

THE EMERGENCE OF THE ASIAN MIDDLE CLASSES AND THEIR CHARACTERISTICS

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The middle classes in Asian countries, which emerged rapidly in environments that were significantly different from those in the West, share some common features, but differ from one another on a number of other counts. Important among the similarities is that their nation-building efforts after independence were perforce ambivalent in that, while pursuing economic growth in condensed ways, they tried to maintain the integrity of the state by emphasizing traditional values. On the other hand, they differ from one another in terms of the peculiarities of the preconditions they faced when launching development, the social structure specific to each, and the time at which and the strategy under which they began to pursue economic growth. These factors have brought diversity into the Asian middle classes' development processes and characteristics. This paper examines the diversity of the middle classes that are now in a process of emergence in Asia.

I. INTRODUCTION

THE unilinear hypothesis on the modernization of late-developing societies assumes that their modernization brings about economic development, and in the process gives rise to a *middle class*,¹ which aspires to democratization, and that as this aspiration is eventually attained, the society becomes (or must become) similar to countries of the West it has modeled itself after (Huntington 1991; Watanabe 1989). This line of argument sounds very lucid and attractive. Nonetheless, these arguments fail to look at the peculiar features to the modernization of the countries in Asia. At the least, Asia's modernization, unlike that of its Western model, has not taken place endogenously. It is not rare for societies in Asia to have been placed under external pressure to modernize, or even to have been "reshaped" at the hands of external forces. Given this fact, the first objective of this paper is to clearly establish the fact that the emergence of the middle classes in Asia proceeded

¹ In this special issue, the term "middle class" and its plural form, "middle classes," are deliberately used with a clear distinction in meaning. The former is used when the social stratum in question is reminiscent of the existing middle class in Western society, while the latter is employed to connote the distinctive complex or compound social classes that are emerging in Asian countries. Furthermore, when the term "middle class" is italicized, it refers to the Western ideal type of the concept "middle class."

under rapid processes of economic development and environments different from those under which the *middle class* of their West models emerged, and to demonstrate that this fact has gone a long way toward shaping the characteristics of the Asian middle classes.

The foregoing observations lead to a question: Does the fact that similar external pressures were behind the modernization of Asian countries also imply that these pressures induced these countries to undergo similar developmental processes and to have middle classes with much the same characteristics? The answer, of course, is “no.” Even within Asia, the preconditions for economic development differed between countries. Thus, the second objective of this paper is to demonstrate that the Asian middle classes, though having emerged under similar environments, have significantly different characteristics from one country or area to another. This reflects the differences in the preconditions that existed in and the actual process of the growth followed by each, and thereby to draw a rough sketch of a model to explain the characteristics of the Asian middle classes on the basis of these differences.

The Asian middle classes are diverse in nature, and are distinctly different from those of the West (Giddens 1977) both in terms of the processes through which they emerged and their characteristics. However, these differences are often glossed over in discussions on the middle class. Thus, the third objective of this paper is to draw a sketch of the present realities of the Asian middle classes by identifying the process through which excessively large political expectations have often come to be placed on the Asian middle classes, and why they have been understood, although in the Asian context, to be similar to (or to be destined to become similar to) the *middle class* in the West.

The pictures of Asian middle classes captured by various papers collected in this special issue remain indeterminate. However, such indeterminate pictures may perhaps be understood as faithfully reflecting the present reality of the Asian middle classes; and to the extent that this understanding holds true, the purpose of this special issue should be deemed to have been fulfilled.

II. MODERNIZATION IN ASIA

A. *Basic Conditions for “Modernization” in Asia*

Before addressing the first objective mentioned above, we would like to define the basic perspective that runs through this special issue, basing ourselves on some of the existing literature.

In their recent coauthored book, Hara and Seiyama ask “Among the various factors affecting changes in the stratification structure, specifically which are most crucial in differentiating modern structure from premodern ones,” and assert that “there are at least two factors that have direct bearing on the essential characteristics of the

modern stratification structure,” namely, “modern industry and technology” and “modern historical consciousness, or a modern individual’s self-consciousness as a historical being” (Hara and Seiyama 1999, p. 198). From the perspective of this special issue, the former factor appears more important than the latter. Hara and Seiyama point out that the processes of industrialization—consisting of “the rise of manufacturing industry, the rise of heavy and chemical industry, and the social shift from an industrial toward a service orientation, and further toward an information-oriented society”—involve changes in the stratification structure, which can take place either through intra-generational mobility, with people giving up their jobs in the preexisting industrial sectors and taking new jobs in the newly emerging sector, or through inter-generational mobility, with children of those employed in the preexisting industrial sectors finding jobs in the newly emerging sector. In other words, “the accomplishment of industrialization indispensably calls for various forms of social mobility, such as inter-industrial labor-force movements, occupational mobility, and area/space migration” (p. 200).

However, while it is true that modernization in Asia, including Japan, was kicked off by modern industries and technologies, we cannot overlook the fact that in the West, the birthplace of such industries and technologies, modernization was preceded by a long historical process that had much to do with the formation of the middle class’s historical consciousness. It is well known that the British Industrial Revolution that began toward the end of the eighteenth century was preceded by historical events such as the Reformation and the Puritan Revolution. It is clear that industrialization in the West (as a technological revolution) was preceded by and founded upon these social, spiritual, and cultural revolutions.

Ken’ichi Tominaga points out that Japan’s modernization followed a process that was a complete reverse of that of the West. Following in Talcot Parsons’ footsteps, Tominaga divides society into four subsystems—economy, polity, societal community, and culture—and reexamines the historical process of Japan’s modernization from the perspective of characterizing the process undergone by each of these subsystems (Tominaga 1990, pp. 30–35). He asserts that the modernization of each subsystem simultaneously means the industrialization (for economy), the democratization (for polity), the upholding of the principles of freedom and equality (for societal community), and the principle of rationalism (for culture) (pp. 43–44). In capturing a holistic picture of modernization of the non-Western world, Tominaga refers to the view presented by Yoichi Itagaki that “there is no denying that modernization of the non-European world has aspects of Westernization, insofar as its modernization process began as a ‘fight back’ against the ‘challenge’ posed by European civilization” (p. 35), and then stakes out his own view that “the modernization of a non-Western country can be understood as a process of recreating its own traditional culture, a process that went into operation following its encounter with the culture diffused by the modernized West” (p. 39).

