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INTRODUCTION

This chapter draws together the economic, political, social and cultural dimensions associated with social protection and governance and seeks to establish the dynamics of inclusion and exclusion in four East Asian societies. The research includes: the democratic, developmental states of Taiwan (the Republic of China, ROC) and South Korea; Hong Kong, a ‘neo-liberal market economy’ without full democracy and a special administrative region (SAR) of the People’s Republic of China, in the context of ‘one country, two systems’; and China, one of the most dynamic economies in the world since its transformation to ‘market socialism’ and export-led growth in the 1980s. Thus, all four societies have experienced substantial change relatively recently, with both continuity and transformation in social protection and governance practices and processes. Given the size of and variations within and between these four societies the empirical focus is on the cities of Beijing, Taipei and Seoul and the city-state of Hong Kong. The case study locations are not construed as isolated, impermeable locales, but as key sites of contestation in the formation of specific patterns of governance, welfare and inclusion, and in the context of urban, rural and regional differentiation. They represent a context through which to explore and integrate the contradictions, contrasts and dynamics of globalization, governance and social welfare as they have emerged in each society.

The chapter draws on research conducted between 2008 and 2009, and which involved undertaking a total of 56 qualitative interviews with key stakeholders across the four societies. In addition, eight focus groups with men and women of different age groups, and two migrant groups were conducted in each city. Where appropriate, direct quotes are drawn from the research.

The aim of this chapter is not to verify, falsify or extend the characterization or categorization of an ‘East Asian welfare model’ (Deyo, 1992;
Handbook on East Asian social policy

Jones, 1993; Ku, 1995, 1997; Goodman and Peng, 1996; Kwon, 1997, 1999; Goodman, White and Kwon, 1998; Holliday, 2000) but instead to extend the field of study and address the challenges and contradictions confronting the welfare systems in Asian countries, and how particular patterns of social protection interact with governance, social cohesion and well-being, particularly in relation to gender and status. It will demonstrate that the dynamics of inclusion and exclusion around gender and status are embedded within a wider context shaped by power relations, institutional arrangements and cultural norms and values which can in turn be linked with access to social protection, labour protection and social participation.

SHAPING SYSTEMS OF SOCIAL PROTECTION

Social protection is concerned with promoting security in the face of vulnerability, contingencies and insecurities. Social protection can come from a range of different sources, including the state, private sector, employer and family, and the forms of social protection required by individuals and households can vary significantly by gender and across the life-course. Narratives of neo-liberalism, new public management and residual welfare have been global discourses influencing both national and international policies for the last 30 years, and combined with the dynamics of domestic policies and responses to the Asian Financial Crisis have shaped social protection systems in all four societies. In the West in the 1980s, fundamental assumptions about national welfare states and social rights of citizenship were being discredited and renegotiated. As Kwon (1998: 27) argued in the 1990s, the East Asian experience was to be ‘distinctive, differing decisively from the Euro-American models current in social policy discourse’, with a much heavier reliance on traditional and informal social protection measures, with the family, neighbourhood and community playing a key role.

Dominant narratives of and approaches to social protection in East Asia have incorporated Confucian familism, whereby the family has been viewed as the main provider of social protection, and perceptions that the state role as a provider of social protection should be a limited one, with social policy subordinate to economic policy and growth (Cook and Kwon, 2007) (see also Chapters 10 and 11 of this volume). China, Taiwan and South Korea have a social protection framework consisting of social insurance and social assistance as core programmes. Contributory social insurance programmes have been, and continue to be, an important part of the social protection framework in Korea and Taiwan and, more
Social protection, governance, inclusion and exclusion

recently, in China, although there are many variations in terms of institutional structure, financing, access to and extent of provision, level of benefits, and prevalence and extent of co-funding, between (as well as within) these countries, as the remainder of this section will explore. Hong Kong has no social insurance system, and relies on the Comprehensive Social Security Assistance (CSSA) scheme to meet the basic needs of those who cannot support themselves financially (Hong Kong SAR Government, 2012). The Hong Kong government also provides a subsidized healthcare system and comprehensive housing provision. It has a relatively young pension fund, known as the Mandatory Provident Fund (MPF), which commenced operation on 1 December 2000 and replaced voluntary occupational schemes operating prior to 2000. The MPF is basically a compulsory retirement savings program with both the employer and the employee required by law to contribute 5 per cent of the employee’s salary (a combined rate of 10 per cent) into the scheme.

