# Family as a Socio-economic Actor in the Political Economies of East and South-East Asian Welfare Capitalisms

**Abstract**

In this article, we revisit Karl Polanyi’s concept of ‘oikos’ in order to reconceptualise the role of the family as both welfare provider and economic actor in the social reproduction of East and South-East Asian welfare capitalisms. Our article is structured in four parts. First, we critically review existing approaches on the development of welfare capitalism in East and South-East Asia. We argue that existing approaches tend to isolate family as a welfare provider and neglect how the role of family is institutionalised as a collective economic actor. The second part focuses on the role of the family in the social reproduction of welfare capitalism and explores how, in East and South-east Asia, the specific conditions for families’ role as an economic actor were institutionalised historically. The third part revisits Polanyi’s concept of ‘oikos’ to argue that ‘householding’ constitutes one of the most important forms of economic action and one that allows us to examine family as a collective economic actor. In the fourth section we provide an analysis of the available strategies and discuss selected evidence, on private education expenditure, household debt, and labour market income share. We conclude by highlighting the need to re-articulate the importance of family as a collective politico-economic actor that despite recent reforms and path departures, remains at the epicentre of East and South-East Asian welfare capitalisms.

**Keywords**

oikos, family, East and South-East Asia, welfare capitalism, social reproduction, debt

**1. Introduction**

The article revisits the role of family as a key institution that underpins the political economy of welfare in East and Southeast Asia. The central role of the family in welfare provision in Asian welfare regimes is well documented in the available literature on Asian social policy, predominantly on research publications that focused on comparative review of care and family policies (Ochiai, 2009; Chan *et al* . 2011; Palriwala and Neetha, 2011; Chau and Yu, 2013; Yu *et al* . 2015). Asian welfare regimes have been considered as ‘family-centered’ (Chan *et al* . 2010; Abrahamson, 2011; Palriwala and Neetha, 2011) combining elements of liberalism and reliance on market (Ochiai, 2009). While the majority of the literature focuses on the importance of family for care provision, we argue that the role of the family extends the realm of care and we set to explore how family as a politico-economic actor is embedded within the broad institutional configurations of Asian political economies. We argue that welfare institutions represent spatial and temporal defined constructions that develop different, and yet path dependent, forms of social integration and reproduction. Although we will not be able to capture all the nuances of this dynamic development we aim to establish ‘degrees of similarity’ (Ku and Jones Finer, 2007: 123) relevant to the study of Asian welfare capitalism.

In the next section, we critically review existing approaches on the development of welfare capitalism in East and South-east Asia. We argue that existing approaches tend to isolate family as a welfare provider and neglect how family is institutionalised as a collective political and economic actor. The article revisits Katherine Jones’ (1990; 1993) argument on ‘oikonomic welfare states’ to explore how, in Asia, the needs of social reproduction in welfare capitalism have been organised between family, state and employers. Although Jones did not expand the importance of family household (Greek ‘oikos’) beyond its cultural significance, we draw on Karl Polanyi’s concept of ‘oikos’ to argue that ‘householding’ constitutes one of the most important forms of economic action and one that allows us to examine the family as a collective, politico-economic actor (Papadopoulos and Roumpakis, forthcoming). In doing so, we focus on the role and strategies that family as collective politico-economic actor pursues in order to consolidate and mobilise necessary (financial, emotional, symbolic) resources to protect its members. These strategies are not isolated from global and regional socio-economic processes (see Douglass, 2012; Yeates,2012) and neither are they static (Izuhara and Ray, 2013; Zhong and Li, 2017). Instead, they are dynamic and subject to questions of power relations that refer both within the family itself (i.e. gender hierarchies) but also include wider questions of both how exchange and production relations institutionalise the conditions that facilitate or restrict families’ capacity to act as collective economic actors. We draw particular reference to the emerging literature on ‘debtfare state’ (Soederberg, 2014) and ‘financialisation of everyday life’ (Bryan et al, 2009) to illustrate the changing socio-economic conditions for East and South-east Asian families.

Following the discussion of these issues the article continues with the available strategies that households employ in East and South-east Asian political economies. Then we explore how families are embedded within the broad institutional configurations of Asian political economies by drawing available evidence on household consumption (e.g. private education expenditure), exchange (e.g. household debt) and production (e.g. wages) among selected countries. We conclude by arguing that we need to re-articulate the importance of family as a collective economic and political actor that despite recent reforms and path departures, remains at the epicentre of Asian welfare capitalisms.