After defining his basic perception the modernization of non-Western societies in these terms, Tominaga points out that the most striking difference between the modernization of the Western and non-Western worlds is the fact that the sequence in which the subsystems of non-Western societies were modernized was the reverse of that followed by their Western counterparts. It is an established historical fact, Tominaga asserts, that modernization in the West began with social modernization (i.e., the disappearance of clan systems and the rise of autonomous cities) and cultural modernization (i.e., the Renaissance and the Reformation), followed by political modernization (i.e., the Puritan Revolution) after some interval, and concluding with economic modernization (i.e., the Industrial Revolution) (Tominaga 1990, p. 65). In contrast, seen both in terms of the ease with which these developments could be diffused to the non-Western world, and of the motivation which they appealed to the non-Western world, the modernization of non-Western societies proceeded in the reverse order, from economic modernization to political modernization, and finally to social and cultural modernization. This means that, if arranged in the order of severity with which the modernization of each subsystem came into conflict with traditional culture and social institutions, it appears that social and cultural modernization was most difficult to transmit into non-Western worlds, followed by political modernization, and economic modernization (p. 65). Tominaga's scheme touches directly on the question of what courses were followed by late-modernizing Asian societies, including Japan, and also that of under what conditions late-starters in Asia faced these conflicts, and how they tried to resolve them.

B. *Specific Features of Asian Modernity*

It was through the experiences of colonization that many Asian countries directly encountered Western modernity. Because of this encounter through the experiences of colonization and independence, the process of modernization in Asian countries has been characterized as a hybrid or mixture between the traditional and modern models. As such, it is more complex and fluid than the modernization process in the West with its basically endogenous nature.

The areas of Asia that were subjected to colonial rule by Britain, the United States, the Netherlands, France, Germany, or Japan, could only begin transforming themselves into nation-states² after their liberation from the yokes of colonial domination following the end of World War II. To a greater or smaller extent, in the early period of nation-state building, it was believed that emphasizing the history and cul-

² The very concept of the "modern nation-state" may need to be reexamined, because it may be a historical product that emerged when, in the course of modernization in Western Europe, it became necessary to integrate certain expanses of land space and to establish regional hegemonic states. In light of this possibility, it cannot be concluded a priori whether modern nation-states will remain in existence forever. If we reassess the Western modern nation-states and multi-ethnic societies of Asia from a relativistic perspective, it may be even possible to say that the *modus vivendi* of the latter represents the ideal image of the state in the future.

tural tradition of an area was an indispensable means of spiritually unifying the population of the newly emerging nation-state. In the eyes of countries liberated from colonial domination, the task of building their own nation-states even appeared as an ideal that they had to pursue by all means in order to make their independence a reality. This being the case, it was only too natural that traditions were used in order to put the newly built nation-states into operation without throwing society into disarray. This explains why non-Western late starters behaved in an apparently contradictory way, pursuing modernization while simultaneously emphasizing their traditions. Put differently, in their effort to modernize, these late starters chose not to emulate Western modernity in its entirety, but rather pursued what might be called "selective modernization," as exemplified by the Japanese effort at modernization combining "the Japanese spirit with Western learning." Given the fact that the late starters were agrarian societies in the premodern period, it is easy to imagine that the traditions they emphasized in the process of modernization were premodern values, or values upheld by the peasantry. Put differently, countries that had been colonized had to make use, at least temporarily, of the legal systems and social institutions imposed on them by their former suzerain states as the basis of nation building. In many cases, they also had to continue putting the human resources trained under the colonial regimes in charge of the actual administration of these legal systems and social institutions. The people who were assigned to these tasks, for their part, must have felt compelled to claim, as a means of winning the consent of the population, that they were following a new set of guiding principles in administering the institutions inherited from the colonial days. Thus, they felt compelled to emphasize the superiority of the traditions all the more strongly.

On top of this, these new nation-states, upon winning independence, placed top priority on attaining economic growth in order to boost national prestige. They did so with varying motives. Ideologically, they upheld the virtue of attaining rapid economic growth for various motives, with divided countries driven by the motive of outperforming their counterparts, or stressing the legitimacy of the regime in power, and multi-ethnic countries driven by the motive of using the economic growth to right the inequitable social, economic, and distributive structures inherited from the colonial period. In order to attain economic growth under unfavorable preconditions for development, however, the newly born nation-states had to allocate their scanty social resources in very lopsided ways, throwing national integration into crisis. This gave rise, on the one hand, to the need to devise new ways of dividing the pie on the assumption that it would continue to grow larger. On the other hand, the need arose to create a "nation" as an adhesive agent for integration, or to carry out the "invention of tradition" which would make this possible. The expansion of education, creation of employment opportunities, and expanding supply of housing proved especially instrumental in meeting these needs. It was not without reason that in the course of pursuing economic growth, these nation-states felt obliged to

emphasize traditional values (or rather, what were reminiscent of traditional values), or to assume nationalistic attitudes.

At the same time, however, it should be kept in mind that the latecomer Asian countries' encounters with Western modernity, through which they imported not only modern institutions but also new pieces of knowledge, new values, and blueprints for what societies should be like, had the effect of aggravating or mitigating the conflicts they faced. For instance, the introduction of modern education, which would eventually enable everybody to acquire knowledge and technologies of Western origin, and the promises to establish democratic institutions that the latecomers made at around the time of independence, anticipated various conflicts that they were bound to face precisely because of their attempts at modernizing themselves on the basis of traditions significantly different from those of the West. On the other hand, a series of policy measures implemented during the Cold War period, with the purpose of helping the governments of Asian countries to mitigate these conflicts were also brought into Asia from outside. These measures—such as aid packages to help boost economic development, political support to governments pursuing development policies, aid for expanding employment in the public sector as a means of reducing unemployment, and assistance for the expansion of modern education—were motivated by the need to demonstrate the superiority of the Western development model to the socialist model.