The foundations of the current Korean welfare regime were established during the 1960s, by the authoritative regime of Park Chung Hee, but remained minimal (Son, 2002), with social insurance and social welfare utilized as instruments of appeasement and legitimacy during this era. This soft power governance represented one element of the duality of the authoritarian South Korean state, with was indeed a ‘hard power state’ but which was also very aware of the ‘productivity of soft power’ (Ringen et al., 2011: 7). According to T. Kim et al. (2011), the Park regime (1963–79) ‘achieved a level of economic growth and reductions in poverty unmatched by authoritarian governments elsewhere in the 1960s and 1970s’ (p. 122), with GDP rising from 5.7 per cent in 1965 to 13.5 per cent in 1976, and the Gini coefficient falling from 0.45 in 1960 to 0.39 by 1980. This demonstrates that rather than social policy being peripheral or ‘a late result of economic advancement . . . from early on it was a core component in the mode of state governance’ (Ringen et al., 2011: 5). It was not until the Asian Financial Crisis that sufficient momentum for public revolt against the incumbent government was generated, political power was transferred to the opposition Kim Dae Jung administration (1998–2001) and social policy reform was introduced involving improved eligibility rules, universalized benefits, and expanded benefit levels, as well as the introduction of the National Basic Livelihood Security Act in 2000 as a key instrument in the fight against poverty (Kwon, 2003). The purpose of this nationwide programme is to secure the minimum level of living for the poor and help them to be self-reliant, the costs of which are shared between central and local governments. Whilst central government focuses on designing, planning and monitoring the programme, local government takes responsibility for implementation. Those eligible for assistance include those who
have no one to support them and whose recognized amount of income is less than the minimum cost of living. Individuals with the ability to work are required to participate in the self-support service as a conditionality of assistances, and there is a strong emphasis on training and capacity building (Kwon, 2013).

The substantial expansion of the institutional framework and coverage of social protection in South Korea since the 1990s, across social insurance programmes including the industrial accident insurance, national health insurance, national pension programme, employment insurance programme and long-term care insurance, the social assistance programme mentioned above and three public pension programmes (see Kwon, 2013), has been accompanied by an increase in public social spending as a proportion of GDP from 2.8 per cent in 1990 to an estimated 9 per cent in 2010. However, social expenditure remains the second lowest in the OECD area and below the OECD average of 22.2 per cent (OECD, 2011). As Kwon (forthcoming) explains:

the state did not provide funding for the welfare programmes, but enforced the rules, formal and informal, which regulated the payment of contributions for social benefits by companies and their employees. The social insurance programmes were operated by quasi-governmental agencies working at arm’s-length from the government but, not strictly speaking, as part of the government.

Between 1960 and the mid-1990s Korea stood out as one of the most equitable developing countries. More recently, the relative poverty rate doubled between 1996 and 2008, to 15 per cent, and the country has experienced one of the largest increases in wage dispersion among OECD countries. The basic livelihood security programme (BLSP) is provided to only 3 per cent of the population, which can partly be attributed to the extremely strict eligibility criteria. As mentioned above it is administered by local government, which must cover between 10 and 60 per cent of the costs, which presents a substantial financial burden for local government. According to the OECD (2011: 100), BLSP is not provided as a right, but is instead ‘dependent on local government finances’.

In Taiwan, after the lifting of the Martial Law (1949–87), a process of democratization unfolded in the 1980s and it became possible for NGOs and civil society to develop and extend their role and influence. The period from 1993 to 2003 has been characterized as the ‘golden ten years of social welfare’ in Taiwan, with substantial social development taking place, particularly in relation to social policy. With regard to social protection the core of Taiwan’s social insurance programme includes national health insurance, employment insurance, labour insurance, the new labour
pension system, and national annuity pension insurance. Farmers and workers in government departments and the military are entitled to a range of other social insurance programmes. A range of assistances and subsidies, both cash and non-cash, is provided to low-income individuals and families to support basic living needs, health, housing, education and employment, but the provision varies between different areas. Taipei City has one of the most extensive social assistance programmes, which includes living assistance, medical assistance and subsidy for national health insurance premiums, low-income housing, subsidy for tuition and transport fees for students, and vocational guidance programmes. Emphasis on family responsibility has required that all incomes of related family members, including spouse, stem family members, siblings living together and those who are included in the same income tax return, were calculated as part of the total family income of the benefit applicant, even if there were no intra-family transfers (Cheng, Chen and Leo, 2007). Thus, the Public Assistance Act has traditionally provided income only to very low-income households. In 2010 parts of the articles of the Act were amended, and implemented in 2011. The amendments have included a lowering of the threshold for eligibility, a reinterpretation of ‘low income’, and a relaxing of the scope of means testing to exclude brothers and sisters. There has also been greater emphasis placed on workfare, skills and training, and the notion of building human capital (MOI, 2011).