## 2. Welfare capitalism in East and south East Asia: a separate welfare regime?

Researchers have so far aimed to identify similarities and differences across countries, both in relation to welfare policy characteristics and gender dynamics to explore how far Asian welfare regimes fit into Esping-Andersen’s (1990) typology or whether (predominantly East) Asian welfare regimes represent a separate and unified cluster (Aspalter, 2006; Park and Jung, 2013; Sung and Pascall, 2014, Chau et al 2017).

We can schematically identify, at least, three theoretical approaches for understanding Asian welfare capitalisms. The first approach attempted to incorporate Asian welfare capitalisms into Esping-Andersen’s (1990) typology and explore over time how they compare with OECD countries. We regard that this theoretical attempt to categorise Asian welfare capitalisms based on Esping-Andersen’s typology presents us with a conceptual paradox; on the one hand the original welfare states included in Esping-Andersen’s study are categorised based on their own intrinsic characteristics during a particular period in time, while (predominantly East) Asian welfare states are categorised in this typology based on their ability to emulate ‘conservative’ and ‘liberal’ welfare worlds (e.g. Ramesh, 2004; Croissant, 2004; Aspalter, 2006; 2011). Instead of assuming thus that all welfare capitalisms share similar socio-economic structures, we need to take into account spatial and temporal forms of social integration and reproduction in East and South-east Asia.

Within this approach scholars (e.g. Yu et al ., 2015; Chau et al., 2017) have also explored the varieties of “defamilisation” offered by selected welfare capitalisms. Here, “de-familialisation” is conceived as a socially progressive process designating how far families and in particular women can unburden their care responsibilities in order to be able to independently access the labour market and similar to men, access independent income and a variety of rights. Although we regard this approach correct in pointing out the gendered division of care and labour within the household we argue that confining the study of the family to the power dynamics of gender relations is limiting the potential of analysis of its politico-economic role. In this conceptualisation family is approached in a narrower sense – as the micro-terrain where the responsibility for care is allocated between genders, affected by state policies and cultural norms – and less as a collective socio-economic actor. Still, even in this narrower sense there are problems with this conceptualisation especially when applied to Asian societies as the significant growth of women’s participation rates in the labour market in the last few years did not signal an increased share of caring responsibilities with men (Peng, 2012; on migration and domestic care arrangements, see Douglass, 2010; Kennett et al ., 2013; Abrahamson, 2017). neglects how the family’s role and resources are re-institutionalised historically and how far families as collective actors are able to consolidate and mobilise the necessary resources (financial, emotional, symbolic) to protect their members. We regard therefore that we need to analyse family not only within the realm of care but also within the realm of exchange and production to capture how families safeguard social reproduction and capital accumulation (see next section, Bakker and Silvey, 2008).

The work of Katharine Jones (1990; 1993) identified the importance of household management and Confucian cultural norms as determinants for the development of a distinctive East Asian welfare regime that included Hong Kong SAR (henceforth: Hong Kong), Singapore, South Korea, Taiwan ROC (henceforth: Taiwan), Japan (and later on China). In her discussion on ‘oikonomic welfare states’ in East Asia, Jones (1990; 1993) identified that the common characteristic of these welfare regimes was the reliance on cultural norms and how household management was emulated as a governance mechanism that utilised, among others, familial discipline, duty, loyalty, pride, harmony and solidarity as guiding principles for socio-economic life. Jones’ argument designated that family remains the main welfare provider and along with the traditional familial principle of hierarchy and compliance, absorbs social risks in the absence of a comprehensive welfare state and extended social (and in some cases political) rights.

Rieger and Leibfried (2003) also identified Confucian principles as the distinctive cause for East Asian welfare development, and in particular highlighted the importance of family and kinship ties for welfare provision. The cultural approach however did not provide sufficient empirical evidence to support this argument[[1]](#endnote-1) (Aspalter, 2006) and was not able to establish whether East Asian welfare regimes represent a single unified categorisation and whether economic interests were masquerading behind a veil of culture norms (Hudson *et al* . 2014). For example, how is householding management developing over time and how are ‘oikonomic welfare states’ able to reproduce the necessary conditions for social reproduction and capital accumulation? Recently, Abrahamson (2017) noted that emerging evidence on care arrangements pose significant questions on the importance and the ‘almost curious’ persistence of cultural norms such as filial piety across East Asian welfare regimes. Similar to Hudson *et al* (2015) we do not regard that culture alone can adequately explain the development of welfare state in East Asia but at the same time we cannot afford to ignore how cultural norms are embedded in the social reproduction of East Asian welfare capitalism.