Thus, there were two impetuses working side by side in the process of modernization in Asia. One was the impetus to accelerate “modernization,” and the other the impetus to underline the importance of “traditions,” or to beef up “nationalism.”

What were the effects of the simultaneous working of these two impetuses? Let us examine how this type of modernization process affected urban-rural relations. When the process of industrialization unfolded in Asia, massive waves of movement from agriculture to other industrial sectors, as well as of spatial migration from rural areas to the cities, took place very rapidly, and a considerable portion of those who migrated to the cities in search of nonfarming jobs came to form (what are now identified as) the middle classes. (This was the case with the Republic of Korea and Malaysia in the 1980s and after, among the countries studied in this special issue, with things developing differently in Thailand and the Philippines, as will be explained in detail later.) Studies by Academia Sinica in Taiwan point out that the middle classes in the four major cities of the newly industrializing economies (NIEs) in Asia share the common characteristics of being of working class or agricultural background and maintaining strong family ties (Hsiao 1999, pp. 10–17; Koo 1999, p. 86). In the cases of Korea and Malaysia, this can be explained to a considerable extent by the fact that spatial movements from rural areas to the cities took place within one generation or two.³ In Hong Kong and Singapore, upward mobility

³ In Korea, for instance, as society is being rapidly modernized and the number of nuclear families as

from the working class to the middle class took place on a massive scale within the cities, and in a short span of time. Moreover, in explaining the differences between industrialization processes in the West and in Asia, no inquiry is made as to whether what are called "cities" in Asian countries are the same as Western cities. In order to properly interpret the conclusion reached by Academia Sinica, it seems necessary to take into account not only the fact that "modernization" proceeded apace, but also to look at the differences between the social systems of the West and Asia, namely, the fact that urban-rural relationships in Asia, and the ways in which cities emerged and developed, were different from those in the West.

As we have noted above, many Asian countries share the experiences of having experienced colonial rule, gained independence after World War II as nation-states (or as would-be nation-states), and strived to achieve modernization and economic growth simultaneously as latecomers (Gerschenkron 1966). However, the specific courses followed by these countries, despite their similar historical experiences, were just as diverse as the Asian societies themselves. In the next section, we would like to address the second focus of this paper, namely, the differences in the preconditions for growth that existed, and the actual processes of growth followed by different countries.

III. THE PROCESS OF ECONOMIC GROWTH AND THE EMERGENCE OF THE MIDDLE CLASSES

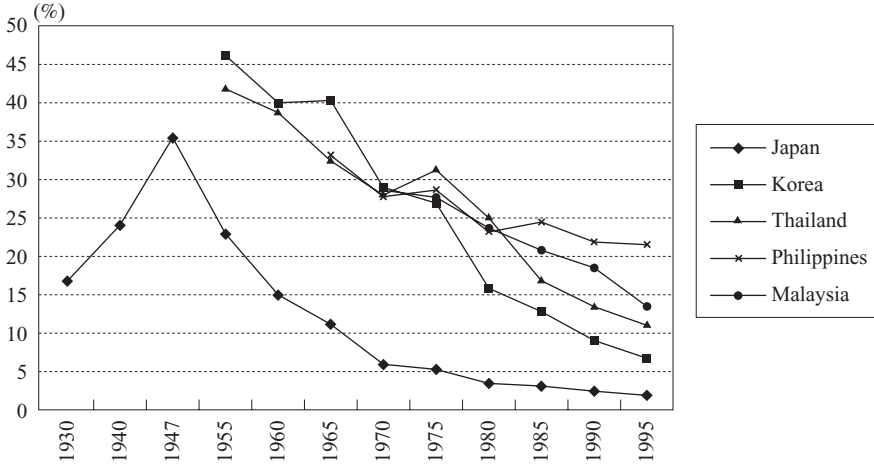
A. *Economic Growth and Changes in the Labor-Force Structure: Compressed Development*

Using as a base the foregoing observations about "modernization," let us now proceed to analyze the processes of economic growth that unfolded in Asian countries after World War II, and the processes by which the middle classes emerged in these countries.

The economic growth records attained by the countries of Asia in the past thirty to forty years are indisputably superb. Japan was the first to experience a period of rapid economic growth, lasting from the mid-1950s until the first oil crisis of 1973, when its growth slowed to a more moderate level. Almost concurrently with Japan's move into lower gear, the Korean and Taiwanese economies began to grow at accelerated rates. China and the countries of Southeast Asia began to experience rapid economic growth in the mid-1980s, followed by the countries of South Asia in the 1990s. This whole process brought about significant changes in the industrial struc-

a percentage of total families is increasing phenomenally, the question of how to support the elderly is becoming a cause for concern. The percentage of people who believe that children should be responsible for taking care of their aging parents is increasing, despite the fact that it is extremely difficult for children, often living in the cities away from their parents in the rural areas, to do so. Traditional values cannot be easily washed out by modernization.

