

## Introduction

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### Sequential Social Changes?

Since the Second World War, Japan, South Korea, and China have experienced an interesting combination of sequential social changes. It was Japan that first boosted fast economic growth. The country's real growth rate was already close to ten percent annum in the second half of the 1950s and remained double digit throughout the 1960s. Then came South Korea with its GDP growth above or around 10 percent for most of the 1970s and 1980s. China's growth also jumped up in the 1980s but was strongest during the 1990s. Japan's recession started in 1991 with the burst of its asset price bubble, continuing into the lost twenty years and perhaps more. South Korea also began to recede after 1997 when the Asian Financial Crisis hit the country hard. China is beginning to show some signs of economic slowdown since the Global Financial Crisis of 2008. In other words, these countries have come through the phases of industrialization and deindustrialization in a sequential manner. Of course we do not believe in unilinear evolutionary stages of social change among these countries. However, there is no denying that Japan, South Korea, and China have experienced a sequential social change in this respect.

It is not only economic boom and burst these countries have experienced sequentially. Urbanization is another such area. Population living in urban areas already reached 80 percent for Japan in 1980. The same for South Korea happened in 2000. China is predicted to reach the same degree of urbanization at around 2050. Japan's share of elderly population aged 65 and above is now over 25 percent and was already 12.1 percent back in 1990. South Korea, with its fastest speed of ageing in the world, could beat Japan's

1990 level of ageing with 12.7 percent only in 2014. China is also catching up fast with 10.6 percent in 2014. The industrial sectors in Japan and Korea now account for only a quarter of the total employment (25.8% for Japan and 24.4% for Korea in 2013), while they once explained about 35 percent in the mid-1990s. It is now service sectors that explain 70 percent of employment in both countries. As of 2013, Chinese industrial sectors were responsible for 30.1 percent of total employment which might look not very different from roughly 25 percent for Japan and Korea. However, unlike the other two countries, the share of employment by industrial sectors in China has been on the constant increase from 18.2 percent in 1980 to 30.1 percent in 2013. What is happening in China in terms of employment composition is similar to what we witnessed in Japan and Korea until the 1980s: the simultaneous growth of employment in both industry and services.

Why have the three countries experienced sequential social changes in certain areas? Lying behind these common but lagged experiences are macro trends such as industrialization, de-industrialization, population ageing, and globalization. In this sense we are riding in different compartments of the same train. However, these macro trends may be experienced differently in the daily lives of citizens in three countries. Although the three countries may look in different stages of *historical time* (Gerschenkron 1962), they are living in a contemporaneous world in *physical time*. Becoming a middle class member is largely determined by industrialization and urbanization in China. Remaining in the shrinking middle class has now become a matter of surviving de-industrialization and globalization in Japan and Korea. A Gallup survey conducted in 1989 reported that as high as 75 percent of Koreans believed that they belonged to the middle class. A similar survey conducted by the Korean Sociological Association in 2013 shows that only 20.2 percent of Koreans believe that they belong to the middle class (Yee 2014). Japan once boasted a “general middle-class society” where all 100 million Japanese were thought to belong to the middle class (Chiavacci 2008). Now Japan is diagnosed a divided society where success is determined by which hospital a person is born in (Sato 2000). Of course this coming-back of inequality is not limited to Korea and Japan because it is affected by industrial structure and factors related to globalization such as international financial flows and migration (Alderson and Nielsen 2002).

## Urbanization and Class Structuration in Industrializing China

The five articles in this special issue delineates how these macro trends are experienced differently in micro lives of people in Japan, South Korea, and China. Zhang and Yao come up with an interesting survey data of three most affluent cities – Beijing, Shanghai, and Guangzhou – conducted in 2014/15. In this era of globally shrinking middle class and increasing inequality, China explains the largest share of the middle class increase in the world. In the first decade of the 21st century, more than 200 million people attained middle income status in China alone, now explaining some 25.9 percent of all such population in the whole world. The growth has been with a remarkable speed. The share of Chinese population living on or above the middle income criterion<sup>1</sup> was 3 percent in 2001 but is now 18 percent in 2011 (Kochhar 2015). With this kind of fast middle class bulge, macro trends such as industrialization and urbanization must have their impact felt in the daily lives of Chinese people.

