economic product of society. These relations include, most importantly, relations of ownership and control over the means of production and the exercise of labor. In societies in which capitalism predominates, the two pivotal classes are the bourgeoisie and the proletariat. The bourgeoisie (or capitalist class) owns and controls the means of production and employs and directs the labor power of others. The proletariat (or working class) neither owns nor controls the means of production and is compelled to submit its labor activity
to capitalist control and to alienate its rights to the product of its labor in exchange for a wage.

Capitalist societies are also characterized, in varying degrees, by several intermediate classes. These are commonly divided into the "old" and the "new" middle classes. The old middle class (or petty bourgeoisie) includes those independent producers who own only the limited means necessary for their own production. Apart from members of their own families, they neither employ the labor power of others to any significant degree, nor do they alienate to others control over their labor or its product. Historically, one of the most important fractions of this class is the category of small independent farmers. Other segments of the petty bourgeoisie are located within the urban economy, as with self-employed professionals, shopkeepers, and small businesspeople. Because of important differences between agricultural and urban-industrial class relations, I shall treat these two fractions of the old middle class separately in the empirical analysis that follows.

The term new middle class is used to designate those segments of the middle class that are salaried rather than self-employed. While the old middle class stands outside the polarized relation between the proletariat and the bourgeoisie, the new middle class occupies an intermediate position between these polar classes. This new middle class is distinguished from the proletariat in various ways: by the control it exercises over the means of production or the labor of others, by its autonomy within the process of production, or by the privileged position it occupies within the labor market. Unfortunately, there is little consensus among class theorists on the relative importance of these criteria or precisely which categories of salaried employees should be included in the new middle class (Wright 1980; Burris 1989). One common view classifies all white-collar employees as middle class. A second view limits the new middle class to salaried managers and professionals, treating routine clerical and sales employees as part of the working class. As I have argued elsewhere (Burris 1987), I believe that the latter view provides the most appropriate model of the class structure in modern capitalist societies. I shall therefore use the term new middle class to refer to the higher categories of white-collar employees. Recognizing the disagreement over this issue, however, I shall also treat separately the clerical and sales segment of the working class so that proponents of opposing views will be able to translate my findings into their conceptual framework.  

In Europe and North America, the process of capitalist industrialization produced roughly similar trajectories of class formation, although the precise form and timing of these changes in the class structure varied due to the uneven nature of capitalist development on a world scale and distinctive national patterns of class struggle (Burris 1980a). Capitalist industrialization initially occurred in societies that were politically and economically dominated by large landowners (or sometimes merchants), but where there were also large areas of the economy organized in terms of small-scale commodity production. The origins of the capitalist class are diverse, including the conversion of landed wealth into capitalist property, the extension of merchant control over the immediate process of production, and the rise of independent artisans and guild masters to positions as capitalist employers. In the course of industrialization, capitalists displaced landowning elites as the economically dominant class, although the latter often retained significant power over the state (particularly in countries, like Germany, that did not experience a bourgeois revolution).

The advanced stages of industrialization brought several changes in the internal structure of the bourgeoisie. Through the dynamics of competition and the impact of economies of scale, increasing areas of industry came to be dominated by large, monopolistic firms. As the scale of capital came to exceed the wealth of most individual capitalists, joint stock companies emerged as the characteristic form of capitalist organization. The growth of giant corporations was associated with the dispersal of stock ownership and the separation of ownership from control. Family capitalism gave way to corporate capitalism and professional managers displaced owner-entrepreneurs as the dominant group within the capitalist class.

The other side of the rise of the bourgeoisie was the growth of the proletariat. The industrial proletariat was drawn from different sources. The competitive disadvantages of small-scale production forced many independent artisans to accept employment as wage-earners. Often, the resistance of these craft workers to proletarianization played an important role in the early formation of working-class ideology and trade-union organization. The greatest number of new proletarians were drawn from the ranks of displaced peasants who were driven to industrial employment by rural poverty and the commercialization of agriculture. These migrants from rural areas were forced to accept the least skilled
and worst paid jobs where the obstacles to trade-union organization were most severe.

The social and political formation of the proletariat varied among early industrializing countries as a result of national differences in the pace of proletarianization, the location of countries within the world economy, state institutions, work organization, family and residence patterns, cultural traditions, racial-ethnic diversity, and opportunities for mobility or migration (Katznelson and Zolberg 1986). Despite harsh repression, the proletariat was able, through a combination of trade-union struggle and party organization, to impose limits to its exploitation by capital. This struggle was facilitated by the concentration of workers in large-scale factories and homogeneous working-class communities. Wage gains and limits on working hours forced capitalists the defend their profits through increased mechanization, deskilling, the segmentation of labor markets, and stricter supervision and control of labor—all of which influenced, in turn, the further development of the proletariat.

The later stages of industrialization brought several changes in the internal structure of the proletariat. The displacement of manual labor through mechanization, together with the increased requirements of coordination and information management in large-scale corporations, led to an increase in the proportion of workers in nonmanual jobs. With the exhaustion of the surplus rural population, capitalists were forced to search elsewhere for sources of additional labor. The increased entry of women into the labor market provided one such source. The importation of foreign workers provided another. Both of these trends had consequences for the internal structure of the proletariat by creating further bases for segmentation within the labor market.

Capitalist industrialization also had significant consequences for the structure of intermediate classes. On the one hand, the expansion of capitalist production tended to reduce the size of the old middle class. This was due to the greater productivity achieved under large-scale capitalist production and by periodic economic crises that eliminated less productive units from the market and consolidated production under the control of those with the greatest competitive advantage. The decline of the old middle class had important consequences for the political stability of capitalist societies. While capitalist industrialization depended to a considerable degree on the dissolution of independent commodity production and the
appropriation of its resources (especially labor), the preservation of the old middle class also served the political interests of the bourgeoisie by providing a conservative counterweight to the rising power of the proletariat. It is for this reason that the decline of the old middle class has often followed an uneven course, with the state periodically intervening to protect this class from too rapid a decline (Burris 1980a).

On the other hand, the trend toward large-scale corporate capitalism resulted in an increase in the size of the new middle class. This was due to a combination of causes (Burris 1980b). First, the increase in the scale of capitalist enterprise led to a differentiation of the social functions of capital. Functions once vested in the person of the individual entrepreneur were transferred to a growing class of salaried managers and professionals. Second, the tendency toward the deskilling of labor led to the concentration of knowledge in the hands of a growing stratum of technical and supervisory personnel. Third, the competition for technological advantage called into being increased numbers of scientists, engineers, and related employees. Finally, the expansion of the state’s role in stabilizing the economy resulted in an increase in the number of managers and professionals employed in the public sector. Generally speaking, the rise of the new middle class had a politically stabilizing effect in advanced capitalist societies, compensating for the decline of the old middle class.