Holliday (2000) and others (Holliday and Wilding, 2003; Gough, 2004; Ramesh, 2004) offered an alternative approach for understanding the development of welfare in South and South-east Asia. In particular, Holliday asserted that in East Asia, social policy became subordinated to the ‘productivist’ logic of national political economies that in their attempt to facilitate economic growth and nation-state building prioritised export-led growth. The productivist argument highlights the increased spending on health and education but also exposes the minimal role on behalf of the state and employers in funding or absorbing social risks, rendering thus families and communities as an informal and primary welfare provider (see also Wood and Gough, 2006).

One of the main problems of the productivist argument, however, remains that all welfare capitalist states are linked to the needs of capital accumulation (see Jessop, 2002) not only the ones in the region in question and, in fact, as Hudson and Kühner (2009; 2010; 2012) have found, there is little empirical evidence on training and educational investment indicators to verify the productive features of East Asian welfare capitalism. Recently Yang (2017) challenged the homogeneity of a productive East Asian welfare regime and highlighted the emergence of divergent patterns of welfare development. Similarly, Choi (2007) highlighted that the expansion of pensions and incapacity-related benefits in Korea aimed to protect against increasing levels of poverty and reflected, among others, political party responses to electoral demands (see also Croissant, 2004; Peng and Wong, 2008; Hudson and Hwang, 2013; Sacchi and Roh, 2016).

In sum, both the ‘cultural’ and ‘productivist’ approaches highlight important aspects of the role of the family as a welfare provider in the governance of East and South-east Asian welfare capitalisms. Both productivist and welfare regime arguments treat culture and the economy almost as separate and mutually exclusive categories and neglect how the state, or to be more precise, successive governments institutionalise the role of the family as a political and economic actor. For example, the productivist approach (see also social investment) highlights the need to invest in human capital but seem to neglect the importance of family as an investor and funder in the family members’ education or economic activities. Also attributing family as an informal welfare provider (Gough, 2004; Gough and Wood, 2006) reduces the role of family to the realm of care and does not take into account how family as a politico-economic actor is embedded in the realm of exchange and production and its ability to purchase formal (market-provided) and informal (migrant-provided, see Douglass, 2010; 2012) care.

Esping-Andersen (1997) noted that it becomes difficult to discern whether family’s role can be explained due to cultural norms or simply, the lack of any alternative. As we will argue, it is not primarily the rudimentary development of the welfare state that has necessitated the reliance on the role of the family as welfare provider in Asia, as it is implicitly or explicitly assumed in rather teleological accounts of welfare state development (Choi, 2012). Analysed as a collective politico-economic actor allows us to explore the role of the family in the dynamic between economic production and social reproduction and how this role is institutionally facilitated or undermined. We therefore need to take into account the role of the family not only within the sphere of care but also in the spheres of production and exchange, all of which capture the dynamic development of social reproduction (in the broadest sense) within the welfare capitalisms in East and South-east Asia.

## 3. Embedding family as a collective socio-economic actor in East and Southeast Asian welfare capitalisms

Within the existing literature of Asian welfare capitalisms, there is an undisputed agreement among scholars and researchers on the importance of family solidarity as the main social relationship that underpins care provision in Asia. As Chow (1987) argues, especially in East Asia, social cohesion is achieved through trust in family relationships and an unequivocal sense of mutual support and duty to provide for family members in need (Chan, et. al., 2010; Sung, 2013). This role of the family has been institutionalised historically by national governments that relied on social conservatism and in particular familial trust and duty as centripetal towards the achievement of social harmony (for India and Indonesia read Croissant, 2004; Palriwala and Neetha, 2011; Nakray, 2015). It is imperative to highlight here that these cultural norms of social conservatism perpetuate gender hierarchies and divisions of care and labour within the family and community (Ochiai, 2009; Chan *et al .* 2011; Sung, 2013; Yu *et al .* 2015).