Fig. 1. Share of the Primary Sector in GDP



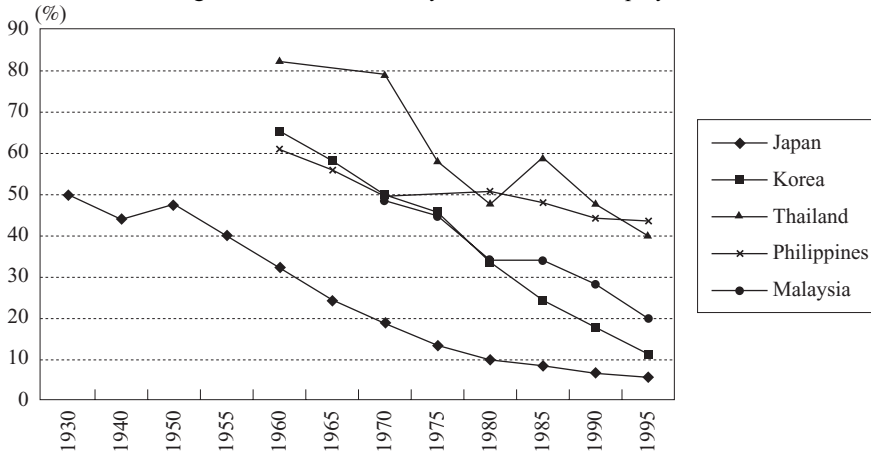
Source: Hattori, Funatsu, and Torii (2002, p. 17).

ture of each country (Figure 1). To make rough comparisons of the share of the primary sector in each country's gross domestic product (GDP) in 1970 and 1995, the ratio dropped from 29.2% to 6.5% in Korea, from 28.2% to 11.1% in Thailand, from 30.8% to 13.5% in Malaysia, and from 27.8% to 21.6% in the Philippines. However, it only changed from 5.9% to 1.9% in Japan, which had already industrialized. In 1970, the shares held by the primary sector were essentially similar in the various countries, but in the subsequent twenty-five years the ratio decreased most sharply in Korea, and most slowly in the Philippines. These countries share the fact that in the twenty-five-year period, they all saw their primary sectors sustain decline, if at varying paces, in their relative shares in the economy, becoming reduced from major sectors into minor ones.

The occupational distribution among various industries also changed rapidly. In the case of Japan, the share of primary industry in total employment, which stood at 48.4% in 1950, dropped to as low as 6.1% by 1995 (Figure 2). The ratio also decreased sharply in Korea (from 65.7% in 1960 to 12.5% in 1995) and in Malaysia (from 50.5% in 1970 to 18% in 1995). The pace of decline was relatively slower in Thailand (from 82.5% in 1960 to 40.9% in 1995) and in the Philippines (from 59% in 1956 to 44.1% in 1995). If the rates of population increase over these periods are taken into account, social mobility took place on much greater scales than these percentage changes would suggest.

In all the countries referred to here, the primary sector has shown similar declines both in terms of share in the country's industrial structure and share in the country's labor-force structure. However, a comparison of two measures of rates of decline from country to country show, interestingly that these countries can be divided into

Fig. 2. Share of the Primary Sector in Total Employment



Source: Hattori, Funatsu, and Torii (2002, p. 18).

two groups, one consisting of Japan, Korea, and Malaysia, and the other of Thailand and the Philippines. In the former, the share of the primary sector in both the industrial structure and the labor-force structure has decreased sharply. In contrast, in the latter, the sector's share in the industrial structure has decreased steeply, but its share in the labor-force structure has decreased rather slowly. This situation in the latter countries may be interpreted as showing that even though the share of the primary sector in economic activities has fallen under the pressure of the rapid expansion of other sectors, the size of the sector itself, as measured by its share of the labor force, has remained rather large. This leads to speculation that in the countries of the latter group, changes in the rural areas and in the cities may not have been so closely linked as in the countries of the former group.

Kazuo Kuramochi pointed out, on the basis of a meticulous analysis of demographic trends in Korea, that new migrants into the cities in the first half of the 1980s consisted to a significant extent of students and other youths in the same age group (Kuramochi 1987, pp. 175–76). This means that even in Korea and Taiwan, where industrialization began more than forty years ago, the families of people who were drawn into the cities by employment opportunities in the non-agrarian sectors have been living in the cities for just two generations. Moreover, it means that in Southeast Asian countries and China, where the process of economic growth began to unfold in earnest in the mid-1980s and after, the new urban migrants mostly consist of first-generation individuals in a certain age group, who are fresh from the rural areas where their parents are still living. This state of affairs, which has been brought about by social mobility in Asian countries, cannot but affect the way of thinking of their urban residents. This is what makes the process of industrialization and social mobility in Asia “qualitatively different” from that in the West, which un-

folded over an extended period of time. The processes in Asia are “different” from, but not “behind,” those of the West.

There is another peculiar aspect of the labor-force structure in the late-developing countries of Asia, namely, the fact that the public sector, consisting of the government and public corporations, has played an important role in the creation of employment opportunities. This has much to do with the fact that, as will be seen later, the governments of these countries have played a strong leadership role in carrying out industrialization, or more precisely in nurturing manufacturing industries. For example, in Malaysia, the government sector, centered around government-run corporations, stepped up its employment in the manufacturing and service sectors after independence, while in Singapore the public sector’s share in total employment increased when the government started to take the lead in guiding the country’s economic development. These developments suggest that the government sector has played a role in one of the important processes involved in the emergence of the middle classes.

B. *Differences within Asia*

1. *The preexisting social structure and the development pattern*

As we have noted above, the countries of Asia can be divided into two groups depending on the way in which primary industry’s share in total employment decreased. One group is composed of countries such as Korea and Malaysia, where this ratio decreased fairly sharply, while the other includes countries such as Thailand and the Philippines, where the ratio decreased at a relatively slow pace. This difference does not simply reflect a difference in the pattern of industrialization followed by the two groups; it is also likely to have been responsible for making the process of emergence and the characteristics of the middle classes in one group different from those in the other. In discussing the pattern of industrialization and the middle classes that has emerged from this industrialization, it may be effective to divide countries into the following two types:

- (1) Those where the agricultural sector was the source (or reservoir) of the supply of labor in the secondary and tertiary sector (e.g., Korea, Malaysia, Thailand, and the Philippines); and
- (2) Those that did not have an agricultural sector to act as a source of supply for labor in the secondary and tertiary sector (e.g., Hong Kong and Singapore).

The countries of type (1) can be further divided into the following subtypes:

- (1)-1 Those where rural-to-urban migrations of labor have proceeded smoothly (e.g., Korea and Malaysia); and
- (1)-2 Those where rural-to-urban migrations of labor have proceeded only slowly (e.g., Thailand and the Philippines).