Many of these same developmental tendencies can also be found in the newly industrializing countries of East Asia. As we shall see, however, the process of class formation in these societies differs in a number of important ways. Among the main reasons for these differences are: (1) the rapid pace of industrialization, (2) the greater role of the state in the industrialization process, (3) the export orientation of newly industrializing countries, (4) the importance of borrowed technology in late industrialization, (5) the weakness or absence of formal democratic institutions; and (6) the legacy of colonial domination and/or military occupation.

II. A COMPARISON OF CLASS STRUCTURES IN EAST ASIAN NICs

Several attempts have been made to measure changes in the class structures of individual East Asian societies (Koo 1985, 1990; Sen
1986, 1991; Hsiao 1986; Sheu 1989). What is lacking in the literature, however, is any systematic and comparable data on the class structures of East Asian NICs as a group. Our first task, before we turn to an analysis of the dynamics of class formation, is therefore to construct comparable estimates of the class structures of each of the four countries examined in this study.

Empirical measurement of the class structures of these societies can be accomplished only with difficulty. This is due both to the inherent ambiguity of certain class boundaries and to the nature of the data available for this purpose. Census statistics for these societies are compiled in terms of occupation rather than class in the strict sense of the term. Only by recombining these occupational categories, taking into account the division within each category between salaried and self-employed positions, is it possible to approximate the dimensions of the class structure and the relative size of different classes and class fractions.

Figures 1 through 4 present our estimates of recent changes in the class structures of the four newly industrializing countries of East Asia. To facilitate quick comparisons, the percentage distribution of classes at two points in time is summarized in Table 1. As a point of reference, this table also includes the class distribution for Japan, the first and most successful late industrializing society of Asia.

Many of the developmental tendencies characteristic of early industrializing societies are also found in the East Asian NICs. In every instance there has been a shift from farm to nonfarm employment (although in Hong Kong and Singapore the farm population was negligible to begin with). The proportion of the population engaged in petty commodity production has also declined, while the proportion employed under capitalist relations has increased. This decline in petty commodity production, however, has been limited mainly to agriculture. The urban petty bourgeoisie has declined only slightly in Hong Kong and Singapore and has actually increased in South Korea and Taiwan. With the exception of Singapore, all of these societies have experienced an increase in the relative size of the working class. The new middle class has also increased in all of these societies, although much less rapidly than the decline in the old middle class.

Despite these broad commonalties, the relative magnitude of these shifts varies greatly from one newly industrializing country to the next. Generally speaking, changes in the class structure have been
Figure 1. South Korean Class Structure, 1960-89
Figure 2. Taiwanese Class Structure, 1956-88
Figure 3. Hong Kong Class Structure, 1961-89
Figure 4. Singaporean Class Structure, 1957-89
Table 1. Percentage Distribution of Classes in Five East Asian Societies

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</tbody>
</table>

Sources: Population censuses of South Korea, Hong Kong, and Singapore, as compiled by the International Labour Office (1990a, 1990b); census data for Taiwan taken from Sen (1986, 1991).

*No attempt was made to estimate the comparative size of the bourgeoisie. On the basis of previous estimates, its size has been arbitrarily set at one percent which has been deducted from the ranks of self-employed managers.

much more pronounced in South Korea and Taiwan than in Hong Kong and Singapore. The former have undergone major shifts from agriculture to industry and from petty commodity production to capitalist production relations. In contrast, the latter began late industrialization as urban societies that were already thoroughly penetrated by capitalist relations. Independent commodity production remains a much more significant component of the South Korean and Taiwanese economies than it is in Hong Kong or Singapore. Of all four East Asian NICs, Hong Kong stands out as the most thoroughly proletarianized society, having reduced the size
of the petty bourgeoisie, while experiencing only modest growth in the new middle class. Of the four, Singapore stands out as the NIC that has experienced the most rapid growth of the new middle class—surpassing even Japan in this regard.

To this point I have sketched in broad strokes some of the quantitative dimensions of class formation in the newly industrializing societies of East Asia. The patterns I have identified provide rough indicators of the relative weight of the social forces that have emerged in the course of industrialization, as well as significant differences among these societies along these dimensions. The following sections present a more detailed discussion of each of the major social classes of these societies, the transformations they have undergone, and their present social and political situation.

III. THE BOURGEOISIE AND THE STATE

If classes have been shaped by the process of industrialization, it is equally true that industrialization was conditioned by the pre-existing constellation of class forces. In the case of the East Asian NICs, one of the factors most responsible for the success of industrialization was the relative absence of an entrenched landlord class with a veto over state policy (Hsiao 1986, 187; Evans 1987, 214; Koo 1987, 170). Because of their status as predominantly urban city-states, neither Hong Kong nor Singapore were burdened by a large landowning class whose interests might block an aggressive industrialization policy. In South Korea and Taiwan the situation was different. Both emerged from World War II with a wealthy landlord class and a highly unequal distribution of land. The political power of this class was tempered, however, by their subordination to Japanese colonialism and by the power of nonindigenous forces within the postwar state. In Taiwan, the Nationalist government, with vivid memories of the role of peasant insurrection in their ouster from the mainland and with few historic ties to indigenous Taiwanese landlords, implemented a sweeping land reform in 1949-53 that effectively eliminated the big landlord class as a political force (Gold 1986, 64-67; Hsiao 1986, 189-190). In South Korea the ties between the landlord class and the postwar Rhee regime were much stronger. Nevertheless, in the face of increasing rural unrest and ideological competition from the North, and under pressure from its American backers, the regime reluctantly implemented a major
redistribution of land at the outbreak of the Korean War in 1950 (Hamilton 1986, 29-31; Hsiao 1986, 190-193). While the terms of this land redistribution were less beneficial to the rural population than the reforms in Taiwan, the break-up of large landholdings did uproot the landlord class, redirect idle capital away from land speculation, increase food production, equalize incomes, and clear the way for a strong state committed to rapid industrialization (Amsden 1989, 37).

The rise of an industrial bourgeoisie in the East Asian NICs was strongly conditioned by the structure of class relations established under colonial rule (Hamilton 1983, 38-41; 1986, 9-20; Evans 1987, 212-213). Under Japanese occupation, South Korea and Taiwan were administered primarily as sources of agricultural products for the burgeoning Japanese proletariat. The colonial administration strictly limited the emergence of locally-owned enterprises. Consequently, these countries emerged from the war with a very weak bourgeoisie. Authoritarian states, whose power derived from the military, the bureaucracy, and their U.S. benefactors, emerged as the dominant social force in the postwar era. The capitalist classes of South Korea and Taiwan were nourished by these states and remained subordinate to them for many years. In both countries the state confiscated Japan’s industrial assets, which it either managed itself or liquidated to favored entrepreneurs—often persons with close connections to the military or the ruling party. Segments of the deposed landlord class were transformed into urban capitalists by compensating them with industrial property or shares in state enterprises. The state also controlled the massive inflow of U.S. aid as well as the allocation of licenses and foreign exchange required for access to international markets. Finally, the state exercised strong control over the banking system, foreclosing opportunities for financial speculation and enabling it to determine, through its control over credit, which capitalists and industries would prosper.