Hong Kong SAR has often been characterized as a world city integrated into the global economy relatively early and as an ‘administrative state’ and ‘small city-state’ (Chiu, Ho and Lui, 1997). Its spectacular post-war economic growth ensured its ranking among the first-tier East Asian newly industrialized economies. Hong Kong has never been an independent polity, becoming a British colony in 1842, a status that was to last until the signing of the Sino-British Joint Declaration in 1984. The People’s Republic of China resumed the exercise of sovereignty over Hong Kong from 1 July 1997, in accordance with the ‘one country, two systems’ principle, with policies stipulated in the Hong Kong Basic Law. While it is part of the People’s Republic of China and under the authority of the Chinese government, under the ‘one country, two systems’ arrangement Hong Kong enjoys a high degree of autonomy.

The recognition of social welfare as a social right is not well established in Hong Kong. The British colonial administration focused on residual welfare and family support, a trend that continues today. Following the imperatives of economic expansion, the maintenance of social order and the creation and maintenance of legitimacy, the emphasis was on charity and benevolence (Tang, 2011). The top-down suppression of citizenship rights in Hong Kong prior to the 1960s contributed to serious
social conflict and popular unrest. Whilst welfare expenditure in this era remained low compared with that of welfare states in America and Europe, there were some major improvements in welfare services, particularly in the areas of housing, health and education. Assistance until then had been in the form of food or free medical services, so the decision for cash benefits was a turning point, and the 1970s have been characterized as the golden era for social policy development in Hong Kong (Ramesh, 2004: 39). The CSSA scheme was designed to bring the income of benefit recipients up to a prescribed level to meet citizens’ basic needs. The CSSA in Hong Kong is the main programme for social protection in that it provides a safety net for those who cannot support themselves financially. However, as with social assistance systems in all the societies in this study, the CSSA is a stringently means-tested programme and the applicant is required to pass both the income and the assets test.

Before 1979 China could be characterized as a state socialist society with distinctive patterns of large-scale state, collective and enterprise provision of social programmes operating in both urban and rural areas (Wong, 1998). The two pillars of social security were represented by communes and work units. In the 1950s the nationalization of business and industry was accompanied by land reform that redistributed 117 million acres of arable land to 300 million farmers. Equality was to be achieved through the nationalization of private property, a centrally planned economy and, in rural areas, the Resolution on the Establishment of the People’s Communes in Rural Areas in 1958. The commune was a highly centralized, unified and egalitarian system of management and distribution, promoting development of township and village enterprises, as well as providing jobs, income and social security for the vast majority of the rural population. The Five Guarantees provided a residual safety net for the poorest rural residents, but benefits were extremely low and numbers of recipients were small (Wong, 1998; Walker and Wong, 2005; C. Chan, Ngok and Phillips, 2008). In urban areas the state-owned work unit system provided the institutional framework for the range of state-provided social welfare on a non-contributory basis, including guaranteed lifetime employment, provision of a basis wage, housing, pension, education and childcare. Pre-reform-era China could be characterized as a society of low-income equality, where people were ‘poor but equal’ (Lu, 2001–02), with its social protection framework corresponding with its planned economic system. With the transformation of the state sector, the profound drive towards privatization measures since the 1970s, stepped up since the 1990s, and the increased use of market mechanisms, the relationship between citizen and state has been transformed in China, as have the institutions, processes and practices of governance. The two pillars of social security have
deteriorated following the introduction of the household responsibility system, through which individuals rather than the collective could take responsibility for cultivating their land, as well as selling surpluses on the open market, and the reform of state-owned enterprises (SOEs). Reforms since 1978 have progressively dismantled controls on migration and job allocation, with workers in urban areas able to seek employment in state or newly recognized private enterprises. At the same time, enterprises were given rights to directly recruit workers and to adjust their wages through bonuses and piece-rate systems. By the mid-1980s, fixed-term contracts were introduced for new recruits. The number of SOEs has decreased from 118,000 in 1995 to 50,000 in 2005, accompanied by a decrease in the numbers employed in these sectors from ‘a peak of 145 million or 80% of total urban employment in 1995 to about 75 million or 30% of total urban employment in 2005’ (Vodopivec and Tong, 2008: 2). The vast majority of laid-off workers (approximately 80–90 per cent) from the state sector have found employment in the private sector (Vodopivec and Tong, 2008).

Whilst China is constitutionally a unitary state, with the State Council overseeing the various levels of government in the province particularly in the field of social policy, extensive decentralization of policy implementation has given local governments a large amount of effective autonomy. There is no national social security law, with reforms generally guided by administrative regulations and rules rather than hard law, currently the 1999 Regulations on Unemployment Insurance (State Council Ordinance no. 258-99), although a new social security law has recently been issued for consultation (OECD, 2010). Since the mid-1980s, a series of social security reforms have been introduced, with the central and local governments sharing specific responsibilities. China’s system of social protection includes five mandatory contributory social insurances schemes covering pensions, sickness, maternity, work injuries and unemployment, as well as contributions to a housing provident fund. Expansion has continued to include two new pension schemes; however, the level of benefits for these schemes remains at a very low level.

