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The Labor Market, Family and Poverty in S. Korea and Japan

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Background

- * Neo-liberal globalization
- * The expansion of precarious employment
→ The rise of working poor
- * The Precariat → New class (Guy Standing, 2011; Mike Savage and Fiona Devine, 2011)?
Non-regular workers → Precarious life

Issues

- Are there sociological understandings of poverty in social stratification research?
 - The highest proportion of non-regular employment in South Korea and Japan
 - Reconfiguration of family and the labor market shape poverty at the societal level.
- * Family as a social institution tapping social changes such as family dissolution , aging, and casualization of work

Precarious Work and Poverty

* **New forms of precarious employment:**

Non-regular employment

- part-time jobs
- fixed term, temporary jobs
- agency jobs **with low wage and poor social protection**

* **The rise of the new poverty**

1) Old poverty – the elderly, the disabled,
the unemployed, etc.

2) **New poverty – the working poor**

* However, an understanding of the transformation of the labor market is not enough to understand poverty at the societal level.

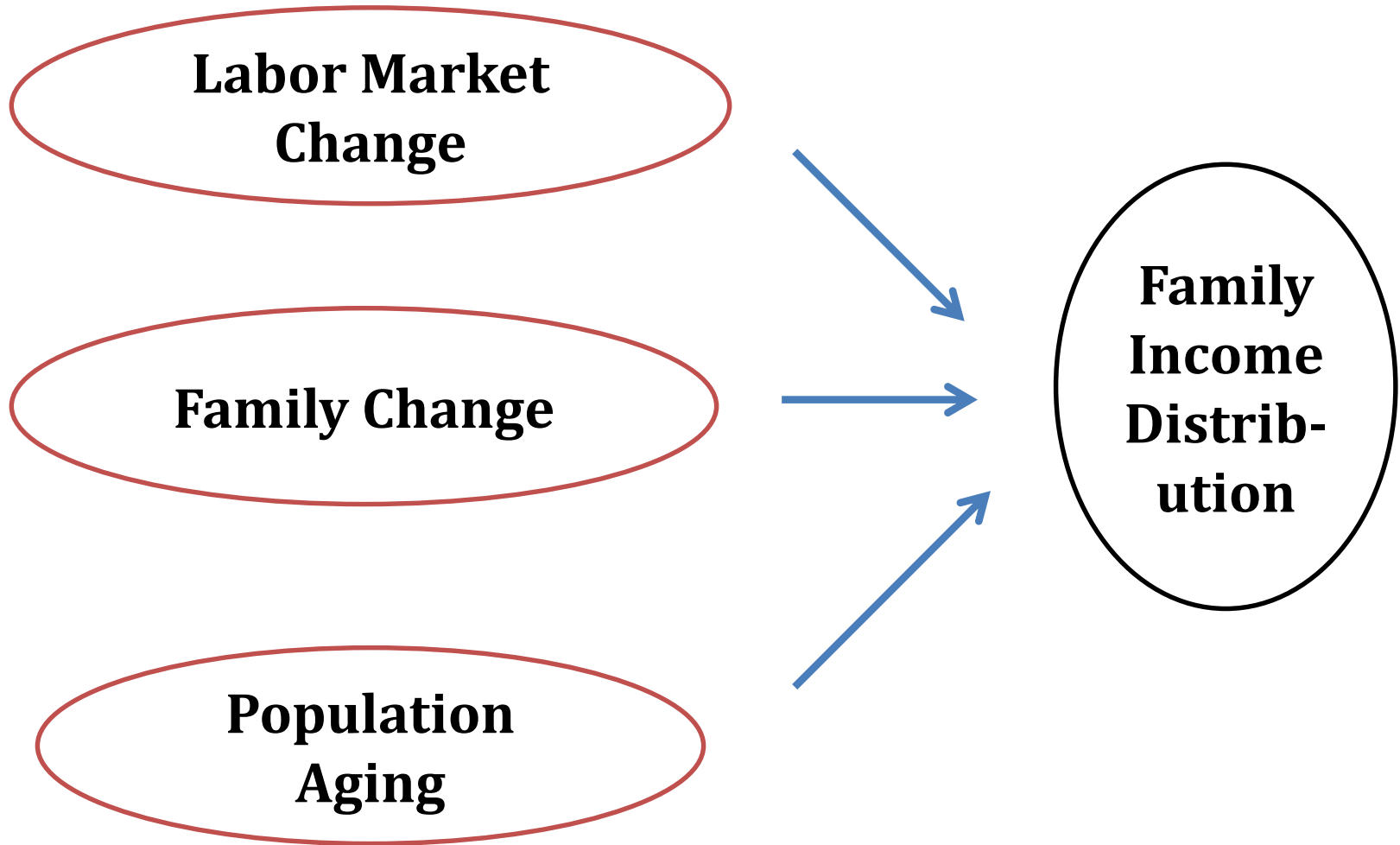
A Sociological Approach to Poverty

- * The labor market-based approach (the sociology of labor market, social stratification)
- * The family-based approach
 - One of key social institutions mediating the impact of the labor market.
- ☞ The synthesis of the labor market and family approach is needed.

* Missing Link – **Family**