British colonialism had a somewhat different impact on the development of the capitalist class in Hong Kong and Singapore (Hamilton 1983, 41; Haggard and Cheng 1987; Fong 1988). Britain established these outposts as trading depots to service its lucrative Far East commerce. The colonial administration promoted the interests of British trading companies, shipping firms, and financial institutions, but did not deliberately constrain the activities of local Chinese entrepreneurs who controlled retail trade, cargo handling, and local transport. In Hong Kong, these commercial capitalists were
joined by a substantial segment of Shanghai’s business class following the Communist victory in 1949. The closing of trade with mainland China forced these predominantly commercial capitalists to redirect their energies toward light industry, especially textiles, which they did by drawing upon the manufacturing expertise of mainland Chinese refugees and highly liquid local capital markets (Hamilton 1983,48; So 1986, 244-246). In Singapore the lack of manufacturing experience and limited availability of local finance, together with the establishment of a more interventionist national government in 1965, led to the adoption of industrialization policies geared to attracting foreign multinational capital. As a result of these policies, local entrepreneurs remained concentrated in small-scale commercial and service enterprises while foreign firms came to dominate manufacturing (Hamilton 1983, 61; Rodan 1989, 98-103).

Some of the forces that shaped the accumulation of capital and the social organization of the bourgeoisie in early industrializing countries have been much weaker in the newly industrializing countries of East Asia. In the former the tendency toward the concentration and centralization of capital (and the associated tendencies toward the separation of ownership from control and the shift from family to corporate capitalism) was conditioned by the trend toward monopoly control over domestic markets and by technologically based economies of scale that favored large enterprises. In the East Asian NICs, neither of these forces has been particularly strong. Production has been directed toward the international market and the growth industries for indigenous capital (especially in the early stages of industrialization) have been specifically those in which economies of scale play the smallest role (Hamilton 1983, 55). To oversimplify slightly, we might say that in early industrializing countries capital expanded on the basis of its technological and marketing advantages within the domestic economy, whereas in late industrializing countries capital expanded on the basis of its cost advantage (namely, cheap labor) within the world market and its protection or subsidization by the state. Tendencies toward concentration and centralization in the East Asian NICs have therefore been more the result of state initiatives than of technological or market forces.

Variations in state policy have resulted in different capital structures in the four East Asian NICs. In South Korea the tendency of the state to concentrate its favors on a small group of giant
conglomerates has resulted in an economy that is overwhelmingly dominated by big firms (Amsden 1989, 123). In Taiwan the state has retained direct control over a number of big enterprises in heavy industry, but has shown less favoritism in the granting of credit and licenses to the private sector. This has resulted in a dualistic economic structure in which a few giant state enterprises exist alongside a large number of small and medium private businesses (Amsden 1989, 162; Bello and Rosenfeld 1990, 231-242). In both South Korea and Taiwan, direct investment by foreign multinationals was strictly limited during the early stages of industrialization (Evans 1987, 206; Amsden 1989, 9). In Singapore the state followed a less protectionist course and aggressively pursued direct investment by multinational capital. This has resulted in a different form of dualism in which the advanced areas of the economy are wholly dominated by foreign firms and local entrepreneurs play a marginal role in industrialization (Haggard and Cheng 1987; Bello and Rosenfeld 1990, 289-295). Finally, in Hong Kong the laissez faire policies of the colonial state have resulted in an economy in which highly competitive small and medium enterprises predominate in all areas of manufacturing (Hamilton 1983, 66; Redding 1988, 106).

With the exception of Singapore, where multinational corporations dominate, the East Asian NICs are distinguished from early industrializing countries by the greater persistence of family capitalism. Most firms, even the largest Korean conglomerates, are closely held family businesses (Hattori 1984; Numazaki 1986; Wong, 1988; Bello and Rosenfeld 1990:65). This is due to several factors. First is the obvious fact that industrialization has occurred so rapidly over a short period of time that generational transition has been less of an obstacle to retaining family control. Second and more important is the fact that expansion has occurred mainly through borrowing rather than the sale of stock (Hamilton 1983, 66; Johnson 1987, 147-149). In South Korea, where the most rapid growth of enterprises has occurred, this reliance on loan capital is linked to the state’s use of low interest rates and control over credit to direct the industrialization process (Bello and Rosenfeld 1990, 52). Like the Robber Barons of nineteenth-century America, these owner-entrepreneurs have provided a more easily personalized target for anti-capitalist sentiment than the faceless bureaucracies of managerial capitalism. At the same time, where the state has had sufficient autonomy, they also offer a reliable mechanism of diffusing
public discontent through the ritual scapegoating of individual profiteers. One recent trend that has important political consequences for some East Asian NICs is the growing autonomy of the bourgeoisie from the state. In Singapore, of course, multinational capital has always enjoyed a great deal of autonomy from the local state, and in Hong Kong the colonial state has remained relatively aloof from the local bourgeoisie. In South Korea and Taiwan, however, the bourgeoisie emerged under the tutelage of the state. As its wealth and influence have increased, the bourgeoisie in these societies has begun to consolidate itself as an autonomous class and to push for a reduction in state control of the economy (Koo 1987, 176). This trend has been reinforced by the demands of Western trading partners and international lending agencies for greater liberalization of the South Korean and Taiwanese economies. In South Korea, the bourgeoisie’s struggle for greater autonomy of state control is exemplified by the political battle between the Roh regime and Hyundai founder, Chung Ju Yung, whose bankrolling of a new opposition party in the 1992 election blocked the ruling Democratic Liberal Party from retaining its absolute majority in parliament (Shim 1992; Clifford 1992). In Taiwan, the bourgeoisie’s quest for autonomy is also fueled by a lingering ethnic division between the inner circle of a business community that is now predominantly ethnic Taiwanese and a ruling party that has traditionally been dominated by mainland Chinese (Numazaki 1986; Sheu 1989:139-141).^6^ This trend toward greater autonomy of the bourgeoisie has mixed implications for political legitimacy in South Korea and Taiwan. On the one hand, the past identification of the state with the bourgeoisie has risked instability by encouraging corruption and channelling class antagonisms into a challenge against state authority. On the other hand, the state’s ability to harness capital accumulation to the goal of national development has provided the main source of legitimacy for these highly undemocratic regimes. There are already signs that the profit-seeking proclivities of a more autonomous bourgeoisie may undermine this basis of legitimacy. Witness, for example, the increased flow of capital into real estate speculation rather than productive investment and the trend among manufacturers to respond to higher wage levels by relocating factories abroad rather than upgrading domestic production (Kim 1991, 145; Bello and Rosenfeld 1990, 15, 71, 273, 279). Should the bourgeoisie’s image as
a guarantor of national growth begin to tarnish at the same time that the state’s past linkage with the bourgeoisie prevents it from projecting a neutral image above the classes, we can expect a volatile political situation to develop.