Unemployment insurance, first introduced in 1986 (Interim Provisions on Workers’ Job-Waiting Insurance in State-Owned Enterprises), was initially designed to support economic reforms, and covered only the SOE sector and those workers displaced by the end of lifetime employment and restructuring. Although coverage, participation and benefit payment levels have increased, especially since the adoption of the Labour Law in 1994 and introduction of minimum wage legislation against which benefit levels are now calculated, Vodopivec and Tong (2008) estimate that less than half of the targeted population of urban workers is covered, with coverage more prevalent amongst the better-off. The programme provides
only modest levels of income protection for recipients, although higher than the social assistance programme. Labour laws were strengthened in 2008, encouraging adherence by employers to basic employment rights such as the more systematic use of contracts of employment, greater compliance with the minimum wage, social security legislation and hours worked.

The urban Minimum Living Standard Scheme (MLSS) is a means-tested social assistance programme which aims to provide minimum living standards for poor and vulnerable households. It was first piloted in Shanghai, and the Ministry of Civil Affairs encouraged other large cities to adopt the programme, with Beijing implementing the MLSS in 1995; more recently the system has been extended to rural areas. In urban areas the MLSS provides basic assistance to persons with urban household registration whose household per capita income is lower than the local minimum living standard line. While benefits have risen annually, they remain low and at subsistence level, covering only the very basic needs of food and clothing without taking account of housing costs (Leung, 2006). According to the OECD (2010: 135), ‘the benefit provided by this programme amounts to just 10 per cent of local per capita income’. They also highlight errors in allocation, with 40 per cent of recipients not entitled, and 61 per cent of those who are entitled to it failing to receive it (OECD, 2010: 136–7).

GENDER, CITIZENSHIP AND SOCIAL PROTECTION

As the constellations of social protection have developed in each society, so have there been gains and improvement in the status of women and moves towards gender equality in the four societies, as well as changes in gender norm roles, particularly amongst younger, well-educated cohorts, in the ways that men and women interact, and a renegotiation of the overall work burden within both the reproductive and the productive economies. There has been a substantial improvement in human development indicators for women (UNDP, 2010) and a growing number of women living independently, having fewer children, later in life, and participating in the labour market in growing numbers. However, it is clear that gender continues to figure heavily in the extent to which men and women are assigned the same or different rights (Kennett, 2001). Jenson (1989: 239) explains that ‘Every paradigm contains a view of human nature, a definition of basic and proper forms of hierarchy, and specification of relations among institutions as well as stipulation of the role of such institutions.’ In East Asian societies, Confucian gender and traditional family hierarchies prevail. According to Pascall and Sung (2007: 4), ‘the Confucian influence
on women’s position in society can be best represented with the virtue of three obediences: to the father, husband and the son’, women’s exit from the family upon marriage, and the key role of the family in the Confucian social order (also see Chapter 13 of this volume). However, the influence of these values and attitudes have been institutionalized and utilized by country governments in a variety of ways within the different historical, political, institutional and policy contexts of East Asian societies in this study, with different implications for men and women, and between different groups of women. Whilst there has been a shift away from traditional beliefs about gender roles in many East Asian societies (Ui and Matsui, 2008; Tompkins, 2011), nevertheless they remain a key factor in influencing the gendered identities of both men and women.

According to Thakur, Arnold and Johnson (2010: 167), ‘social protection systems are rarely gender neutral, and a poorly designed programme can exacerbate or contribute to inequalities’. Modes of social policy development in all four societies in this study can be characterized by systems of social protection which continue to rely heavily on traditional and informal social protection measures, in which the family (mainly women) play a key role as social protection providers at the household, extended family and community levels, and in which access for formal social protection is, for the most part, based on labour market participation. The societies investigated in this research include China, which has one of the highest rates of women’s labour market participation in the region. Patterns of women’s labour market participation have, to a large extent, mirrored those of men’s, although there is an earlier departure from the labour market as a result of retirement. However, there is growing concern in relation to increasing inequality between men and women, sexual exploitation and violation of women (e.g. prostitution, abduction), and domestic violence. Women are increasingly likely to be paid less than men for the same work, and are less likely to be part of a social insurance scheme. In addition, women’s enrolment and political participation in the Chinese Communist Party and its various institutions are low compared to men’s. As Guo and Zheng (2008) argue, ‘many laws and policies associated with women’s participation are formalistic and largely symbolic’, barely exerting any concerted policy pressure on the male-dominated Party and government organizations. Responses to social change have lagged behind, and the implications for women have not been fully recognized or addressed. Whilst in China gender equality had a high profile in the pre-reform era, the status of women is a particular area that has been detrimentally affected as a result of economic transition.