Let us first look briefly at the countries of type (2). In the case of Hong Kong, in the early phase of its industrialization, labor-intensive industries depended on mas-

sive influxes of refugees or migrants from mainland China for the supply of labor. Subsequently, when the rapid growth of the service industry that took place beginning in the mid-1980s gave rise to a large number of people classified as middle classes, the emergence and characteristics of the middle classes were significantly affected by the fact that Hong Kong was under British rule, and by the political change associated with its return to China in 1997. In the case of Singapore, the government actively pursued a policy of procuring human resources internally, making intensive use of the educational system and the housing policy, and expanding the government sector's employment. Under the conviction that nurturing talent is indispensable for the survival of a small country, the government mobilized all available policy measures for the development of human resources. At the same time, as it bases its legitimacy on its capability to accomplish economic growth and ensure affluent environments for livelihood, it has been very sensitive to anyone critical of its policy programs.

Countries of subtypes (1)-1 and (1)-2 are differentiated by the extent of rural-urban labor migration. Countries of subtype (1)-1 are characterized by the extensive growth of secondary industries in large cities or in the suburbs, attracting a large amount of labor from the rural areas. This typically results in explosive population increases as seen in Seoul and Pusan in the case of Korea. Similar developments have been observed in Japan. In these instances, people who migrated from the rural areas to the cities did so with the purpose of finding new employment opportunities or entering schools. In most cases, the members of their parents' generation stayed in the rural areas. One consequence of this in Korea is a wide gap in the average ages of urban and rural residents, and the fact that, in terms of household composition, single-member households and households consisting only of aged couples account for more than 40 per cent of all the households in the rural areas (Hattori 2001). Given this situation, it is impossible for urban residents to sever their ties with their home villages. Given, in addition, the fact that most of them are the first-generation, or at most the second-generation urban residents, it is easy to imagine that they still have rural values (Abdul Rahman Embong 1999, pp. 412–13). The observation by Academia Sinica that the middle classes have an ambiguous nature may be understood if placed against the foregoing backdrop.

In countries of subtype (1)-2, on the other hand, industrialization in the cities, in a relative sense, has not been accompanied by extensive rural-urban labor migration. There may be a number of reasons for this, but one important reason in the case of Thailand seems to be that development based on concentration into mega-cities took place only in Bangkok and its vicinities. In the case of the Philippines, the reason seems to be that industrialization has not gathered sufficient momentum. Moreover, as will be pointed out later, the technical conditions prevailing at the time of a country's take-off seem to have affected the extent of rural-urban labor migration. At any rate, unlike the middle classes in countries of subtype (1)-1, which embody rural

values, the middle classes in these countries may be characterized as elitist.

This contrast can also be born out by the differences in the origin of the middle classes. In Korea, out of 296 persons surveyed who belonged to the new middle class, 144 (or 48.6%) were born in farming households, and out of 404 persons belonging to the old middle class, as many as 251 (or 62.1%) were from farming households. In the case of Thailand, for which only statistics from Bangkok are available, the percentage of people belonging to the upper white collar stratum who were from farming households made up only 21.6% (26 out of 120), and the corresponding percentage for the old middle class was 37.5% (42 out of 112). The picture is more pronounced in the Philippines, where out of 100 persons belonging to the new middle class (inclusive of both people with professional and technical jobs, and those with administrative and managerial jobs), only 12% were from farming or working-class families, while the comparable percentage for the old middle class (consisting of self-employed and other members of the petty bourgeoisie) was 22.3% (55 out of 247).⁴ These figures reveal the intensity with which rural-urban labor migration has taken place, and this in turn seems to affect the characteristics of the middle classes.⁵

The differences in the pattern of rural-urban migration pointed out above seem to have been products not only of the traditional values of each society, but also of the timing and features of the industrialization process that took place in each. In many cases, as shown by Japan and Korea, industrialization started from labor-intensive industries. Industries such as textiles, apparels, and miscellaneous goods were labor-intensive, and so was the semiconductor industry in its embryonic stage, when it was producing semiconductor chips that were not highly integrated. In postwar Japan, and later in Korea and Taiwan, a massive demand for young labor emerged in the

⁴ The discussions on Korea, Thailand, and the Philippines here are based on the data sets presented in Arita's paper, the paper coauthored by Funatsu and Kagoya, and the paper by Kimura, respectively, all of which are collected in this special issue.

⁵ The realities in Asia seem to contradict the hypothesis that the existence of a large income disparity between the cities and the rural areas will cause a large number of rural residents to migrate to cities, bringing about a sharp decrease in the number of people employed in the primary industries. In Korea, for instance, where the unequal distribution of income is said to have been improved during the process of industrialization, rural-urban labor migration has actually taken place at a fast pace. However, in Thailand and the Philippines, where significant rural-urban income disparities exist, rural-urban labor migration has taken place rather slowly. We can also look at the realities in many countries of Asia following the economic crisis of 1997, characterized by widening rural-urban income disparities. In Korea, where the income disparity worsened from 0.30 to 0.32 (*Social Indicators in Korea, 2001* [Seoul: Korea National Statistical Office, 2001]), the extent of rural-urban labor migration has been rather limited, on the one hand, while on the other, some of the new middle class have left the cities and gone back to the rural areas, with many of those who opted to stay in the cities becoming unemployed. In Thailand, where the rural-urban income disparity has grown wider, a significant number of the new middle class have staved off the hardships by taking up old-middle-class-like jobs (for instance, becoming street vendors). In order to become firmly established, the alleged correlation between the distribution of income and rural-urban labor migration seems to be in need of hard evidence.