Additionally, scholars have argued that the role of the family in welfare provision impedes the development of a modernised welfare state and also provides a political legitimation on behalf of national governments for not modernising welfare institutions (Walker and Wong, 2005; Chau and Yu, 2005). One could add, that by prescribing family the responsibility to absorb social costs and risks for social reproduction, employers and the state have to contribute less towards the funding of an extensive and redistributive public welfare support. As Chow (1987) argued, networks of family protection were favoured over hierarchal and structured forms of state provision even in socialist China. We argue therefore that it is the specificities of the particular political economies that embedded in their economic growth rationale the role that the family traditionally played within these societies both as a welfare provider and as an economic actor. This type of ‘integration’ of the family in particular political economies, however, should not be seen as synonymous to ‘less state’ as even in countries were social conservatism and familial trust is high the demand for increased public spending continues to be high (on attitudes see Sung, 2013; Sung and Pascall, 2014).

In the sphere of production, the reliance of family values went hand-in-hand with the rise of family business especially among Ethnic Chinese, the Korean *chaebols* and the Japanese *keiretsu*. Indeed, the growth of family business accompanied the rapid and late industrialisation and attempts to build new nation states during the course of the last century. Elements of protectionism such as restriction of imported goods enabled family businesses to grow and their success in global and regional markets at the time reflected patriotic and national achievements (Carney and Gedajlovic, 2003). The imposition of trade quotas to export companies and the political development in the 1940s pushed both Chinese and Japanese firms to relocate within East Asia, extending thus the model of family business in the region. It is important to highlight here that bank lending was not always relying on prudential practices - similar to Anglosaxon capitalism - partly due to the absence of trust in law-enforcement institutions (Gupta *et al* . 2009). Instead they relied on personal and professional networks to form relations of trust and at times of close knitted or shared ownership structures (Khan, 1999). This model of state-depended national capitalism continued to favour and allocate capital to family and small-medium enterprises (see Choi, 2013), regardless of their export (Japan, Korea) or domestic (Taiwan) business orientation.

Within the available literature, the role of the family is well documented in the spheres of care provision but less attention has been drawn to the spheres of production (e.g. ‘household corporations’ in Jones, 1990;1993) and exchange. We regard that Jones’ contribution entails, perhaps at its infancy, an attempt to explore how ‘oikos’, or the family as a collective actor, is embedded within the political economy of East and South-East Asian welfare capitalisms including both aspects of capital accumulation and societal reproduction. It becomes imperative therefore to relate the role of the family also within the sphere of social reproduction. We borrow from feminist political economy scholarship the concept of ‘social reproduction in capitalism’; an expanded concept of social reproduction that is not confined to the idea of ‘care economy’ but includes wider questions of power and production relations that safeguard capital accumulation and its conditions of existence (Bakker and Silvey, 2008). These conditions are not only safeguarded through the redistributive mechanisms of the state but an equally important site for the reproduction of capital: the family. As Bakker and Silvey (2008: 3) argue,

*“the family and the state become important sites where the needs of social reproduction are linked to the need of accumulation and where the state intervenes to offset or offload the high costs of social reproduction onto or away from the family at different moments in different locales”.*

Having explored the embeddedness of the family in Asian political economies, we are left with the question of how to theorise the role of the family as a collective actor in the fields of economic production and social reproduction (in its expanded version). Although scholars (e.g. Izuhara and Ray, 2013; Zhong and Li, 2017) have mapped family strategies, we aim to move beyond specific policy areas and attempt to provide a more encompassing approach. For this purpose, we revisit the work of Karl Polanyi on ‘householding’.

## 4. Householding’ and the substantive meaning of economic

Polanyi (1957) identified two meanings of ‘economic’; the *formal* and the *substantive*. The formal refers to the ‘logic of economising’, i.e. a choice conditioned by scarcity of means to alternative ends that can be numerically expressed through the price-market mechanism. The *substantive* refers to how humans sustain their livelihood, and can be defined as the instituted process of interaction between men and women and their environment in order to produce the material means that facilitate their social reproduction. Polanyi renders that there is nothing given or natural to the way an economy (esp. contemporary market economy) is institutionalised but directs us to focus on the act of *institutionalising* the economy which is essentially expressed through acts representing the ‘political and cultural spheres of society at large’ (Polanyi, 1977: 35).

For Polanyi, the societal effects of individual behaviour depend on the presence of particular institutional conditions and forms of socio-economic integration that in their turn define individual behaviour. Polanyi (various years) distinguished among four forms of institutional integration; *householding*, which relies on organising patterns of autarchy and is identified among extended families; *reciprocity*, which relies on organising patterns of symmetry and is defined as ‘acts of good will' among a definite community’ commonly identified in relations of kinship and friendship; *redistribution*, which relies on organising patterns of centricity and is characterised by ‘movement of goods and money towards the center and out of it again’; and finally *market* *exchange* which relies on an organised system of price-making markets and is defined as the ‘mutual appropriative movement of goods between hands at set or bargained rates’. Polanyi argued that a combination of the first three principles of integration can be identified both in archaic and market economies, with the latter however dominated by market exchange.