IV. RURAL CLASS RELATIONS

Hong Kong and Singapore are almost exclusively urban economies; however, agrarian classes continue to play an important political and economic role in South Korea and Taiwan. In both countries the land reform of the late 1940s and early 1950s eliminated the big landlords and transformed tenants into smallholders (Gold 1986, 64-67; Hsiao 1986, 189-203; Koo 1987, 170-171). The Taiwanese government, more preoccupied with the threat of rural rebellion, followed its land reform with development assistance aimed at raising rural incomes. In Korea there was little follow-up to land redistribution and rural incomes declined. Nevertheless, in both countries rural areas became strongholds of support for the ruling party. Their conservatism assured by their attachment to property and their political mobilization blocked by their atomization into smallholdings, the rural population provided a pliant mass that could be manipulated for political support at the same time that it was squeezed for economic surplus.

As both countries embarked on a course of rapid industrialization, the state intervened to depress grain prices. This served both as a vehicle for subsidizing industry by keeping wage costs down as well as a means of pushing the rural population into the urban workforce (Hsiao 1986, 195; M. Moore 1988, 133; Koo 1990, 675). As Table 1 shows, both countries have experienced a sharp reduction in the proportion of small farmers in the class structure over the last 30 years. This decimation of the rural population has been more rapid and more oppressive than would have been possible under more democratic conditions. In Japan, for example, the maintenance of political legitimacy has required extensive subsidies to rural areas as the price for maintaining the electoral dominance of the Liberal Democratic Party (Halliday 1975, 193-194; Johnson 1986, 156; Shuzo 1989, 94-97). Under conditions of authoritarian rule, however, only token gestures and temporary relief measures have been needed to maintain the quiescence of the farm population.
There are indications that this quiescence may be ending. In both South Korea and Taiwan, pressure from the United States to redress the trade imbalance has caused the state to open agricultural markets to U.S. imports as the price for maintaining access to U.S. markets for manufactured exports. Competition from the more capital intensive American agribusiness is driving farm prices below subsistence levels. The pattern of widespread smallholding upon which three decades of rural stability has been based is also beginning to crumble. The Taiwanese government is now encouraging large farm holdings to facilitate mechanization and the South Korean regime is turning a blind eye to the increase in farm tenancy in violation of land reform laws (Bello and Rosenfeld 1990, 77-90, 190-191). Taking advantage of the recent political liberalization, farmers in both countries have begun to demonstrate their discontent. In 1987 and 1988 a wave of farmer protests swept through South Korea, culminating in the formation in 1989 of the Chommongnyon (“National Alliance of Farmer’s Movements”). This is the first time that farmers have unified nationally to press for their interests. Less than a year after the lifting of martial law in Taiwan, an angry demonstration of farmers in May, 1988, led to the worst rioting in decades (Cohen 1988, 72-73; Shim 1988, 16; Hwang 1989, 26; Bello and Rosenfeld 1990, 92-93; Hsiao 1990, 172-173). Political stability in both countries is thus threatened by the fact that the state’s policies in promoting rapid industrialization have progressively eroded one of the main pillars upon which its rule has been based.

V. THE URBAN PETTY BOURGEOISIE

The development of the urban petty bourgeoisie has followed a somewhat different course in the four East Asian NICs than in most early industrializing countries. Rather than being eliminated in the course of capitalist industrialization, its size has remained stable as a percentage of both the urban labor force and the society as a whole. In South Korea and Taiwan, the shift from farm to nonfarm employment has increased the share of the urban petty bourgeoisie within the overall class structure. Excluding the farm sector, the South Korean petty bourgeoisie’s share of the urban labor force declined from 43 to 28 percent in the decade of the 1960s. This was mostly due to the sharp decline in the proportion of self-employed
artisans and transport workers. Since 1970, however, the petty bourgeoisie has remained stable at between 25 and 30 percent of the urban labor force. In Taiwan the urban self-employed also increased more slowly than wage and salary workers during the 1950s and 1960s, but have since stabilized at between 20 and 25 percent of the urban labor force. The relative size of the petty bourgeoisie in Singapore and Hong Kong has declined during the last three decades, but at a very slow rate. In Singapore the petty bourgeoisie still accounts for 18 percent of the urban labor force. Hong Kong is the only one of the East Asian NICs where the decline of the petty bourgeoisie approximates that of the more advanced industrial countries. There the petty bourgeoisie accounts for 11 percent of the urban labor force—about the same share as in Japan.

The persistence of the petty bourgeoisie in South Korea, Taiwan, and Singapore can be attributed to a number of factors. It should be remembered that, especially in South Korea and Taiwan, a significant share of this petty bourgeoisie is engaged in marginal-scale commercial and service activities. According to one estimate, approximately half of the urban self-employed in Korea earn less than the average household income for blue-collar workers (Koo 1991a, 5). A study of the Taiwanese labor force in 1980 classified 35 percent of urban self-employed males as "marginal workers" engaged as casual laborers, street vendors, or service workers without stable sources of income (Sen 1986). In Singapore a substantial portion of the urban petty bourgeoisie is also involved in marginal commerce and service activities (Clammer 1987). The existence of this marginal petty bourgeoisie serves both as a means of absorbing and disguising unemployment and as a way of keeping wage costs down by providing cheap goods and services to the working class. The smaller overall size of the petty bourgeoisie in Hong Kong may reflect the reduced size of this marginal segment. Without a surplus rural population to draw upon, Hong Kong capitalists have faced a chronic labor shortage and have been forced to compete for whatever labor could be siphoned from the informal sector.

Other segments of the urban petty bourgeoisie are sustained by the elaborate subcontracting networks that characterize the East Asian NICs (Amsden 1989, 187-188). Large capitalist enterprises, rather than hiring additional labor, often find it more profitable to subcontract work to small independent producers. Through the intensive exploitation of unpaid family labor, these small businesses
are able to produce at lower costs. When demand slackens the larger enterprise can simply terminate the contract rather than having to fire workers. In this fashion, persistence of a large petty bourgeoisie contributes to the accumulation of capital at the same time that it encourages political stability by providing an alternate channel of upward mobility.

VI. THE PROLETARIAT

The formation of the proletariat differs in each of the four East Asian NICs. In Hong Kong and Singapore the relative absence of an agrarian sector and the commercial orientation of British colonialism resulted in the early and widespread development of capitalist production relations. Proletarian wage-earners have constituted a majority of the labor force since the 1950s. While the internal composition of this proletariat has changed in recent decades, its proportion within the class structure has remained relatively stable. In Singapore the proletariat accounts for roughly 60 percent of the labor force. In Hong Kong, which ranks among the most proletarianized countries in the world, the proletariat now accounts for over 75 percent of the labor force.