labor market – family – redistribution of resources (inequality, poverty)

< *Bring the Family Back In* >

Social Change and Family Income in S. Korea



Data and Methods

* Korea: **The Korea Welfare Panel Study**

(KWPS, 2006 -)

Japan: **The Keio Household Panel Survey**

Data (KHPS, 2004 -)

* Targets: Adult households,

The two waves of 2006 and 2012

* Definition of poverty: the income status with less than 50% of median income

Distribution and Trends of Family

* Korea

- The male breadwinner model is still the dominant type of family.
- Family with non-regular employment: decrease from 29% in 2006 to 24% in 2012

* Japan

- The dual earner model is more prevalent than the male breadwinner model.
- Family with non-regular employment: increase from 30% in 2006 to 33% in 2012

Diversity of Family Type

			South Korea		Japan	
Family Type / Year		Model	2006	2012	2006	2012
1	h(R)w(R)	Dual	8.14%	13.89%	13.39%	11.30%
2	h(R)w(IR)	Dual	5.35%	7.31%	17.16%	18.67%
3	h(R)w(N)	M-B	31.27%	25.53%	27.24%	24.84%
4	h(IR)w(R)	Dual	1.81%	1.93%	1.23%	1.26%
5	h(IR)w(IR)	Dual	3.44%	2.72%	1.77%	2.32%
6	h(IR)w(N)	M-B	8.73%	3.78%	3.08%	3.13%
7	h(N)w(R)	F-B	1.95%	2.46%	1.46%	1.66%
8	h(N)w(IR)	F-B	2.07%	1.88%	1.89%	2.29%
9	h(N)w(N)	DNE	10.44%	8.09%	9.77%	10.98%
10	h(R)w(X)	Single	4.17%	6.13%	6.62%	6.68%
11	h(IR)w(X)	Single	3.15%	2.46%	2.04%	1.75%
12	h(N)w(X)	Single	2.25%	3.32%	2.04%	2.27%
13	h(X)w(R)	Single	3.81%	6.09%	5.35%	5.45%
14	h(X)w(IR)	Single	4.62%	4.18%	3.81%	3.61%
15	h(X)w(N)	Single	8.79%	10.24%	3.16%	3.79%
Total			100%	100%	100%	100%

[Note] R: Regular, IR: Non-regular, N: No income, No Job, X: No spouse; DNE: Dual Non-Earners;
M-B: Male-Breadwinner, F-B: Female-Breadwinner