For Zhang and Yao, *marketization* and *market capacity* are the terms that capture these macro trends. These terms might sound unfamiliar to the readers of Japan, Korea, or elsewhere who were born in a market society. But do not forget that China has been on the constant process of reform and opening since 1978. Market is still something to be introduced. Readers who are not China experts will be surprised to learn that Chinese government even publishes an index of marketization according to which all the provinces in the country are measured and scored (Fan, Wang and Zhu 2011). Marketization is measured in three respects: timing of entry to the labor market, sectoral characteristics of the industry, and how much a certain region is ‘marketized’ by the government index introduced above. Market capacity – the capacity with which one can compete in the market – is in other words human capital measured by the level of education. Following Li’s well-known proposal that education, expertise, and market are the determinants of entry to the middle class (Li 2015), the authors examine the empirical validity of this claim using data from the three Chinese megacities.

Education turns out to play a dominant role in entry to the middle class. This is contrasted to the recent experiences of Japan and South Korea where

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<sup>1</sup> The middle income criterion used in this research is 10 US dollars daily, which means the term “middle income” population does not necessarily correspond to the “middle class” which can be defined in various ways.

returns to higher education in terms of upward social mobility have significantly decreased. Again, education in an industrializing society may be linked to upward social mobility, while it might not provide such opportunities in de-industrializing societies where middle income jobs simply disappear no matter how well the job-seekers are educated (Autor 2011; Goos, Manning, and Salomons 2009). Zhang and Yao also find that qualitative inequality – hierarchy within the same level of education – also exists, an indication that the expansion of higher education has come quite a long way at least in the labor markets of these megacities. More interesting is the changed influence of sectoral characteristics in terms of entry to the middle class. China's marketization has come a long way such that employment in state-owned enterprises no longer has a competitive edge compared to non-state-owned ones. Market is increasingly replacing the state hierarchy as a major mechanism of resource distribution. Instead, employment in monopoly sectors provides better chances of getting in the middle class. With industrialization, market constraints are replacing inefficiencies originating from the state hierarchy. Predictably enough, the more marketized the region is, the higher chances of joining the middle class exist for the residents. In fact, it is widely acknowledged that *hukou* – the urban household registration system – is one of the major sources of inequality in China (Liu 2005). Those with urban *hukou* fare much better simply because they have access to the city.

This kind of fast and significant class structuration should have not just economic but major societal impacts, a part of which is dealt with in Chen's article. Because Chen uses the same data with Zhang and Yao, it gives completely comparable results. Employing ordinal logit models, she shows that self-reported health in the three megacities of China is in large part affected by class position, which might be an expected result. What is more interesting is the strong association among self-reported health, social capital, and the perception of fairness. Unlike most other researchers focusing on the rise of the middle class and urban-rural disparity in China, Chen suggests that we view the Chinese middle class as a collection of heterogeneous subgroups. The analysis shows that the health outcomes are not just medical problems. Because it is strongly associated with the perception of fairness of the society, it can be easily linked to political concerns. This observation instantly reminds us of the "harmonious society" policy adopted since the times of Hu Jintao and Wen Jiabao (Li, Sato and Sicular 2013). Fast-growing economies such as China provide a fertile soil to breed the emotion that some people feel that they lack some valuable resources that they think they are

entitled to have (Gurr 1970). When compared to others who do have those resources – a feeling of unfairness – , such emotion can lead to social movements and political turmoil, a political consequence of fast growth Chinese government has wanted to avoid for more than a decade. The link between health and fairness perception seems to give a warning that this might happen in the area of public health. However, Chen also comes up with a policy prescription. She has another statistical association between social capital and health. Policies that invest in the boosting of social capital at the individual and community levels might lessen the potential negative side-effect of growth.