In Taiwan, South Korea and Hong Kong the labour market participation rate of women is much lower than in China and, once in the labour
market, women in these societies continue to experience horizontal segregation, with women overrepresented in the five Cs – caring, catering, cleaning, clerical and cashiering (ILO, 2008). However, a key factor is the nature and participation for different groups of women, particularly for never-married women and women with young children. For example, in Hong Kong SAR, for never-married women the percentage participating in the labour market was 67.5 per cent, whilst for married women it was 46 per cent (Hong Kong SAR Government, 2010). The traditional ‘M’-shaped employment pattern, whereby women’s participation rates drop during their most productive years and rise again as women re-enter the labour market, has become less pronounced in Taiwan and Hong Kong SAR, where there is increasing continuity across the life-course, leading to an inverse ‘U’-shaped employment pattern, but it is still clearly evident in Korea. Commenting on the tensions and difficulties facing women in terms of labour market participation, and expectations and norms regarding caring responsibilities, a respondent from the Ministry of Gender Equality in Seoul participating in our research observed that: ‘[a] hierarchy exists and women find it difficult to be a middle-levelled executive as they are obliged to raise a child. They think they should try their best in raising their child rather than having a career. . . . We cannot achieve gender equality if women don’t work.’ Similarly, a respondent from a prominent social welfare non-governmental organization explained: ‘Korea has a long history influenced by Confucianism. It is very difficult to make policy for women and to make jobs for women . . . people take a negative stance on working women.’

While a substantial range of policies and institutional frameworks has been established and expanded to promote social protection and empowerment for women, particularly in Taiwan and South Korea, gender inequalities remain and are indeed perpetuated by the models and instruments of social protection, as well as the ineffective implementation of polices, perpetuation of cultural norms, male-centred organizational practices and culture (Kim, 2008), market reforms and intense competition as a result of the recent global financial crisis.

MOBILITY, CITIZENSHIP AND SOCIAL POLICY

The following discussion focuses on the interaction of governance and social protection and the dynamics of inclusion and exclusion for various low-income migrant groups in Beijing, Hong Kong, Seoul and Taipei. The discussion includes internal migrants in Beijing and Hong Kong, and international migrants in Taipei and Seoul.
New immigrants to Hong Kong from the Mainland and rural-urban migrants in Beijing can be identified as ‘internal migrants’ where the migratory movement and residence are within the national boundary of the People’s Republic of China; hence they share broadly the same citizenship, national identity and historical cultural bonds as local Chinese citizens. Whilst citizenship rights entail equal social security protection for all citizens, institutional arrangements such as the one-way permit and residence requirements in Hong Kong and the household registration system in China often limit the opportunities and citizenship status of these internal migrants.

In Mainland China, economic growth created more employment opportunities in urban areas and, as a consequence, the rural-urban migrant worker population has expanded significantly, increasing from approximately 30 million in 1989 to more than 140 million in 2008 (Scheineson, 2009). In 2006 Beijing had a population of approximately 15.4 million, and about one-third of the total population were migrant workers. Despite being citizens of the same nation and accounting for a large percentage of the urban labour force, China’s internal rural migrant workers face major inequalities and exclusion in the cities, particularly in the context of China’s two-tiered hukou [household registration] system. Whilst there have been reforms since it was instituted in the 1950s, the hukou system continues to categorize Chinese citizens into ‘urban’ and ‘non-urban’ status. According to Zhu (2003: 556), ‘the Chinese government developed perhaps the strictest set of controls over the movement of the population of any State in the world’. National and local authorities have gradually eased restrictions on obtaining urban residence permits, allowing most citizens to move within the country to work and live. However, while changes have been made, recent reforms still contain stringent requirements that treat rural migrants as second-class citizens, depriving them of their entitlement to basic welfare and government-provided services (Liu, 2002; Wu, 2002; Hong et al., 2006; Ye, 2009) enjoyed by urban residents.

Since the Second World War, Hong Kong has had various forms of control to manage the number of migrants arriving from the Mainland. Prior to this, there was essentially no control on the immigration of Chinese citizens to Hong Kong. Between the 1960s and 1980s, immigration from the Mainland to Hong Kong was mainly illegal, and obtaining an exit permit was extremely difficult, as large waves of people were fleeing economic hardship and political turmoil. The touch-base policy whereby illegal immigrants from Mainland China who reached the urban areas of Hong Kong were allowed to stay was abandoned in 1980. In 1979 alone, more than 100000 illegal immigrants safely reached the urban area, with nearly as many arrested and repatriated (Bacon-Shone, Lam and Yip,
Although Hong Kong has had intimate links with China as a result of many decades of border crossing by their populations, attitudes emerged during the 1980s that centred on discrimination towards Mainland immigrants. Many locals in Hong Kong’s urban society perceived the new migrants as rural, bad-mannered and poverty-stricken (Siu, 2005).