Family Type and Poverty Rate

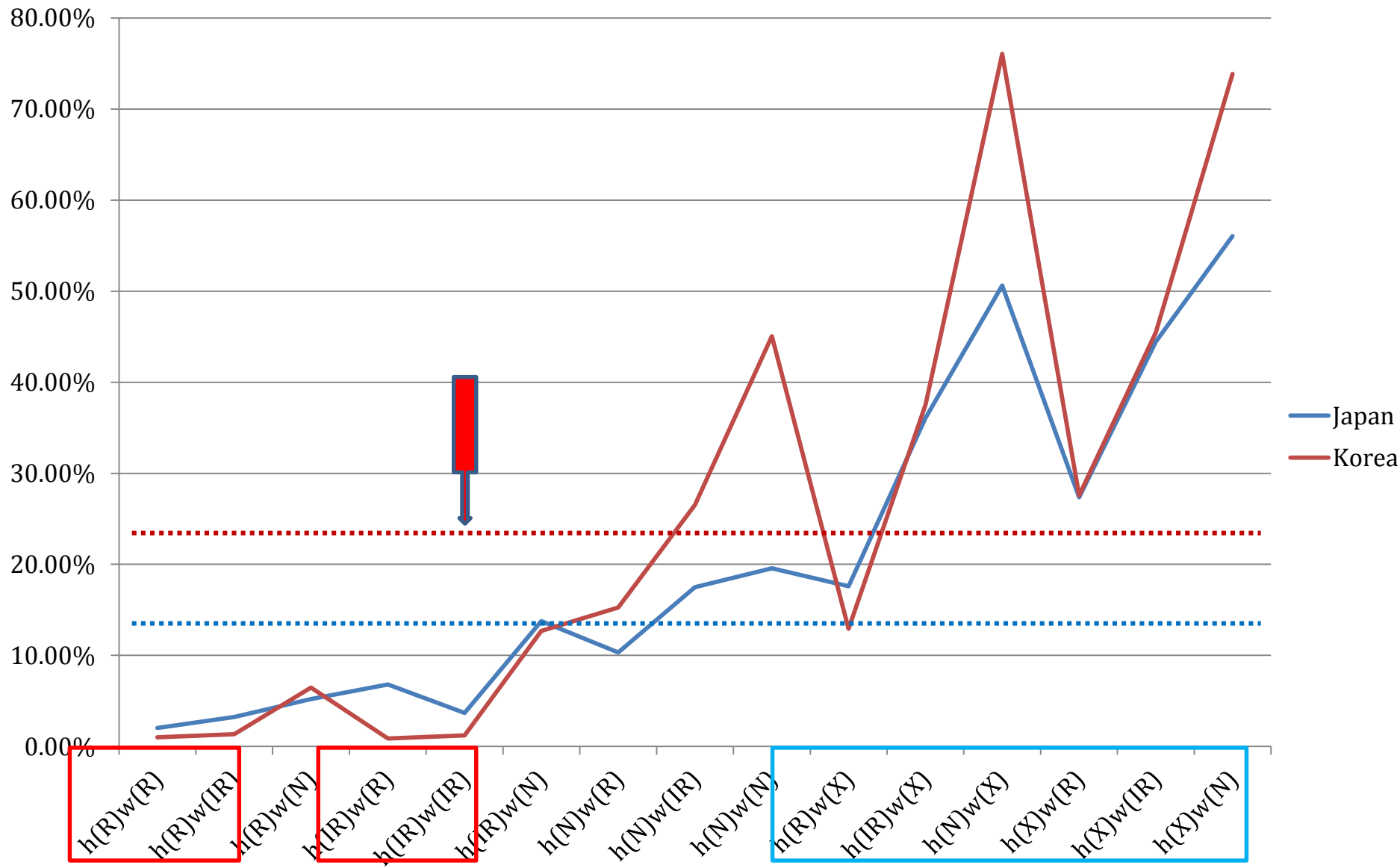
* **In Common** between Korea and Japan:

- High differences of poverty rate depending on family types
- Couples with both non-regular jobs shows the very low level of poverty rate, less than 50% of average poverty rate.