## Deindustrialization, Ageing and the Changing Urban Landscape

Imagine we are in an unfamiliar city. Having a road atlas helps a lot navigate the city. If so, what about a social atlas to understand the society? This is what Asakawa does for readers who want to understand Tokyo over the period from 1990 to 2010. Taking Tokyo Station as the cardinal point, the area within 60km radius is included in his analysis. In terms of administrative units, it includes the City of Tokyo and four prefectures of Kanagawa-ken, Saitama-ken, Chiba-ken, and Ibaraki-ken. Fourteen indices selected for analysis largely measure population age structure, employment and occupation, education, real estate, and transportation for each grid (1Km by 1Km area) for years 1990, 2000, and 2010. This is a good collection of indices for readers of this special issue because we can have a guided tour of Tokyo Metropolitan Area with a focus on the effects of macro trends such as ageing and de-industrialization for an extended period of 30 years. Although Asakawa's socio-spatial analysis is quite different from, for instance, the class analysis conducted by Zhang and Yao or Chen, we can still maintain the same interest in how the same kinds of macro trends affected daily lives of people in different cities in different historical times.

There are many findings that help us understand the socio-spatial changes of Tokyo over a 20-year period. Let us point out a few especially interesting findings. As Japan's ageing moves deeper into a hyper-aged society, population ageing is observed evenly across almost all regions. Looking at ageing in terms of not only national averages but regional statistics can provide policymakers with a whole new approach to the phenomenon. Kim (2015), for example, analyzed Korea's ageing in 230 municipalities over the period from 1960 to 2040 (numbers after 2010 are

projections). The findings are extraordinary. South Korea, although its *speed* of ageing is the fastest in the world, is usually considered about a quarter century behind Japan in terms of the *degree* of ageing, according to the national average statistics. However, Kim demonstrates that some regions are aged societies in as early as 1960s. In 1980, almost all regions except a few big cities were aged societies. What is shocking is that the Korean government continued very strong birth control policies until 1995 because the national average statistics suggested that Korea was giving too many births. Just a few years after giving up the birth control policy, the Korean government had to hastily introduce policies to pull up fertility rate. Megacities and industrial centers tend to be much younger than the rest of the country, which is true for Japan as well. Despite the fact that Tokyo is younger than the national average, Asakawa shows that ageing has devoured all regions across Metropolitan Tokyo.

Another important finding is that manufacturing areas once broadly spread are now segregated in Southern Ibaraki-ken. The blue collar belt basically disappeared. This, of course, must be a reflection of the de-industrialization process that furthered between 1990 and 2010. According to the World Bank Database, the percent of all Japanese employment accounted for by the industry was 34.1 percent in 1990 but the figure shrank to 25.4 percent in 2010. This change in the labor market is reflected in the land use of Tokyo. While industry became smaller, service sector grew up from 58.2 percent to 69.5 percent for the same period. However, as service sector grows up, there is increasing internal differentiation between high-skilled high-paying and low-skilled low-paying jobs, which is Asakawa's yet another significant finding. New middle class areas and working class ones are now segregated.

It may be interesting at this point to turn our attention to a similar comparative research on "scene dynamics" of Seoul, Tokyo, and Chicago (Jang, Clark and Byun 2011). Defining a 'scene' as a "specific lifestyle of a place," the authors analyze hundreds of amenity variables for the three cities to draw ARCGIS maps of scene types. For Tokyo, their areas of high self-expressivism, exhibitionism, and glamour coincide with Asakawa's new middle class region. Yet another coincidence between the two works is that they both suggest there seems to be an 'Asian' variety of urban dynamics. Asakawa argues that gentrification found in Tokyo, which is largely due to generational change or temporal difference, must be distinguished from European or American type of gentrification. The latter usually happens because of large-scale redevelopments that drive out lower class households.

Jang, Clark and Byun also argue that the Western idea that Bohemian components are the source of innovation may not apply to Asian cities.

## Macro Trends in Micro Lives: Trust and Work in East Asia

Trust is a lubricant for social life. It not only helps promote social life and political democracy but also facilitate economic growth (Knack and Keefer 1997; Zack and Knack 2001). However, the level and structure of trust vary across different societies. Who trusts whom also differs. The quality of trustfulness and trustworthiness may also be affected by social structural and cultural factors. To the extent that these observations are true, the macro trends we focus on in this special issue may have affected the people of Shanghai, Tokyo, and Seoul (and the whole Japan for reference) in a comprehensible way. This is Sasaki's concern. Employing a systematic measure of trust - known as Three-Item-Rosenberg-Scale - and correspondence analysis, Sasaki demonstrates that the structure of trust is largely the same across the three megacities he compares. He also finds that social status characteristics such as age, gender, and education are also associated with trust in all three cities. Young people, men, and the more educated tend to distrust compared to older respondents, women, and the less educated (except for Tokyo where number of observations is not enough for education variable). Consistent with the existing literature, he also finds that optimism (Uslaner 1999), well-being (Inglehart 1999; Putnam 2000), and informal social network (Delhey and Newton 2003) are also predictably associated with trust in all three cities.