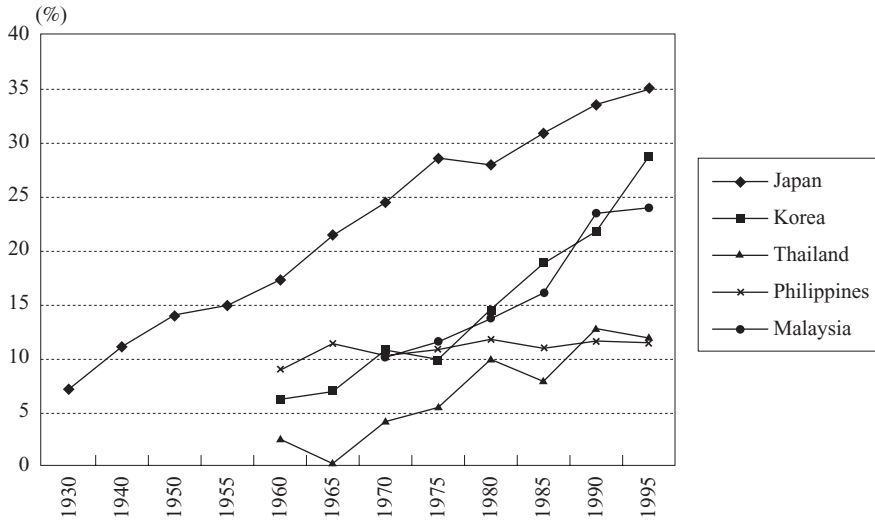
cities and their vicinities. The agricultural sector became the source of the supply of this labor, in much the way envisioned by Arthur Lewis's theory of economic development (Lewis 1955). The urban industries grew further, absorbing more and more labor from the agricultural sector. However, Lewis's model, which so well describes the state of things when industries remain labor-intensive, fails to accurately capture the realities when the labor-intensive industries develop further, becoming automated or equipped with numerical control machines. At this stage of industrialization, increasing capital inputs can fuel economic growth but fail to generate sufficient demand for labor, because, even though very labor-intensive operations may not be totally eliminated, many products are required to be manufactured with levels of quality and precision that cannot be fulfilled if they are manufactured "manually."⁶ In other words, it seems probable that the timing of industrialization affects the pattern of industrialization, which in turn affects the demand for labor and the characteristics of people employed in industries.

The foregoing discussion suggests that the progress of industrialization and the growth of service industries have the effect of expanding middle-class jobs and the number of people employed in these jobs. In this respect, too, the process of the emergence of middle classes in Asia differs from what the Western model assumes to be the mechanism behind the emergence of the white-collar middle class. Contrary to the assumption that labor shifts first from the primary industry to the secondary industry, and then to the tertiary industry, things have proceeded differently in Asia, with the tertiary industry beginning to absorb labor early on.

To be sure, the middle classes in Asian countries seem to have grown at relatively faster paces than in Japan. In Japan, "professional, technical, managerial and clerical workers" who constitute the "new middle class" came to exceed 20% of the total labor force in 1965, surpassed 30% in 1985, and reached 35% in 1995 (Figure 3). In Korea, the ratio exceeded 20% in the latter half of the 1980s, and came close to 30% in 1995. In Malaysia, the ratio reached 25% in 1995. In Thailand and the Philippines, however, primary industry still account for large portions of the labor force (40.9% and 43.7%, respectively, as of 1995), and therefore the comparable ratio remained low even as late as the mid-1990s (around 12 or 13% in Thailand, and 11.5% in the Philippines in 1995). The foregoing percentage shares of primary industry in the total labor force are comparable to what prevailed in Japan in the 1950s, or in Korea in the mid-1970s. However, in both Thailand and the Philippines, the ratio of the number of sales and service employees (including those of the "mar-

⁶ There are still only limited studies on the plausible impact of technological choices on the pattern of industrialization and the pattern of accumulation of technologies and skills. Hirohide Tanaka's *Kaitai suru jukuren* [De-skilling] (Nihon Keizai Shinbunsha, 1984), though arguing in a far-fetched way rather than in a well-balanced and convincing manner, was path-breaking in the sense that it pointed to the probability that the diffusion of micro-electronic technologies would bring about dramatic changes in the way manufacturing work is organized and executed.

Fig. 3. Share of Professional, Technical, Managerial, and Clerical Workers in the Total Labor Force



Source: Hattori, Funatsu, and Torii (2002, p. 23).

ginal middle class”) to the labor force reached high levels much faster than in Japan or Korea. This development does not fit well with the industrial development model envisioned by Lewis.

2. *The timing of industrialization and the roles of the government*

It should be pointed out, moreover, that just as Japan’s industrialization depended heavily on funds supplied by or through the government, industrialization in Asian countries has been financed primarily by government outlays and subsidies, and by special loans from financial institutions. In many cases, foreign capital has also proved instrumental. From a standpoint critical of Gerschenkron’s argument on the advantages of backwardness, the Korean economist Kim Young-Ho characterizes Korea as a “fourth-generation” industrial country (and Japan as a “third-generation” industrial country). The key players that led “first-generation” industrialization were small and medium-sized firms in the private sector; “second-generation” industrialization was led by large firms and banks; “third-generation” industrialization by governments and large banks; and “fourth-generation” industrialization by governments, banks, and foreign companies (Kim 1988). In the cases of industrialization in Southeast Asia, which Kim does not discuss, it is easy to imagine that governments, foreign companies, and foreign capital have been performing ever more important roles. Underlying this line of reasoning is the gap between the amount of capital funds accumulated within a country, and the amount necessary for launching industrialization. As countries start industrializing themselves in later times, they find it

increasingly difficult to do so by first launching “purely” labor-intensive industries. The diffusion of micro-electronic technologies is universal, and does not leave late-developing countries untouched. By putting out a large enough capital fund, even a late industrializing country can introduce machines that incorporate micro-electronic technologies, which help the country manufacture parts and final products of certain level, defying its shortage of skilled workers.⁷ This means that, as Kim Young-Ho points out, a country that starts industrializing itself at a later point in time must count more heavily upon the government and large corporations to play active roles in leading the industrialization efforts.⁸ And people of the new middle class who hold professional, technical, and administrative jobs within large corporations and other organizations that have grown in the industrialization process of this kind seem by necessity to depend to one extent or another on the government and large corporations.