* **Differences** between Korea and Japan:

- The differences of poverty rate: Korea > Japan
- Female head's penalty: Korea > Japan
- Single head's penalty: Korea < Japan

Poverty Rate in 2012



[Note] R: Regular, IR: Non-regular, N: No income, No Job, X: No spouse

Poverty Rates of Family types and of labor market, 2012

		South Korea			Japan		
Family Type		Total	Husband	Wife	Total	Husband	Wife
1	h(R)w(R)	1.02%	5.83%	20.55%	2.03%	15.67%	14.36%
2	h(R)w(IR)	1.35%	8.93%	45.49%	3.23%	28.69%	25.64%
3	h(R)w(N)	6.47%	8.88%	-	5.20%	43.27%	-
4	h(IR)w(R)	0.87%	14.36%	28.22%	6.82%	22.22%	24.44%
5	h(IR)w(IR)	1.23%	16.47%	36.29%	3.70%	28.75%	35%
6	h(IR)w(N)	12.68%	25.39%	-	13.76%	62.39%	-
7	h(N)w(R)	15.27%	-	34.82%	10.34%	-	63.64%
8	h(N)w(IR)	26.51%	-	52.02%	17.50%	-	53.42%
9	h(N)w(N)	45.04%	-	-	19.58%	-	-
10	h(R)w(X)	12.93%	9.04%	-	17.60%	7.14%	-
11	h(IR)w(X)	37.51%	28.58%	-	36.07%	16.67%	-
12	h(N)w(X)	76.06%	-	-	50.63%	-	-
13	h(X)w(R)	27.57%	-	27.47%	27.37%	-	12.37%
14	h(X)w(IR)	45.46%	-	48.16%	44.44%	-	36.97%
15	h(X)w(N)	73.85%	-	-	56.06%	-	-
Total		22.32%	11.31%	38.75%	13.62%	32.02%	

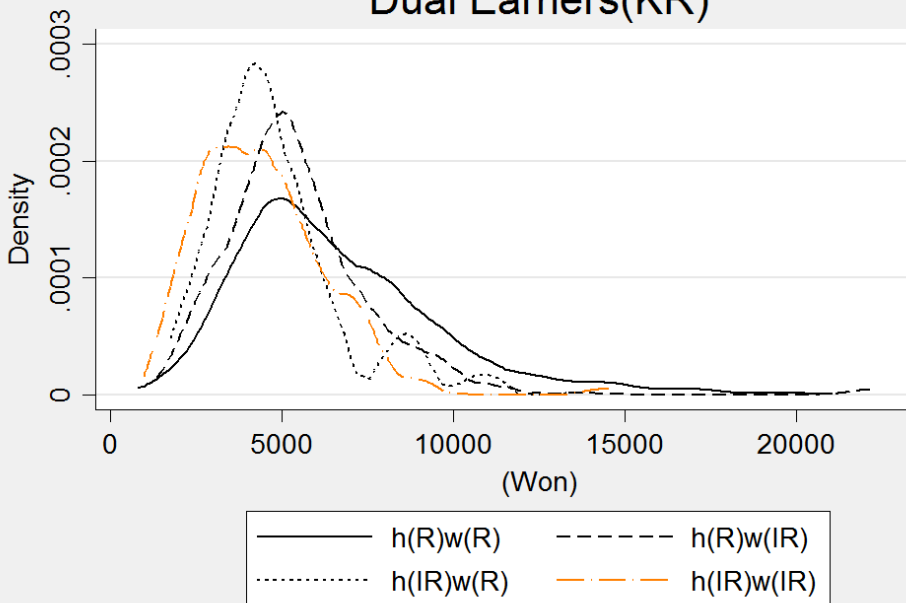
[Note] R: Regular, IR: Non-regular, N: No income, No Job, X: No spouse