In the 1990s another wave of new immigrants under the one-way permit scheme occurred, which consisted mainly of unskilled dependent women and children. Often, they were the spouses of certain categories of Hong Kong residents – the once-illegal immigrants granted residence during the early 1980s and older low-income working men who were increasingly involved in cross-border marriages. According to the Hong Kong SAR Government (2008), marriages by male Hong Kong residents registered in Hong Kong which involved Mainland women increased around 23 times from 703 in 1986 to 15,978 in 2007, and there was also a gradual increase of Hong Kong women marrying Mainland men. Recent reports indicate that 35 per cent of marriages registered in Hong Kong involve a spouse from Mainland China (Lau, 2007).

For skilled workers and professionals there are a number of employment channels and government schemes through which they can migrate to Hong Kong. One particular programme is the Admission Scheme for Mainland Talents and Professionals, which came into effect in 2003 and which has no set quota or employment restrictions, and the spouse and unmarried dependent children may be admitted with the applicant to stay in Hong Kong. Furthermore, the candidate may apply for right of abode in Hong Kong after seven years’ continuous ordinary residence. As at the end of 2007, 20,230 Mainland talents and professionals had been admitted under the scheme (Immigration Department of Hong Kong SAR, 2009).

The treatment of Mainland spouses and dependent children under the one-way permit scheme is clearly different to the treatment of spouses and dependent children of skilled professionals. While the government’s agreed human rights obligations involve facilitating ‘family reunification at a rate that Hong Kong’s economic and social infrastructure can absorb without excessive strain’, the one-way permit scheme and policies targeted at new immigrants have been justified in terms of excessive economic and social strain (Bacon-Shone, Lam and Yip, 2008: 3). This in effect has created not only a barrier for social cohesion and integration but also a physical barrier preventing Chinese citizens from family reunion.

In both Hong Kong and Beijing, government regulations have created a barrier preventing certain groups from receiving social security services on an equal basis with local permanent residents. Prior to 2004, Hong Kong permanent residents and new immigrants shared the same residence requirements for the CSSA. The condition which now applies only to
Hong Kong permanent residents is to have continuously lived in Hong Kong for at least one year immediately before the date of application without being absent for more than 56 days during the one-year period.

From 2004, as a result of the government’s report of the Task Force on Population Policy in 2003, which pointed to the need to ensure a rational basis on which to allocate Hong Kong’s social resources, new immigrants are not eligible for the CSSA until they have resided in Hong Kong for over seven years, except in exceptional circumstances. In addition to income and asset limits, at the time of allocation of public rental housing and other housing schemes, at least half of the family members (children excluded) included in the application must have lived in Hong Kong for seven years. In effect, families of new immigrants who are Hong Kong permanent residents are disadvantaged, as the regulation restricts them from the allocation of public housing in their first seven years of arrival.

In Beijing, similar to the situation for new arrivals in Hong Kong, rural–urban migrants often face institutional barriers that are not experienced by local residents. One example is their restricted access to the MLSS. Similar to the CSSA, it is the major social assistance programme which provides a safety net ensuring minimum living standards for poor and vulnerable households in the urban areas (Chen and Barrientos, 2006). Eligibility for assistance under the MLSS extends to all urban households, based on the hukou system, with a per capita income below the locally set poverty line. The provision of welfare is therefore exclusively to households with urban registration status; thus non-registered migrants are explicitly excluded from entitlement through the MLSS.

In China, contributions to the five types of social insurances and the housing provident fund are mandatory for all workers under labour contracts, including migrant workers. However, the typically informal nature of many migrants’ employment means that they are often not covered by these insurances. The majority of migrants are highly mobile and poorly educated, and often in low-skilled short-term employment without the benefit of labour contracts. A 2005 UN Development Programme report estimates that fewer than 5 per cent of migrant workers receive full or partial pension insurance (Scheineson, 2009). And, according to a respondent in Beijing involved with this study and working for an NGO focusing on the welfare of rural women, less than half of the migrant population are actually contributing to the five insurances. Recent efforts have been made to improve the legal protection of migrant workers. In 2007, the National People’s Congress adopted a new Labour Contract Law requiring all employment contracts to be put in writing within one month of employment and that employers must fully inform the worker of the nature of the job, working conditions and compensation. Furthermore, it seeks to limit
abusive practices by eliminating short-term contracts. However, according to a World Health Organization report, its enforcement has not been very effective (Cui, 2010).