It should be stressed once again that in Asian countries, which are categorized as “fourth generation” industrial countries, the governments have performed an important role as the main vehicles for industrialization. At the time when these countries won independence, to begin with, the governments had to carry out a role that was different from the one shouldered by the governments of “first-generation” or “second-generation” countries. After World War II, the role of government changed significantly around the world. Given the fact that the ongoing sea-change “from night watchman state to welfare state” was inducing the governments of the advanced Western nations to perform ever greater roles, the governments of the newly independent countries were also expected to perform a wide array of roles in spearheading nation-building efforts. Furthermore, given national security concerns under the Cold War, these governments found it imperative to attain economic growth as rapidly as possible. Thus, the governments of Asian countries had to shorten the time necessary for attaining economic growth even by availing themselves of any existing organizational principles that seemed effective.

The developmental process with these characteristics seems to have affected the emergence of social classes in two major ways. First, with the expansion of its functions, the state became directly involved in the emergence of social classes. Second, as we have observed earlier, the expansion of the state’s functions had the effect of expanding the number of people employed in the public sector, including public cor-

⁷ It is, however, an unfounded illusion to conclude that skills were no longer necessary. Late-developing countries, including Korea, managed to industrialize themselves in a “skills-saving” manner, but it is evident that making savings on skilled workers fuels additional importation of advanced machines and equipment and high-quality parts and intermediate goods (see Hattori 1999, 2001).

⁸ It should be pointed out, however, that the recent developments of the information technology (IT) revolution seem to suggest that it may become possible again to launch firms with relatively small capital funds. In that sense, the existing theoretical formulations that pivot around the manufacturing industry may have to be reformulated. However, this does not mean that the importance of “making things” has diminished.

porations and government offices, and making this sector an important source for the emergence of the middle classes.⁹

IV. DIFFICULTIES IN FORMING CLASSES AND CLASS CONSCIOUSNESS

The above-mentioned way in which development and industrialization were carried out in Asia neither had the effect of cementing the coherence of either the middle classes or the working class, nor of stimulating the formation of classes, each bound strongly by its own class consciousness, as was the case with the age of industrialization in the West (Giddens 1977; Hsiao 1993, 1999). This seems to have been due to several factors, including the role played by the government in the process of development, and the characteristic features of industrialization in late-developing countries.

First, an important feature of industrialization in latecomer countries is the tendency for them to depend heavily on governments and large corporations for financing large-scale technologies. This is because, as pointed out earlier, it takes large sums of money for these countries to launch industrialization at later points in time and to maintain the industries after their establishment. Almost all the late starters of industrialization drew up development plans and allocated funds among various projects in accordance with such plans. For corporations and organizations undertaking projects, the ability to bring in such funds was a matter of life and death. Managerial and clerical workers working in such corporations, who were well aware of this situation, must have felt little motivation to pursue common class interests in opposition to the state and corporate management.

Second, the demand for labor generated by industrialization in latecomer countries was primarily for non-skilled or semi-skilled types, and thus was substitutable with relative ease. This condition was not conducive to encouraging workers to behave in a similar manner as did their Western counterparts, namely, to confront employers and capitalists and win concessions from them by wielding strong bargaining power backed up by high skills and a strong sense of unity. The advent of advanced automated machines broadened the corporate manager's choice between employing workers and making labor-saving investment in plants and equipment. As the micro-electronic revolution unfolded, workers became concerned more with securing their own jobs than with working in solidarity with each other, and it became increasingly difficult for the momentum of conflict between workers and

⁹ Thus, the relations of conflict or rivalry between state and society, which are emphasized in the Western context, have not surfaced, at least for the time being, in the late-developing societies of Asia, where it has been more general for society to be regarded as being subordinate to, or constituting part of, the state. As we are aware, there are countries where it is considered more urgent, at least for now, to form a "nation" than to encourage the emergence of "citizens."

middle-class white-collar workers to manifest itself.

Third, the images of affluent *middle-class* lifestyles in industrialized societies, which continued to be disseminated through TV and other media, had a significant demonstration effect on the people of latecomer countries, inducing them to believe that by pursuing industrialization they would be able to enjoy the same affluent lifestyle some day. Despite the differences in conditions and environment in these countries and in the West, the West continued to represent the ideal model, or a generalized image of success to be reached at the end of the catching-up process. People watched the affluent *middle-class* lifestyle of the West with such rapt attention that they had little interest in “class” or “class consciousness.” This attitude was further intensified when the “alternative model” disappeared following Perestroika and the collapse of the former Soviet Union in the mid- to late-1980s. Of course, there is no denying that the governments, who did not want class relations to be established, took various precautionary measures to forestall such a development. Even though the pursuit of economic growth can inspire opposition, as it calls for an unequal distribution of resources, at least in the early stage of industrialization, such opposition seems to have been contained by the appealing images of developed countries and the image of potential success to be attained after completing the catching-up process. It should also be kept in mind that the visible image of success presented at the time was that of the (new) *middle class* in the advanced countries.