By comparison, Taiwan and South Korea have experienced a rapid growth in the relative size of the proletariat over the last three decades. In Taiwan the proletariat increased from 31 percent of the labor force in 1956 to 55 percent in 1988. In South Korea the proletariat increased from 20 percent of the labor force in 1960 to 52 percent in 1989. The rapid pace of proletarianization in South Korea is unparalleled in the experience of earlier industrializing countries. Compared with the formation of the industrial working class in Europe and America, which occurred incrementally over a period of a century or more, the shift from farm to factory in South Korea has been extremely abrupt and discontinuous (Koo 1990, 672).

An additional factor that has made the proletarianization process in South Korea particularly abrupt is the rapid pace of urbanization that has accompanied it. In Taiwan state policy has encouraged the location of industry in rural areas. Many of those taking factory jobs continue to live in the countryside and to work as part-time farmers. Almost 70 percent of Taiwan's small farmers now earn a major portion of their incomes from nonagricultural pursuits
(Evans 1987, 220; M. Moore 1988, 134; Bello and Rosenfeld 1990, 186-187). This policy has served not only to cushion the relative decline of farm incomes, but has also provided employers with a particularly cheap and flexible supply of labor, since wages are regularly supplemented by farm income. The development of a proletarian consciousness within this rural workforce is blunted by the temporary nature of much wage labor and by strong family ties that cut across class lines (Gates 1979; Gold 1986, 89; Bello and Rosenfeld 1990, 218-220). In South Korea, by comparison, industry is highly concentrated in urban areas. In order to seek industrial employment, workers must move to the city and take up a life of complete proletarianization. "Semi-proletarianization," in which casual or intermittent wage labor is supplemented with independent commodity production is relatively rare in South Korea (Koo 1990, 671). The South Korean pattern of class formation is more conducive to the development of a distinctively proletarian outlook.

Changes in the internal structure of the proletariat in the East Asian NICs have generally followed the same patterns as in earlier industrializing countries, although the pace of these changes has often been much more rapid. In all four East Asian NICs there has been a shift within the working class from manual to nonmanual jobs and an increase in the employment of women in working-class jobs. These trends are illustrated in Table 2. Note the tendency toward convergence along both of these dimensions of class formation. In all four East Asian NICs clerical and sales workers now account for roughly 30 percent of all working-class jobs (i.e., of all non-professional, non-managerial wage and salary earners), and women now fill roughly 40 percent of all working-class jobs.

As noted earlier, some researchers have viewed the expansion of clerical and sales jobs as part of the growth of the new middle class. For example, Koo and Hong (1980, 619) argue that clerical and sales jobs in developing countries are neither as routinized nor as feminized as comparable jobs in more advanced industrial countries and that the limited access to education makes the manual-nonmanual division a greater barrier to mobility in developing countries. Undoubtedly, there are developing countries to which these arguments apply; however, the evidence suggests that the four East Asian NICs are not among these. Educational attainments in the East Asian NICs are high by comparison both
with other developing countries and with early industrializing countries at a comparable stage of development (Amsden 1989, 216-219; Choi 1989, 71-72). Moreover, as Table 2 shows, the feminization of clerical and sales jobs has already surpassed Japan in three of the four East Asian NICs and is only slightly behind Japan in the fourth. For Singapore, the only East Asian NIC for which I was able to locate income data broken down by sex and occupation, median incomes for male clerical and sales workers were only marginally higher than for production workers and roughly one-third the level for professional and managerial employees (Bello and Rosenfeld 1990, 307). This bolsters the view that most clerical and sales employees in these countries should be classified as part of the working class rather than the new middle class.

One characteristic that is common to all four East Asian NICs, at least until recently, has been the relative weakness of proletarian resistance to exploitation. Export oriented industrialization requires, above all, a plentiful supply of cheap labor. Where this has not been spontaneously forthcoming, authoritarian states have not hesitated to employ brutal repression to enforce the subordination of the working class. In several of the East Asian NICs, rapid industrialization was preceded by systematic efforts to eliminate any vestige of an organized left, populist, or independent labor movement. In postwar Korea, American military occupation forces

| Table 2. The Increase in Nonmanual and Female Employment in Five East Asian Societies |
|---------------------------------|----------|--------|----------|--------|
|                                 | Japan    | South Korea | Taiwan | Hong Kong | Singapore |
| Nonmanual workers/all workers   | .31      | .20      | .24     | .18     | .26      |
| Female workers/all workers      | .31      | .25      | .16     | .29     | .17      |
| Female nonmanual/all nonmanual  | .36      | .08      | .12     | .13     | .07      |
|                                 | 1956-61  |          |         |         |          |
| Nonmanual workers/all workers   | .44      | .31      | .28     | .27     | .32      |
| Female workers/all workers      | .38      | .38      | .37     | .39     | .46      |
| Female nonmanual/all nonmanual  | .48      | .41      | .50     | .52     | .63      |
|                                 | 1988-89  |          |         |         |          |

Sources: Population censuses of South Korea, and Singapore, as compiled by the International Labour Office (1990a, 1990b); census data for Taiwan taken from Sen (1986, 1991).
were used to evict workers from the plants they occupied following Japan's defeat and to crush the strikes of leftist unions. Numerous violent clashes occurred, culminating in the 1946 railroad strike during which martial law was declared and hundreds of unionists were killed and thousands imprisoned (Ogle 1990, 8-12; Koo 1991b, 14-15). In Taiwan, after an unsuccessful uprising in 1947 in which 10,000 to 20,000 were killed, the Nationalist government declared martial law and set about systematically eliminating Taiwanese nationalists, leftists, and opposition intellectuals (Gold 1986, 50-55). In Singapore, following the politically disruptive election of 1963, the ruling People's Action Party (PAP) jailed more than 100 trade unionists and other opposition leaders, deregistered leftist unions, and passed legislation proscribing political activity by labor (Deyo 1981, 37-38; Rodan 1989, 71-72). Only in Hong Kong did the state leave the disciplining of labor primarily to market forces. There the threat to employers posed by labor during the early years of industrialization was small, however, owing to the large number of immigrant workers who feared deportation to the mainland, the split between pro-Communist and pro-Nationalist unions, and Beijing's pressure on the pro-Communist unions not to risk any political disturbance that would threaten their commercial ties to the colony (Turner et al. 1980, 91-93; So 1986, 245-246; Deyo 1987, 185).