As demonstrated earlier, there is a significant divide between rural and urban citizens in Beijing as a result of the regulations of the hukou system. While official Chinese press statements portray recent hukou reforms as eliminating discrimination in the household registration system, in reality, as Chan and Buckingham (2008: 604) suggest, ‘the hukou, directly and indirectly, continues to be a major wall in preventing China’s rural population from settling in the city and in maintaining the rural–urban apartheid’. These regulations have created a barrier preventing many households from receiving social protection on an equal basis with their urban counterparts (see also Chapter 19 of this volume).

In South Korea and Taiwan, because of labour shortages in certain segments of the economy since the 1980s, there has been an increasing demand to import international workers into the country. The governments have utilized several labour-importing schemes since the early 1990s to both secure and control lower-skilled international workers, who now constitute an indispensable part of the Taiwanese and Korean workforce. The entry of blue-collar international workers is governed by strict sets of migration and employment policies. Because the employment is officially and strictly temporary, blue-collar migrant workers in both South Korea and Taiwan are tied to one specific employer and sector and are prevented from permanent settlement in the host country. A high proportion of international workers come from South-East Asia, including countries like Indonesia, Thailand, the Philippines and Vietnam.

The migration and employment policies in South Korea have undergone significant changes since 1991 when the government implemented the industrial technical trainee programme (ITTP) for small and medium-sized businesses in order to absorb unskilled international workers. Until 2001, when the law was finally extended to migrant workers, the imported international workers would enter Korea as ‘trainees’ not as a ‘workers’ and thus were excluded from basic workers’ rights under the Labour Standards Law and the social insurance system. The ITTP was criticized as a ‘modern slavery system’ by an NGO focused on migrants’ rights and welfare involved in our study, and migrant workers under the ITTP were not allowed to join or form labour unions. Whilst their visa status was ‘trainee’, they were often involved in factory work without training, could be laid off without payment, received much less than the minimum wage and worked extremely long hours (Seol, 2000; Kim, 2004). With concerns growing regarding the social rights of migrant workers, and the increasing numbers of people working illegally, combined with a growing
labour shortage, the trainee system underwent several amendments before it finally allowed trainees to work under the status of ‘wage labour’ upon completion of a period of training.

The current employment permit system (EPS) in South Korea was implemented in 2004 to ultimately replace the problematic ITTP. Under the EPS foreign workers are restricted to working in the industries of manufacturing, construction, agriculture, stockbreeding, fishing and service. They are only allowed to be employed for a maximum of three years, and the accumulated duration of employment in South Korea cannot exceed a maximum of six years. The system to re-hire international workers is part of the new system to curb illegal employment. Nevertheless, while the numbers of illegal workers have remained steady since the implementation of the EPS, there are still many international workers employed illegally in small companies or sweat-shops, in the entertainment industry and in more illicit trades such as prostitution. Figures from the Ministry of Labour indicate that the official number of migrants staying illegally in South Korea in 2008 was 200 489, and they accounted for 17.3 per cent of all the 1.1 million migrants residing in the country.

In Taiwan, blue-collar international workers are in general allowed to work only for a maximum of two years, although employers may apply for an extension of no more than one year upon expiration of the contract, and the accumulated duration of employment in Taiwan cannot exceed a maximum of an accumulated nine years. Similar to the case in South Korea, international workers in Taiwan can work only in limited industries, and different rules and regulations govern admissions of each type of worker. There are two main categories of workers: 1) international labourers for industries including manufacturing, construction and fishing crew; and 2) workers in welfare services, including domestic helpers and caretakers, where the majority is made up of female workers. The biggest concentration of international workers is in manufacturing and caretaking. In terms of gender, 61.29 per cent are female (225 017 workers) and 38.71 per cent are male (142 102 workers). According to the Council of Labour Affairs, in March 2008, the number of international workers in Taiwan reached 365 229. In Taipei City, international workers engage mostly in female-concentrated domestic and care work, as there are relatively fewer factories located in the city. However, the distinction between these two categories is often unclear, so that women may be hired to do one job but actually work as both domestics and care workers although they have entered the country on a care work contract (Loveband, 2004).

In South Korea, the Minimum Wage Act covers all the employees as defined in the Labour Standards Act, regardless of their employment status or nationality. According to the Ministry of Labour (MOL, 2008),
international workers are also protected by the national social insurance system, where contributions to health insurance and industrial accident compensation insurance are mandatory, employment insurance is voluntary and national insurance is reciprocal. In addition, under this EPS, migrant workers and their employers have to purchase the four major insurances of the employment permit system, namely departure guarantee insurance, guarantee insurance, return cost insurance and casualty insurance. In Taiwan employers are required to register international labourers in their company for labour insurance and national health insurance (NHI).