And fourth, the rapid spread of education, and especially of higher education, in Asian societies had, or seems to have had, the effect of broadening the path leading to administrative jobs, and thus to the new middle class. Prior to industrialization, traditional Asian societies were, without exceptions, class societies. When industrialization unfolded in these societies, it took on the impact of a social movement with the potential of destroying the old social order. It should be noted here that in Asian countries even in the preindustrialization stage, there was much interest in education, and the rate of literacy was generally high. This high rate must have proved effective in enabling the general public to understand what they could accomplish through industrialization (namely, the ideal model they were to catch up with), and that, through secondary and higher education, it would be possible for them to take part in the catching-up process. Indeed, education played a pivotal role in the promotion of industrialization. However, while it is certainly possible, as pointed out by the research findings of Academia Sinica (Hsiao 1993) and Lui’s paper (included in this special issue), that the newly emerged middle classes from different origins, who symbolize the destruction of the old social order, will show a marked trend toward “intra-class marriages,” and converge once again into a closed “new middle class” composed of people bound by homogeneous cultural behaviors and values, it takes time before such a trend becomes definitive.¹⁰

¹⁰ Contrary to the established view that sees Japanese society as being equitable (Murakami 1984),

V. CONCLUSION: POINTS TO BE KEPT IN MIND IN DISCUSSING THE MIDDLE CLASSES IN ASIA

As we have observed thus far, it is difficult to present an all-encompassing picture of the emergence and characteristics of the Asian middle classes. Unlike the Western countries, which opted to modernize on their own volition, the countries of Asia were placed under external pressure to modernize. In more than a few cases, it was the colonial settlers who prompted modernization. The governments of the countries that made fresh starts as “nation-states” after World War II were faced with the difficult task of simultaneously accomplishing two basically contradictory objectives, through the realization of economic growth, namely, that of modernizing society following Western countries, on the one hand, and that of upholding the society’s traditional values, on the other. In such cases, it was by no means rare for forces critical of the government to be suppressed to some extent or another. It was difficult for the middle classes, having emerged in this kind of environment, to secure a space of its own where it could act as the mainstay of society, independently from the state.

Those Asian countries that began their roads to economic growth relatively early on followed trajectories similar to those followed by Western countries, though they moved along these development trajectories at rapid paces. These Asian countries experienced a regional migration of labor from the rural areas to the cities, concurrently with mobility from agriculture to various urban-based occupations. However, because these shifts took place so rapidly, people tended to retain strong vestiges of their social and cultural background even after attaining spatial and social mobility. In contrast, in those countries of Asia that began to grow at relatively later points, spatial and social mobility did not proceed as fast as in the relatively early starters. This is because technologies became larger and more sophisticated in the intervening period of time, making it possible for industrialization to take place without using a large amount of labor as in conventional labor-intensive industries. In the relative latecomers, the opportunity for social mobility tended to be restricted, and the reproduction of classes to be intensified. What is more, all of these Asian countries, regardless of whether they began to industrialize at an early or late date, were faced with the reality that technologies continued to grow bigger and ever more sophisticated. In the face of this situation, the very condition that had induced workers of the West to unite began to crumble in the Asian countries, without giving the

Toshiki Satō asserts that even this society is becoming increasingly unequal (Satō 2000). Though he has been criticized on a number of counts, Satō’s discussions about the impacts of industrialization on society, and about the possibility that when these impacts become permanent, something reminiscent of “classes” begins to take shape, are worthy of attention.

workers enough time to acquire class consciousness. The fact that workers in Asia are not strongly class conscious has had the effect of preventing the middle classes, a distinct class of its own, from becoming as strongly class conscious as its Western counterparts.

The various countries differ not only in terms of what underlay their modernization, when industrialization took place, and how their governments were involved in the industrialization process, but also in terms of the preconditions on which they undertook their modernization efforts. Those preconditions include decisions by farmers on whether to leave their farmlands or not, which might be related to the availability of plots of land for agricultural use, the extents of ethnic and linguistic diversity, and the strength of family and clan bondage. These factors seem to have exerted various effects on the characteristics of the middle classes.

Given the situation in which the Asian middle classes find themselves today, it is not difficult to state our view about the third objective of this paper, namely of drawing a sketch of the present realities of the Asian middle classes. Our view is simply that these classes, with their diverse backgrounds, have only a short historical class experience, and are living under environments that are not conducive to the formation, maintenance, and strengthening of class consciousness. Thus, they can hardly be lumped together by a hypothesis that assumes that they are homogeneous. Moreover, the middle classes are so diversified even within single countries that they defy categorization as a monolithic class. Given this fact, it would be optimistic to assume single-mindedly that people of the middle classes share similar political orientations that will inspire them to take active steps en masse toward the "democratization" of society. Some may cast doubt on this line of argument and as the question, "What then was the wave of 'democratization' movements that swept through Asia in the period from the mid-1980s to the mid-1990s?"

It is difficult to answer the question thoroughly, but it is possible to point out at the very least that it is rare for the middle classes of Asian countries to act consistently and continuously as key agents of democratization, and that the mere establishment of institutional "democratization" does not mean that the "democratic" values of the West have been put into effect in Asia. To borrow Ken'ichi Tominaga's argument, the establishment of institutional democratization is but one phase of the process of "social remolding" in Asian countries. And there seems to be little chance that by proceeding with this remolding process Asian countries will modernize in much the same way as the countries of the West.

The conclusion of this paper is far from straightforward. While some of the characteristic features of the Asian middle classes, as well as the factors underlying their emergence, were common to all the countries concerned, there were others that differed from one to the next. Moreover, the preconditions for each country's take-off were by no means identical. These factors make it all the more difficult and inap-

propriate to understand the middle classes in Asia in a uniform way.¹¹ There is no denying that even in Asian countries, there are emerging groups of people who, in terms of educational backgrounds and consumption behavior, share much in common with the middle classes in the Western countries, and that they are serving as the symbol of their countries' economic development. Nonetheless, these groups of people are still in a process of formation, and it is clearly far too early to ascertain whether they will establish themselves as a class in the Western sense of the word, one with its own cultural and political orientations distinct from those of the lower social strata.

¹¹ In the analyses of middle classes in individual countries presented in the subsequent papers, efforts are made to address this question mainly using secondary data. More specifically, in Korea, Thailand, and Hong Kong, surveys on the middle classes had already been conducted, and the original data sets gathered by these surveys were accessible. However, in the remaining countries, either similar surveys had not been carried out, or even if they had been, the original data sets collected in such surveys were not accessible, with the result that the individual papers offer analyses from varying perspectives, and in varying details. It is our sincere hope that this regrettable shortcoming will be overcome some day when large-scale surveys have been conducted, making more detailed analyses possible.

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