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[Review of the book *Beneath the Miracle: Labor Subordination in the New Asian Industrialism*]

Abstract

[Excerpt] Have workers in the newly industrializing countries (NIC's) of Asia benefited from the rapid economic growth in their economies? In this important book, Frederic Deyo contends that "beneath the miracle" of economic growth is the "extreme political subordination and exclusion of workers" in the economic development of Hong Kong, Korea, Singapore, and Taiwan. He sees the inability of East Asian workers to "influence the political and economic decisions that have shaped their lives" as the "dark underside" of Asian economic growth. The main body of the book is an examination of why this subordination has taken place.

Keywords

Asia, industrialization, economic growth, labor market, development

Disciplines

Labor Relations

Comments

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Beneath the Miracle: Labor Subordination in the New Asian Industrialism. By Frederic C. Deyo. Berkeley: University of California Press, 1989. 273 pages. \$30.00.

Have workers in the newly industrializing countries (NIC's) of Asia benefited from the rapid economic growth in their economies? In this important book, Frederic Deyo contends that "beneath the miracle" of economic growth is the "extreme political subordination and exclusion of workers" in the economic development of Hong Kong, Korea, Singapore, and Taiwan. He sees the inability of East Asian workers to "influence the political and economic decisions that have shaped their lives" as the "dark underside" of Asian economic growth. The main body of the book is an examination of why this subordination has taken place.

Deyo views the "typical" explanation for the political weakness of organized labor as having three components: the shared Confucianist heritage in these countries, the positive effects of economic growth on standards of living, and official controls over attempts by political parties, trade unions, and the media to organize. He considers these three factors relevant but insufficient for a full explanation, and his central argument is that due account must be taken of the "economic and social structural context within which these variables operate."

Deyo's structuralist position may be summed up as follows. Employment relations in East Asia are "patriarchal, paternalistic, and patrimonial." Reliance on female labor in export-oriented industries and the lack of community support have impeded the formation of strong independent unions, autonomous class politics, and opposition to the prevailing power structure; where the potential for opposition is greatest, so too is repression of labor dissent. Tight political controls on organized labor that were put into place prior to industrialization succeeded in preempting independent trade unions. The result was a system of "hyperproletarianized factory production" that "denied many Asian workers the capacity to organize politically."

Deyo argues his thesis cogently and comprehensively, citing the findings of academic studies, newspaper reports, and case studies to bolster his points. For development economists and other readers who are already knowledgeable about Asian industrialization, *Beneath the Miracle* offers a rich presentation of labor issues. And for labor experts who are not specialists in Asian economic development (the

majority of the *ILR Review's* readership), this book provides a concise, yet informative history of the region and an introduction to the great diversity within the four NIC's, which too often are seen as following identical development models.

Apart from a few minor deficiencies in the book (for example, I found the sections on Argentina, Brazil, and Mexico distracting rather than helpful, and I never did learn what the "hyperproletariat" is despite a chapter devoted to it), I was left with a major unanswered question: what happened? Have workers, as Deyo argues, been excluded from decisions of central importance to their lives? Have they been undercut by the strategic decisions of those in power? How have they suffered, if at all, from "structural mobilization and preemptive developmental sequencing" (Deyo's terms)? What are the facts?

The undisputed historical record (some of which is cited by Deyo) paints a picture of extraordinary progress in the four NIC's: maintenance of unemployment rates of one to four percent, a manyfold increase in real wages, substantial improvement in the mix of jobs, low to moderate levels of inequality, and a rapid fall in absolute poverty. The Asian NIC's' record of progress in these respects is the envy of the rest of the developing world. It is being openly emulated by neighboring countries in the region, including Malaysia, Indonesia, and the Philippines. It may be at the core of the explanation of why organized labor movements in East Asia are weak: given continuing rapid improvements with "weak" labor movements, why disrupt things by seeking to be "strong"?

It is reasonable to ask when it is that workers have the most control over their lives. Is it when they are encouraged to form independent unions, bargain collectively, and engage in whatever workplace and political actions may help achieve their ends? Or when they can participate in a labor market that offers strong competition for their labor, full employment, ever-increasing earnings, security against economic deprivation, and material standards of living unimaginably higher than those of a generation before? The answer is far from obvious. I wish Deyo had not assumed one.

Nonetheless, this is a useful and informative book that I commend highly to scholars of international and comparative labor.

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