However, in both South Korea and Taiwan, domestic workers are not covered by the Labour Standards Acts and national social insurance system. In addition, illegal international workers in both countries who have no valid working permits are not protected by the labour laws, nor are they covered by the national insurance systems or other social protection benefits (Seol, 2000; Kim, 2004). Since 1993, in South Korea, they have been covered by the industrial accident compensation insurance, which includes bottom-line protection of human rights, although employers do not pay insurance fees for them.

At a policy level, international labourers (excluding international domestic workers) legally residing in Taiwan and Korea enjoy the same protections under the labour laws as the local citizens. In both cities, the labour contract offers non-discrimination and legitimate protection in minimum wages, working hours, overtime payments and working conditions. However, in reality there are many violations. In Seoul and Taipei, migrant workers similarly expressed the view that, whilst these policies are generally practised in large companies, there are many employers of small companies who continue to breach the law. According to one prominent NGO involved with international workers in Taiwan, the issue for migrant workers is that when ‘[employers] don’t implement their contract . . . no worker will go through the courts to fight for one day off. I mean it’s impossible for them.’ In Taipei, many migrant workers are receiving less than the minimum wage because labour insurance, NHI and other migrant worker fees (e.g. broker fees) are deducted from their salary. In Seoul, while illegal international workers are covered by the industrial accident compensation insurance, because they could be deported if they request treatment following an accident the effectiveness of this measure is problematic. Domestic workers and care workers employed by a private individual in Korea and Taiwan are not covered by the labour laws. Labour conditions and rights are subject to the individual employment contract agreed upon between the worker and the employer. Such regulations have unfortunately forced many international workers
to enter into unfavourable contracts with employers. An NGO involved with the rights and well-being of international migrants also pointed out that labourers can often work up to 14- to 18-hour days without overtime or days off. As Hewison (2004)'s study on Thai migrant workers in Hong Kong highlights, similar to domestic workers in Korea and Taiwan, they too are exploited in their work hours and ‘[d]iscrimination against foreigners and especially Southeast Asian domestic workers is relatively common’ (329).

CONCLUSION

This chapter has demonstrated the institutional context of constellations of social protection and governance and the various channels, both formal and informal, through which inclusion and exclusion are either promoted or diminished. It seeks to demonstrate that constellations of social protection are translated within specific national and local contexts and are mediated by institutional structures, norms and practices, as well as power relations between and within states, and between men and women. Dimensions of gender, status (place and length of residence, political elites and local cadres), class and ethnicity, as well as type of employer, are dynamics which mediate and shape access to social protection. These factors combine to impact on the inclusion–exclusion dynamic, with individuals’ status linked to patterns of disparity in terms of their access to welfare services, labour rights and social participation, affecting both their quality of life and the equity and cohesion of society as a whole.

The societies covered in this chapter face many common challenges which have serious implications for men and women, and sustainable development as a whole, such as an ageing population (the majority of whom are women), declining fertility rates, the changing nature of households, rising divorce rates and separation, increasing income inequality, and continuing gender inequality (in spite of regulatory measures to eliminate gender discrimination). Constellations of social and labour protection for migrant workers vary across the cases in our study, but evident across all societies is their unequal and inferior access to social rights compared to local citizens, a situation sedimented and perpetuated by discriminatory and stigmatizing discourses. In the context of increasing inequality (particularly in Hong Kong and China), social division and fragmentation, as well as changing family forms, economic slowdown and rising unemployment, the ability of governments to rely on existing constellations of social protection seems questionable.
NOTES

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2. In Taiwan the current countries granted export of blue-collar workers are Thailand, Indonesia, Malaysia, Vietnam and Mongolia. Statistics of each source country were as follows as of the end of April 2008: Indonesia with 123,524 workers was the highest group working in Taiwan, followed by Thailand’s 86,059 and the Philippines’ 85,296. In terms of gender, 61.29 per cent were female, or 225,017 workers, while 38.71 per cent were male, or 142,102 workers (CLA, 2010).

3. However, ethnic Koreans from China are entitled to use the working visit (H-2) visa, where the conditions are much looser than those of the EPS. For example, there are more permitted occupations and the visa is valid for up to five years.

4. They are allowed to work only for two years in the following industries: oceanic fishing, manufacturing, construction, domestic work, family nursing and institutional nursing.

5. In special circumstances, the employers may apply for an additional extension of a maximum length of six months.


7. According to the reciprocity principle, this is applicable only to those foreign workers who are from countries where national pension mandatorily applies to foreigners.

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