Household Income Distributions by Family type

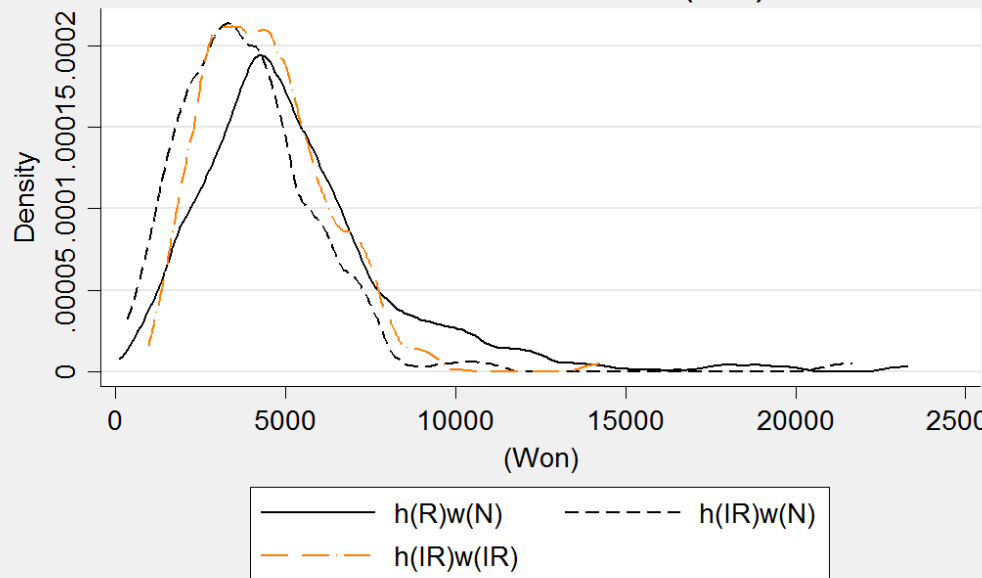
KR: Korea

JP: Japan

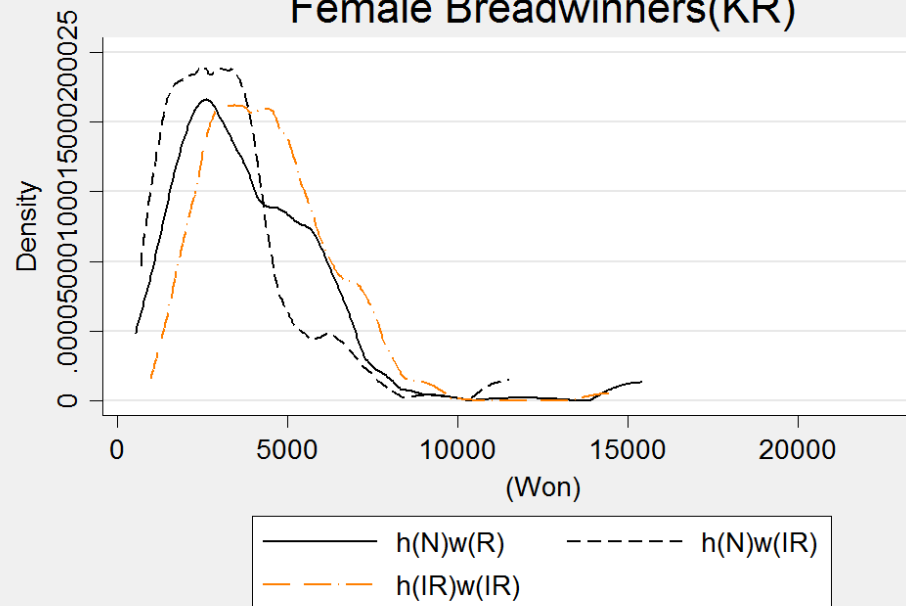
Dual Earners(KR)



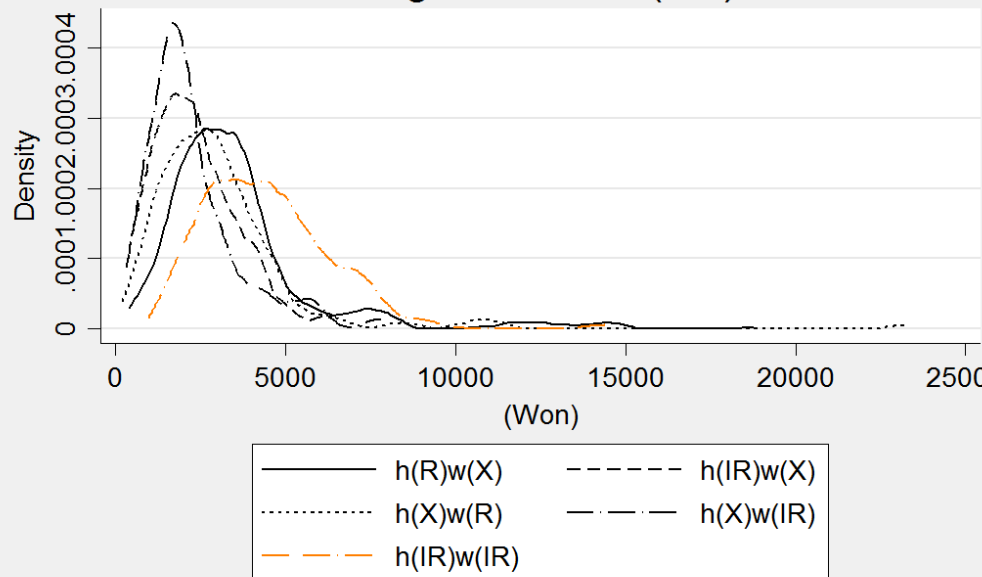
Male Breadwinners(KR)