Although Polanyi did not expand on these categories, redistribution can be typically realised via established public welfare programmes (i.e. public health, unemployment, pensions, maternity, care etc). Additionally, the growing markets for pensions and care services in Asia represent an example of the ever-expanding application of market exchange as a form of institutional integration. Similarly, reciprocal relations can be identified primarily at the community level through voluntary contributions of services and goods.

Among the four patterns of economic integration, householding is the least developed. Polanyi borrows from the etymology of householding in Ancient Greek (*oikonomia*) and in German (*Haupthaltun*g) to denote householding as ‘ catering[ing] for one’s own group’ (Polanyi, 1977: 41). Similar to Polanyi, Weber argued that householding ‘has been the dominant [economic] form in most periods in the past’ (Weber, 1978: 80). Both Polanyi and Weber argued that householding does not represent a primitive form of economic organisation and the fact that this was the first organised form of economic action should not be mistaken as rudimentary.

Weber identified two basic types of all economies between ‘householding’ and ‘profit making’. His distinction is rooted in Aristotle’s differentiation between the self-sufficient (autarchic) and money-making (chrematistikê) households[[2]](#endnote-2). Weber distinguished between production of goods for household consumption (e.g. the Greek ‘oikos’[[3]](#endnote-3)) while production for (profit) gain is primarily identified with firms. For Weber, householding and profit-making are not mutually exclusive categories, with both economic actions being present at all times (Swedberg, 2001). Polanyi (1957; 1966) agreed with most of Weber’s analysis but argued that households, even when they were involved in exchanges, lacked the ‘logic of economising’ that Weber (1978) assumed in his writings on householding (for a comprehensive review see Dale, 2010). Polanyi’s argument is essentially a methodological one; instead of organising economic action based on the orientation (autarchic, profit-making) he instead argued that we should focus on the institutional arrangements for the conditions of social reproduction, including aspects of production, consumption and exchange of goods and services, to suggest that the market exchange is not the only, and by no means the most important, form of economic action. Additionally, it shows that the institutionalisation of forms of market exchange in contemporary societies was not inevitable; it reflects ‘structurations of power and residues of conflict’ (Korpi, 2001: 243) among the various political interests and cultural values of each society.

We therefore propose to use Polanyi’s analytical categories to extend it into an examination of comparative political economy of social reproduction as it provides the theoretical framework to understand the strategies that families employ in order to secure their own social reproduction and accumulate their resources. We obviously recognize that householding as a form of economic action has historically contained and reproduced forms of domination, including patriarchal structures (Fraser, 2013), paternalism (Nelson, 2016) and even slavery (Weber, 1921-2[1978]). Yet as Fraser (2013) argues, social protection from market forces may but need not, reinstate social hierarchies (e.g. gender hierarchies) and may in some cases encompass the transformation of the available mode of protections and be realigned with a substantive understanding of economic emancipation (e.g. ‘Daddy leave’). Nelson (2016) argues that prior to the industrial revolution, families were collectively responsible for mobilising and consolidating the necessary resources for the nourishment of their members with both men and women nurturing their land, attending their herd and providing the necessary goods and services to their family or community.

Against this background, and anchoring our analysis on Polanyi’s insights on householding we proceed in the next section to discuss the strategies that families deploy in order to accumulate and redistribute their resources within the East and South-east Asian welfare capitalisms. In doing so, we aim to demonstrate how the (expanded) notion of social reproduction can be theorised in the context of Asian political economies.

## 5. Towards a substantive understanding of family in East and South East Asian welfare capitalisms

Our understanding of contemporary family as a collective socio-economic actor extends to members beyond the typical (or nuclear) household based on affinity (marriage), shared residence or consanguinity to include a wider network of kin. As a collective agent the family combines householding with engagement within reciprocal, redistributive and market exchange processes in order to generate resources, manage their mobilization and allocate its benefits and costs between its members.