In addition to overt repression by the state, there are other factors that have inhibited working-class militancy in the newly industrializing countries. In Europe and America, the early leadership of the labor movement was often provided by artisans and motivated by such craft ideals as worker autonomy, pride in workmanship, and morally regulated work relations. The relative absence of a preindustrial artisan culture in newly industrializing societies has deprived the nascent working classes of an important basis of resistance to proletarianization (Amsden 1989, 193; Koo 1990, 677-679). At a later stage of industrialization, proletarian organization was facilitated by the rise of large-scale factory production that brought together thousands of workers under similar conditions in large plants and segregated working-class communities. This trend is characteristic of some newly industrializing countries but not others.

The development of large-scale factory production has been much more pronounced in South Korea and Singapore than in Taiwan or Hong Kong. As Table 3 shows, over 35 percent of South Korean
manufacturing workers are employed in firms with 500 or more workers, compared with only 13 percent in Taiwan and Hong Kong. At the other extreme, less than 25 percent of South Korean manufacturing workers are employed in firms with fewer than 50 workers, compared with 52 percent in Taiwan and 43 percent in Hong Kong. Comparable statistics for Singapore are not available, however, the industrial mix of the Singaporean economy, with substantial employment in oil refining, shipbuilding, and other heavy industries, suggests a pattern similar to that of South Korea. Data for the mid-1970s indicate that the percentage of Singaporean workers in factories of over 100 employees was comparable to that of South Korea for the same period (Deyo 1984). Other things being equal, the greater prevalence of large-scale production in South Korea and Singapore should contribute to the stronger development of labor solidarity and proletarian consciousness.

While the trend toward large-scale factory production brings greater numbers of workers together under common conditions of exploitation, there are other trends that tend to inhibit proletarian unity. The evidence suggests that the East Asian NICs are already characterized by very high levels of labor market segmentation and that this is likely to increase in the future. This is illustrated by a recent study of 14 industrial nations that found that South Korea had the widest dispersion of wage levels among different manufacturing sectors (Amsden 1989, 206). The increased entry of women into wage-earning positions has been an important factor in

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the development of a more segmented labor market. Studies of the labor market in several East Asian NICs have documented the pronounced tendency for women workers in these countries to be concentrated in highly sex-typed jobs at the bottom of the occupational hierarchy (Cho and Koo 1983, Greenhalgh 1985). Of all countries for which data are available from the International Labour Office, South Korea holds the world record for the greatest wage gap between male and female workers in manufacturing (Amsden 1989, 203). The creation of a two-tier labor market has also been furthered by employers' tendency to respond to increased wage levels by importing foreign workers. Singapore, where foreign workers account for 12.5 percent of the labor force, has gone the farthest in this direction, but other East Asian NICs are following suit (Bello and Rosenfeld 1990, 15, 310; Bowring 1992; Baum 1992a). As planners seek to upgrade production in certain sectors of the economy, and as labor shortages and worker militancy put increased upward pressure on wages, these tendencies toward labor market segmentation are likely to intensify.

Resistance to proletarianization has been relatively limited in the newly industrializing countries, but it has not been absent. For a variety of reasons, the resistance of South Korean workers has been the most militant. These reasons include the repressive nature of the South Korean state, worker discontent with militaristic management practices, the abruptness of the proletarianization process, high levels of urbanization, the prevalence of large-scale factories, and rates of industrial accidents and working hours that are the highest in the world (Deyo 1987; Amsden 1989; Bello and Rosenfeld 1990; Koo 1991b). The extent of pent-up discontent among South Korean workers was demonstrated by the explosive increase in strikes following the ouster of Chun and the political liberalization introduced by Roh in 1987 (Asia Monitor Resource Center 1988; Ogle 1990; Clifford 1991). Compared with South Korea, governments in Taiwan and Singapore have taken a less repressive and more corporatist approach to industrial relations and worker militancy has been more muted (Deyo 1987, 183). Since the lifting of martial law in 1987, however, industrial disputes in Taiwan have increased sharply and workers have intensified their struggle to establish unions independent of state control (Cohen 1988, 127-138; Bello and Rosenfeld 1990, 227-228; Hsiao 1990, 171-172; Lo 1990, 244).
VII. THE NEW MIDDLE CLASS

As in earlier industrializing countries, the new middle class of salaried managers and professionals has experienced significant growth in all four East Asian NICs. In South Korea and Taiwan this class has increased from approximately 4-6 percent of the labor force to approximately 10 percent. Much of this growth, however, is simply an artifact of the decline in the rural population. As a proportion of the urban labor force, the number of salaried managers and professionals has remained relatively stable at between 10 and 12 percent. This contrasts sharply with the growth of the new middle class in earlier industrializing societies over a comparable time period. In the United States, for example, the new middle class increased from 9.6 percent of the urban labor force in 1900 to 14.3 percent in 1930 and 20.1 percent in 1960 (computed from data in Burris [1980b]). In Hong Kong the new middle class accounts for a slightly larger percentage of the population, but its share of the urban labor force is equivalent to that of South Korea and Taiwan. The growth of the new middle class has been most pronounced in Singapore, where it now accounts for over 20 percent of the urban labor force—about the same share as in Japan.

The comparatively slow growth of the new middle class in South Korea, Taiwan, and Hong Kong can be attributed to several factors. First, the differentiation of the functions of capital is much less advanced in these countries than in most early industrializing countries. This is reflected in the persistence of family capitalism in these newly industrializing countries. The predominance of small firms in Taiwan and Hong Kong also limits the growth of the new middle class, since the employment of salaried managers and professionals tends to be greatest in large firms. Second, even controlling for firm size, managerial hierarchies tend to be relatively flat in newly industrializing countries. This reflects the export-oriented imperative to limit overhead costs as well as distinctive patterns of supervision employed in factories utilizing borrowed technologies. As Amsden (1989, 209) notes, firms in newly industrializing countries have generally been unable to apply Taylorist methods that routinize labor and concentrate knowledge of production in the hands of experts. Unfamiliarity with imported technologies has forced them to rely more heavily on innovation and decision-making by workers and to keep managerial and technical
personnel close to the shop floor. Third, because industrialization has taken place primarily with borrowed technologies, newly industrializing countries have not had to develop comparably large pools of scientific and technical personnel. For example, research scientists and engineers account for only 0.3 percent of the labor force in South Korea, compared with 0.8 percent in the United States (United Nations 1990, 302). Combined government and business expenditures on research and development total less than one percent of GNP in Taiwan, compared with three percent or more in Japan, Germany, and the United States (Liang and Liang 1988, 65). Fourth, levels of state spending are comparatively low in South Korea, Taiwan, and Hong Kong. In early industrializing countries like the United States, the state's hiring of professionals and managers has been the greatest source of new middle class growth in recent decades (Burris 1980b, 31). By comparison, in South Korea the percentage of public-sector managers remained virtually unchanged between 1955 and 1985 (Koo 1991a, 3). In Taiwan the percentage of state-sector white-collar employees actually declined between 1966 and 1980 (Sen 1986, Table 8). Finally, in some professions the growth of the new middle class has been limited by the propensity of college graduates to emigrate to more democratic or affluent countries.