There are a few puzzles yet to be solved that can be an area of further research in Sasaki's findings. One such area is of course, like Sasaki himself raises at the end of his article, whether the commonalities among the three megacities stems from macro trends such as urbanization, modernization, and globalization or other determinants such as cultural norms and social values. To answer this interesting question, we would need comparative cases from outside East Asia where they do not share the cultural tradition with us.

Another such area lies in some of his findings - women and the less educated trusting more - that contradict existing literature. His suggestion is that women and the less educated tend to have close-knit circles where they develop particularistic trust rather than large-scale generalized trust. There is some evidence for extremely uneven distribution of social capital in Korea. Yee, for example, calculated the Gini coefficient for social capital of Koreans

and obtained a startling number of .815. If social capital is distributed this much unevenly, it is likely that the less educated may have only close-knit circles. However, do women necessarily have smaller personal networks than men? Is it related with other variables such as female employment rate?

Nishimura and Kwon happen to analyze women's employment in Japan and South Korea in their article. One of the popular images of women in Japan and South Korea is someone who works briefly before marriage and childbirth after which she stays at home and becomes a housewife. Although the image itself can be discriminating, it was not totally groundless in the past when women's employment rates in both countries were significantly lower than the OECD average. This no longer holds at least for Japan. Over the past two decades, Japan has progressed significantly in terms of women's labor market participation and work-life balance, while Korea has been much slower in this development. In other words, the two countries, once regarded similar to each other, are diverging.

Most notable of this divergence is, Nishimura and Kwon point out, differing behaviors of women around the time of childbirth. Japanese women go back into the labor market after childbirth while Korean women do not. The notorious M-curve - women quitting their jobs at childbirth and returning to much lower-quality jobs after a long time - has now become much shallower in Japan while it still persists in South Korea. This poses a serious problem for Korea, given the fact that the country is fastest ageing in the whole world. Population ageing means putting more pressure on the government budget because there are less taxpayers and more recipients of pension and medical care. If women decide not to go back to the labor market after childbirth, it means even less tax income than the population ageing brings about. On the other hand, if women want to continue their work life in a society characterized by deep M-curve, many of them would decide not to marry or give a childbirth, which will speed up population ageing even more.

What causes the difference between Japan and South Korea? The authors demonstrate that human capital factors work in both countries for women to stay in the labor market, especially when the quality of job is high. Differences seem to come from other factors. Internal labor markets, for example, have responded quite differently in the two countries during the economic recession over the past two decades. Japanese ILMs tended to protect jobs while constraining wage. It also maintained a bottom-line of wage for male breadwinners. Korean ILMs tended protect insiders' wages with much less commitment to job security, meaning less opportunities for

women to go inside the labor market. Korea's social policy, although much progressed than before, seems to have failed at providing enough incentives for women to go back to work after childbirth compared to Japan. Availability of reasonable-quality part time jobs also affected women's decision to stay in the market. The longer economic recession and stagnant wage in Japan, combined with the availability of better paying part time jobs, also provided stronger incentives for women to resume work. These market, social and institutional factors worked together to generate strong cohort effect in Japan but not in Korea. The latter seems to have miles to go before it can attract women back into the labor market.

Why women work and why they don't also seem to reflect the macro trends that the two countries could not detour in the recent years. Deindustrialization and consequent polarization necessitated the advent of 1.5 breadwinner model, which encouraged more women to work in both countries. It seems that cultural, institutional, and organizational factors such as norms about gendered division of labor, policy response, and corporate culture worked as intervening variables to produce diverging rates of labor market participation, which will eventually affect the speed and burden of another macro trend, i.e., ageing.

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