We regard that the ‘family’ is neither simply a welfare provider, nor does it represent simply a social group that needs protection from market forces or market failures. Instead, as Allen *et al* (2004) argued, it should be approached as a collective agent that “provides a mechanism for aggregating and redistributing resources among its members” (Allen *et al* .., 2004: 116). In order to understand family’s multiple roles within particular historical and politico-economic settings, we can explore the:

* welfare redistributive policies that supported or ‘offloaded’ the costs of social reproduction to families,
* manifestations of market exchange and trade between families and their wider economic environment,
* reciprocal mechanisms and exchange of services and goods that families employ,
* householding strategies for the mobilisation and accumulation of the necessary care, emotional and financial resources to cater for its members’ needs, and finally
* the politico-economic governance of the interplay among these mechanisms.

The welfare redistributive policies have been sufficiently captured through research publications that explored the treatment of the family in the context of ‘care diamonds’, ‘care economy’, and the expansion or retrenchment of public welfare state provision (e.g. Croissant, 2004; Ramesh, 2004; Ochiai, 2009; Palriwala and Neetha, 2011; Peng, 2012; Choi, 2013). Analytically this dimension can be captured through an exploration of the effects of available policies that help the family to offload the costs and responsibilities for social reproduction. The reciprocal mechanism that families employ can refer, among others, to intergenerational relationships of care among extended families, intergenerational transfer of resources and proximity of residence (Mehta, 2013; Sung, 2013, Zhong and Li, 2017). Additionally, the familial relationships of reciprocity can be reinstated into different economic acts as the state can mediate and facilitate these intergenerational transfers such as the provision of tax-free cash allowances in Japan for grandparents to fund their grandchildren’s education (Izuhara, 2016).

Moreover, the capacity of families to deploy householding strategies, and their type, reflect historical processes of institutionalising the conditions for families’ to exercise their role as politico-economic actors in their respective political economies. We have previously identified a series of strategies and roles for ‘householding’ in Southern European political economies (Papadopoulos and Roumpakis, 2013). It is imperative to highlight here that we do not anticipate these strategies to apply to the same length or strength in all East and South-east Asian welfare capitalisms. However we regard that there are sufficient ‘family resemblances’ (Ferrera, 2016) among our selected welfare capitalisms and similar to Southern Europe, we hypothesize that the family in East and Southeast Asian welfare capitalisms is able to consolidate and mobilise resources as:

* an owner of property (especially housing but also commercial real-estate), the continuity of which can be secured through various forms of inter-generational transfers (such as inheritance, trusts, the practice of usufruct etc.)
* a unit which pools resources (goods and services) outside the money-nexus
* an entrepreneur and/or employer (usually via family businesses)
* an investor in the education and human capital of its members, as well as the real economy and financial markets
* a claimant of social security rights through members able to secure such rights (formal labour market) especially in tenured employment (public sector) or as beneficiary of employee welfare from private corporations.
* a member of a network of social contacts facilitating exchanges of favours or information of professional, political or economic nature

We opt to provide selected empirical evidence to support the case that, indeed, householding is prevalent in East and South-east Asian welfare capitalisms. First, housing ownership is evidently regarded as one of the key pillars of their social security and represents a site of care exchange but also an asset that would be transferred to younger generations (see Ronald and Doling, 2010; Izuhara and Ray, 2013; Izuhara, 2016). Home ownership rates are especially high in Indonesia, Singapore, Malaysia, Taiwan and China (Ronald and Doling, 2014). Extended members of the family, often from two generations, live together under the same roof or in ‘one-soup distance’ (Zhong and Li, 2017).

Additionally, the family often functions as an employer to its members, either on a permanent or on an occasional basis, providing them with a primary or secondary job. The number of small and medium sized businesses account for 62% of the region’s stock capitalisation (the Economist, 2014a). South Korea, Taiwan and India demonstrate a strong presence of family business in technology-related fields with an estimated 85% of all $1 billion-plus business in East Asia belonging to families (the Economist, 2014b). Of particular interest is the attempt of international business groups and press to explain the need for more transparent succession, especially within listed family businesses. It is here once more that we identify how cultural norms, such as familial trust, blend with economic and corporate governance in Asia.

The family is also an investor in human capital with private household expenditure in education being, on average, higher than OECD households. South Korean and Japanese households are among the largest investors in tertiary education among the OECD. Both the ratio of private to public expenditure as a percentage of GDP for 2012 and 2013 and a comparison of Korean and Japanese ratios against the OECD average provide distinctive findings (OECD, 2016, authors’ own calculations). The available data[[4]](#endnote-4) for 2012 show that the ratio of private spending levels on tertiary education in Korea and Japan outperform public spending levels on tertiary education by 256% and 188% respectively. Additionally Korean and Japenese private expenditure on tertiary education are 91% and 40% higher than the OECD average. For 2013, Korean private expenditure remain by far the largest among OECD countries with Japanese private expenditure increasing further both as a ratio to public spending on education but also against the OECD average. Although available comparative data on private spending on education are limited, the Asian Development Bank report on education financing identifies a significant role both for private and also shadow payments across all Asian welfare capitalisms (Bray and Lykins, 2012) with India and Indonesia also displaying substantial household payments towards education (on Indonesia see OECD, 2014; on India see Noronha and Srivastava, 2013).