There are several reasons for the extraordinary growth of the new middle class in Singapore. Foreign multinationals often use Singapore as a regional headquarters for manufacturing and financial operations. This has the effect of concentrating professional and managerial employment for the broader Southeast Asian region within the borders of Singapore. The predominance of large firms in Singapore also contributes to the growth of the new middle class, as does the relatively high level of state spending. The state budget in Singapore accounts for roughly 30 percent of GDP, compared with 13-18 percent in South Korea, Taiwan, and Hong Kong (Asian Development Bank 1989).

Even in those NICs where the new middle class is relatively small, this class has had a political significance far greater than its numbers might suggest. As Koo (1991a) persuasively argues in his analysis of South Korean class formation, the new middle class emerged as a significant social stratum before the bourgeoisie established its ideological hegemony and before industrial workers developed into an organized class. In countries like South Korea and Taiwan where socialist ideas are strongly repressed, populist ideologies articulated
by the new middle class have provided the framework within which the discontents of other non-ruling classes have been expressed. The new middle class is also more autonomous of state control than either the bourgeoisie or the proletariat and thus able to play a stronger political role. Compared with other non-ruling classes, the new middle class is likely to be more exposed to and receptive toward political models from the advanced industrial societies. Finally, Confucian tradition confers an especially high status on intellectuals, allowing this segment of the new middle class to claim to speak as the conscience of the nation.

The growth of the new middle class has been politically destabilizing in several East Asian NICs. This points to what may be the greatest difference between the new middle class in early and late industrializing countries. In early industrializing countries, democratic institutions were established before the emergence of the new middle class as a significant social force. These grew out of the bourgeoisie’s struggle against the landed aristocracy and the proletariat’s struggle against the bourgeoisie. In the newly industrializing countries of East Asia, the landlord class was eliminated without a bourgeois political revolution and the proletariat has, as yet, been unable to mount a successful struggle for political rights. The new middle class has thus emerged in a situation in which democratic rights are strictly circumscribed—a situation that limits the personal autonomy and political aspirations of this class. Thus, whereas the growth of the new middle class in early industrializing countries has generally contributed to political stability, in newly industrializing countries the emergence of the new middle class has often been a destabilizing force.

Of all the East Asian NICs, the new middle class in South Korea has played the strongest political role. The militancy of South Korean students, who may be viewed as prospective members of the new middle class, is unparalleled in any of the other newly industrializing countries. Large segments of the urban middle classes joined with students in the mass protests of June, 1987, that forced political liberalization by the Roh regime. Judging from opinion surveys, the new middle class appears to be more supportive of democratic reform than the old middle class (Koo 1991a, 6)—a pattern that is consistent with the experience of earlier industrializing societies (Burris, 1986). The democratic aspirations of the South Korean new middle class should not be exaggerated. By most accounts, the post-1987 upsurge
in labor activism and concerns about the possibility of another military coup have contributed to a more cautious and conservative mood within this class (Economist 1987; Koo 1991b; Shim 1991). Prospects for further democratization may depend on whether or not significant segments of this class can be more solidly incorporated in a popular alliance with organized labor and other progressive movements.

The Taiwanese new middle class has also been a key force in the struggle for democratization. Until recently, the main thrust of middle-class activism in Taiwan has been in areas, such as the consumer movement, environmentalism, and feminism, that avoid a direct confrontation with state power. Nevertheless, segments of the new middle class have been active in the oppositional Tangwai movement since the mid-1970s, where their presence has played a crucial role in forcing conciliatory moves, such as the lifting of martial law, from the Nationalist regime (Cohen 1988, 30-52; J. Moore 1988; Hsiao 1990). This opposition movement took a significant step in 1986 with the formation of the new Democratic Progressive Party (DPP) to challenge the hegemony of the ruling Nationalists (Cohen 1988, 58-64). Electoral fraud, lack of funds, and the relative obscurity of many of its candidates have thus far prevented the DPP from posing a serious challenge to the Nationalists. This could change, however, during the present period of political transition, which is characterized by the retirement of the last of the old guard of Nationalist politicians, conflict over the proposed amendment of the constitution, and increasing polarization over Taiwan's future relationship to mainland China (Jones 1991; Baum 1992).

Compared with South Korea and Taiwan, the new middle classes in Hong Kong and Singapore have been less politicized and more preoccupied with individual advancement (Lo 1990, 241). There are several reasons for this. Middle-class enthusiasm for democracy is typically motivated not so much by a desire for egalitarian reform as by revulsion against political corruption, and the regimes in Hong Kong and Singapore have been relatively free of scandal. Moreover, the absence of a viable domestic market and extreme dependence on exports has tempered middle-class support for democratic institutions out of a concern that responsiveness to working-class demands might undermine international competitiveness. Nevertheless, both Hong Kong and Singapore have recently experienced an upsurge in middle-class political activism.
The impending return of Hong Kong to Chinese rule has caused increased political action within the new middle class because of the threat to its economic status and political rights posed by Chinese sovereignty (Scott 1989, 290-292; So and Kwitko 1990; So 1991). Middle-class reformers have recently organized a number of political groups, such as the United Democrats of Hong Kong, to channel opposition against both the British colonial regime and the Beijing government. In the September, 1991, election, opposition candidates made an impressive showing, winning 16 of 18 elected seats in the Legislative Council (only one-third of council seats are elected) (Jones 1991, 4).

In Singapore, the PAP regime has zig-zagged between heightened repression and democratic concessions in an unsuccessful attempt to stem the decline in its electoral support. A tightening of political controls in the mid-1980s—including the detention of church activists, the censorship of the international press, and the imprisonment of a leading oppositional parliamentarian—only intensified middle-class discontent (Rodan 1989, 202-205). A more conciliatory policy was initiated in 1990, along with a change in party leadership, but this did not prevent opposition parties from recording their best showing ever (winning 39 percent of the popular vote and 4 out of 40 contested seats) in the August, 1991, parliamentary election (Jones 1991, 5).

VIII. SUMMARY AND CONCLUSIONS

The broad contours of class formation in the East Asian NICs are similar to those in early industrializing societies. Nevertheless, there are important differences. The state in newly industrializing countries has enjoyed greater autonomy from the property-owning classes. Strong state actions have been the determining factor in the elimination of pre-capitalist ruling classes and the formation of the bourgeoisie. The subsequent development of the bourgeoisie has followed a distinctive course in its continuing dependence upon the state, the persistence of family ownership, and the weakness of tendencies toward the separation of ownership and control. As in early industrializing societies, capitalist industrialization has contributed to the decline of the old middle class. Nevertheless, this class continues to play an important role in newly industrializing
countries. In South Korea and Taiwan, the class of rural smallholders has provided a crucial base of support for the authoritarian state as well as a major source of surplus for primitive capital accumulation. The urban petty bourgeoisie remains large by comparison with more advanced industrial societies and has tended to expand rather than contract in the course of industrialization. The proletariat has also expanded, often at a pace that exceeds that of early industrializing countries. The imperative of cheap labor in newly industrializing countries has contributed to repressive state structures that impede the political organization of the proletariat. This has had the consequence of directing class conflicts against the authority of the state. These conflicts have been intensified with the growth of the new middle class. Typically, the size of this class remains small by comparison with more advanced industrial societies; however, its political impact has been greater. In early industrializing societies, the rise of the new middle class had a stabilizing effect by tempering the political conflict between the proletariat and the bourgeoisie. In some East Asian NICs, the rise of this class has been politically destabilizing insofar at it has strengthened the coalition of class forces opposed to authoritarian rule.

Despite some commonalties, the process of class formation has been distinctive in each of the four East Asian NICs. South Korea and Taiwan have been transformed from agrarian to industrial societies, while Hong Kong and Singapore have evolved from commercial to industrial (and, to some extent, post-industrial) societies. The transformation of the class structure has been relatively abrupt in Taiwan, and even more so in South Korea. The change has been more incremental and less conflictual in Hong Kong and Singapore. In South Korea, the exercise of state power has been autocratic and highly repressive. Taiwan and Singapore have taken a more corporatist, although still authoritarian, approach to managing the conflicts associated with industrialization. In Hong Kong the colonial government has taken a laissez faire stance toward civil society, supplemented with an occasional dose of welfare-state paternalism. The combination of abrupt social transformation and inflexible state institutions has made South Korea the most volatile of the four East Asian NICs. In the other three East Asian NICs, class conflict has been more muted, although a significant drop-off in economic growth (or, in Hong Kong’s case, the further politicization of civil society by the impending return to Chinese rule) could change that situation.
Economic and political trends in each of the East Asian NICs deserve a more extensive and detailed investigation than has been possible in a survey article of this scope. The aim of this paper has been to demonstrate that analysis of the process of class formation in these societies provides a useful approach to understanding the linkage between rapid industrialization and its political effects. In advocating this approach, I do not mean to suggest that non-class forces are unimportant for the concrete political analysis of late industrializing societies. In each of the East Asian NICs, ethnic, regional, and generational divisions have also played a role in recent political events. Each of these societies has also been strongly influenced by world-systemic and geopolitical forces that transcend national boundaries. Nevertheless, the transformation of national class structures has had a decisive impact on the material interests and political capacities of the diverse social forces contending for power in these societies. No informed analysis can afford to ignore these important changes in the class structure. A comparative approach that seeks to learn from the historical experience of early industrializing societies, but is also sensitive to the unique features of late industrialization, can contribute greatly to our understanding of political events now unfolding in the East Asian NICs.

ACKNOWLEDGMENT

An earlier draft of this paper was presented at the Conference on “Emerging Social Forces in Asia,” Asia Research Centre, Murdoch University, Perth, Australia, September, 1991.

NOTES

1. As one whose primary area of expertise is American and European societies, I have relied on the research of a number of East Asian specialists. In developing the arguments of this paper I have benefitted especially from the insightful writings of Alice Amdsen, Walden Bello, Frederic Deyo, Clive Hamilton, Michael Hsin-Huang Hsiao, Hagen Koo, Garry Rodan, Stephanie Rosenfeld, Yow-Suen Sen, and Alvin So.

2. Some capitalist societies are also characterized by the survival of semi-feudal class relations, as exemplified in the persistence of a class of large landowners and various forms of partially unfree peasant labor. Such class relations play little part in the societies examined in this study, however, and will therefore be omitted from the analysis.
3. The data upon which these figures are based were taken from the national censuses of each nation. For South Korea, Hong Kong, and Singapore I utilized the compilations of census data published by the International Labor Office (1990a, 1990b). Data for Taiwan were taken from Sen (1986, 1991). Class categories were operationalized in terms of the International Standard Classification of Occupations (ISCO) as follows: (a) Bourgeoisie. No attempt was made to estimate the comparative size of the bourgeoisie. On the basis of previous estimates, its size has been arbitrarily set at one percent which has been deducted from the ranks of self-employed managers. (b) New middle class. The new middle class has been defined as all salaried employees and wage earners within ISCO Major Group 0/1 ("professional, technical, and related workers") and ISCO Major Group 2 ("administrative and managerial workers"). To these I have added 20 percent of the salaried employees and wage earners in ISCO Major Group 3 ("clerical and related workers") and ISCO Major Group 4 ("sales workers") as an estimate of the number of clerical and sales supervisors and government executive officials that are included in these categories. (c) Nonmanual workers. The nonmanual segment of the working class has been defined as the remaining 80 percent of salaried employees and wage earners in ISCO Major Groups 3 and 4. (d) Manual workers. The manual segment of the working class has been defined as all salaried employees and wage earners in ISCO Major Group 5 ("service workers") and ISCO Major Group 7/8/9 ("production and related workers, transport equipment operators, and laborers"). (e) Petty Bourgeoisie. The urban petty bourgeoisie has been defined as all self-employed workers in ISCO Major Groups 0/1, 2, 3, 4, 5, and 7/8/9, less one percent as an estimate of the bourgeoisie. (f) Small farmers. The farm segment of the petty bourgeoisie has been defined as all self-employed workers in ISCO Major Group 6 ("agriculture, animal husbandry and forestry workers, fishermen and hunters"). There are a relatively small number of agricultural wage earners in each of these societies; rather than create a separate category, these workers have been included in the small farmer class.

The method used to estimate the relative size of different classes differs from previous attempts in one important respect (cf. Koo 1985, 1990; Sen 1986, 1991; Hsiao 1986; Sheu 1989). Percentages are based on the economically active male population on the assumption that the family, rather than the individual, is the appropriate unit for class analysis and that the male occupational distribution more closely approximates that of heads of household (Goldthorpe 1983). To avoid multiple counting of members of the same family, unpaid family workers have also been excluded from the calculations.


5. It is estimated that in the 1970s foreign corporations accounted for about 70 percent of manufactured exports in Singapore, compared with 20 percent in Taiwan, 15 percent in South Korea, and 10 percent in Hong Kong (Nayyar 1978).

6. The division between mainlander authority and Taiwanese property also extends to the middle class, where mainlanders are overrepresented among the new
middle class and Taiwanese pursue upward mobility primarily through petty bourgeois channels (Gates 1981, 274-278).

7. The shift from manual to nonmanual jobs is partially hidden in the class distributions shown in Figures 1 through 4 and Table 1. This is because these distributions are based on the male labor force, while the greatest growth of nonmanual employment has been among female workers.

REFERENCES


Late Industrialization and Class Formation in East Asia