Finally, via its members who enjoy tenured employment (e.g. public sector), the family can secure not only a guaranteed stream of income but also access to pension rights and health services (Peng, 2012). Suffice to say that pensions, remain a substantial source of income that is shared among members of the extended family, from grandparents, through parents, to grandchildren (Roland and Doling, 2014).

**\*\*\*Figure 1 somewhere here\*\*\***

So far in this section we have attempted to demonstrate how we can theoretically and empirically capture family as a collective and political actor and identify relevant family strategies for mobilising and consolidating resources. It is important however to return here to the key questions that capture how families capacity to deploy different householding strategies is affected by changes in the trajectory of the political economy. As we have argued the role of family as collective political and economic actor is not immune to global and regional contradictions of capital accumulation and social reproduction (Jessop, 2002). By adopting Polanyi’s substantive economic approach, we argue that family is inextricably linked with all realms of economic activity; consumption, exchange and production. Emergent literature on the ‘financialisation of everyday life’ (Bryan et al, 2009) and rise of the ‘debtfare state’ (Soederberg, 2014) highlight how capital accumulation increasingly relies on the expansion of household credit, and East and South-east Asian households are no exception. Traditionally, East and Southeast Asian families placed a strong emphasis on the accumulation of assets and real estate as key resources for their security, and avoided exposure to debt (on Korea see Kyung-Sup, 2016).

In **Figure 1** we demonstrate the overall levels of household debt among selected Asian welfare capitalisms. The debt reflects here household debt in national currency (market value, adjusted for breaks) as part of the Gross National Income; reflecting thus how much household owe as a percentage of the total income they receive[[5]](#endnote-5). This indicator shows that Korean levels of household debt have witnessed a dramatic increase with household debt reaching 97% of gross national income in 2014, from 47% in 1997. Similarly, Thailand witnesses a continued growth of household debt since 1990 (29%) reaching 78% in 2014. Malaysia, Hong Kong and Japan displays similar levels of household debt with Japanese households however reducing their overall exposure to credit since 1996/7. Singapore was on similar track with Thailand, Malaysia and Japan in 2008 but household debt dropped over the last few years. China displays significant growth of household debt and it is the country with the fastest increase in in household debt during the last ten years (2006-2014). Based on limited available data, Taiwan is witnessing similar household debt levels to Thailand, surpassing the exposure of Chinese households (Palma, 2016). Indonesia displays the most dramatic fluctuation drop in household debt. The first sharp fall of household debt from 80% in 1996 to almost 26% in 1997 is explained due to the dollar-denominated debt before 1997 and the dramatic devaluation of rupiah during the Asian financial crisis. Interestingly, Indonesia displayed among the lowest household debt at the turn of the last century but has been steadily increasing since. With the exception of India whose levels of household debt remain consistently lower, only two countries have witnessed some modest drop in the level of household debt; Japan and Singapore. This exposure in debt is by no means isolated in East Asia (Soederberg, 2014) – instead it reflects an on-going trend in most ‘developed’ countries - and it directly affects the capacity of families to deploy the traditional householding strategy of asset accumulation.

**\*\*\*Table 1 somewhere\*\*\***

It would be reasonable to assume that these increases in household debt are partly related to increases in housing prices and possibly therefore reflect household strategies that center on housing as an asset. As Table 1 shows however, the picture is more complicated than this. Partly the higher exposure to credit can be linked to higher household consumption (of which housing is only one of the main categories included). Interestingly, China, followed by Indonesia, India and Malaysia display the highest increases in household expenditure since 2000 with all other selected cases in our sample also demonstrating substantial increases. At the same time, this almost exponential increase in household expenditure cannot be met by similar rates of earnings. The mean real monthly earnings for the period of 2006 to 2013 show that China, Indonesia and Thailand witnessed increases while the other countries in our sample witnessed stagnation and in the case of Japan and Taiwan losses. Furthermore, by comparing (limited) available data on labour income share we identify that Japanese, Korean and especially Chinese workers are being rewarded less as percentage of GDP with workers in Hong Kong and India receiving more compensation as part of the GDP.

We regard therefore, that households ability to purchase goods or maintain their living standards are increasingly under pressure, partly due to higher needs for consumption, lower income share and moderate wage increases. As a result of stagnating or modest wage increases, families have to rely on unprecedented levels of credit. The study of Kyung-Sup (2016) on Korea’s financialization of poverty manifests how exposure to debt was encouraged by the state and sanctioned by employers to sustain profitability, even at the expense of poorer households. We regard therefore that is essentially not to isolate our study and approach the family merely as a care provider and neither to confine it to gender relations. We need to extend it into the spheres of production and more importantly social reproduction (that include gender hierarchies) in order to be better placed to understand how the role of the family is constituted (and dynamically reconstituted) within Asian welfare capitalisms.

## 6. Conclusion

Our aim was to bring forward a substantive understanding of the role and strategies that family as a collective actor pursues in order to meet its material needs using East and South-east Asia as case studies. We deployed an extended notion of social reproduction and explored Weber’s and Polanyi’s conceptualisations of economic action and especially how Polanyi’s principles of economic integration condition family strategies within welfare capitalism. We regard that, stripped from its traditional attire, family’s role in both the economy and welfare provision is neither primitive nor rudimentary. It is a key site in the reproduction of welfare capitalism and a collective politico-economic actor that encompasses practices of householding, reciprocity, redistribution and market exchange to protect its members and enhance their welfare. We regard that this *substantive* approach to economic action provides the theoretical underpinnings of a new, dynamic, analytical framework for the social reproduction of welfare capitalism in East and Southeast Asia that broadens family’s role beyond the production and consumption of welfare services and sets the context for a comparative and historical examination of how did different welfare regimes institutionalise the definite conditions for families’ role as a substantive economic agent.

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**Figure 1. Total Household Credit (adjusted) as % of GNI (current prices) among selected Asian countries**

Source: Authors’ compilation based on data from the Bank for International Settlements Data – credit to private sector statistics indicator and Asian Development Bank. Data for Taiwan were not available.

**Table 1. Selected indicators on earnings, household consumption and labour income share across Asian welfare capitalisms**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **China** | **Hong Kong** | **India** | **Indonesia** | **Japan** | **South Korea** | **Malaysia** | **Singapore** | **Taiwan** | **Thailand** |
| **Mean real monthly earnings of employees, annual growth (ILO) 2006-2013 % (authors’ calculation)** |
| **Average 2006-2013** | 8.74 | 0.46 |  | 4.02 | -0.24 | 1.16 | 2.47 | 0.52 | -0.54 | 3.36 |
| **Total household consumption (current US$), (World Bank), 2000 base year (authors’ calculation)** |
| **2005** | 161% | 104% | 158% | 181% | 105% | 155% | 155% | 125% |  | 155% |
| **2010** | 375% | 139% | 311% | 417% | 119% | 182% | 299% | 211% | 260% |  |
| **2014** | 714% | 193% | 382% | 500% | 118% | 235% | 432% | 282% | 310% |  |
| **Labour income share in Gross Domestic Product (GDP) – unadjusted (ILO)** |
| **1995** | 60 | 47.5 | 27.2 |  | 54.8 | 51.5 |  |  |  |  |
| **2000** | 59.6 | 51.1 | 29.8 |  | 53.9 | 48.1 |  |  |  |  |
| **2005** | 50.4 | 49.9 | 29.1 |  | 51.5 | 51.1 |  |  |  |  |
| **Latest year available** |  48 \* |  51.6\*\* |  29.9 \*\* |  |  53.2 \* |  49.9 \*\*\* |  |  |  |  |

1. Similarly, ‘Confucianism’ was not prominent in Thailand, contemporary Korea or even places like India and Indonesia examined here. [↑](#endnote-ref-1)
2. Jones (1990; 1993) cites Aristotle but does not expand on this differentiation. [↑](#endnote-ref-2)
3. Weber also cites the ‘socialistic economic system’. [↑](#endnote-ref-3)
4. Data sourced from <https://data.oecd.org/eduresource/private-spending-on-education.htm#indicator-chart>, accessed on January 2017. [↑](#endnote-ref-4)
5. World Bank defines GNI as GNI is the sum of value added by all resident producers plus any product taxes (minus subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad [↑](#endnote-ref-5)