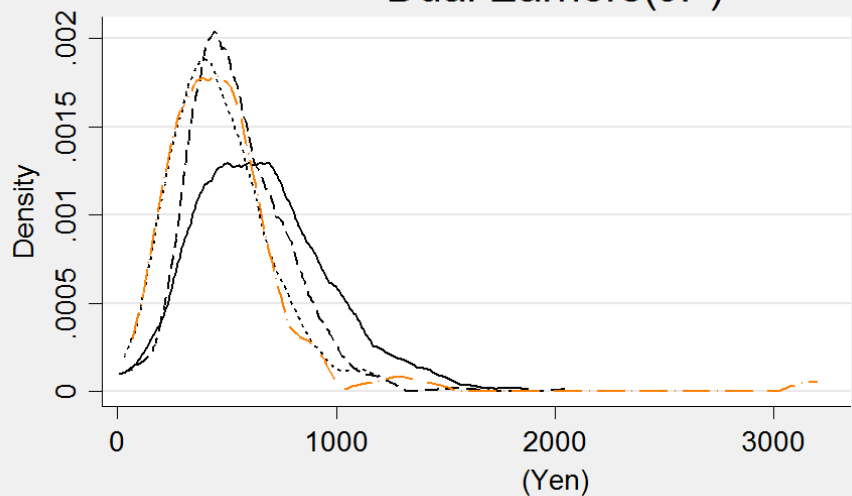
Female Breadwinners(KR)



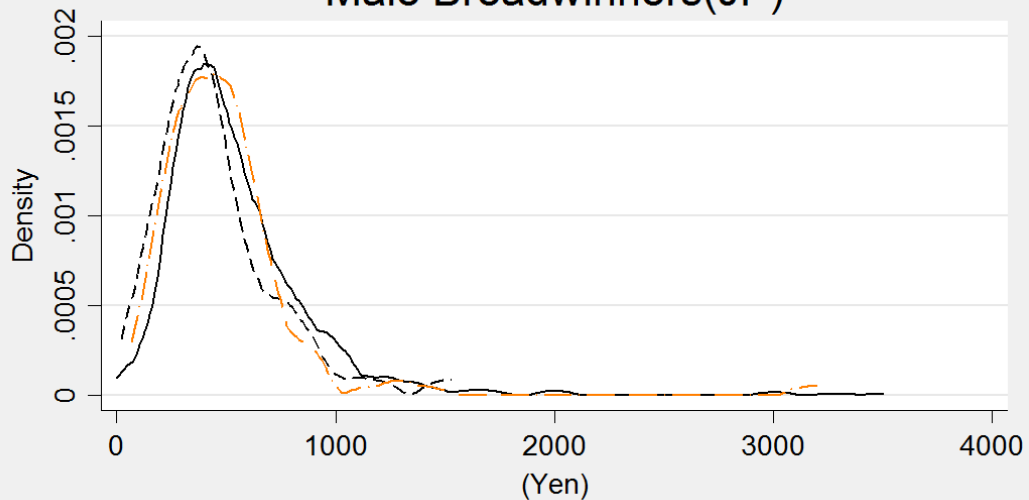
Single Earners(KR)



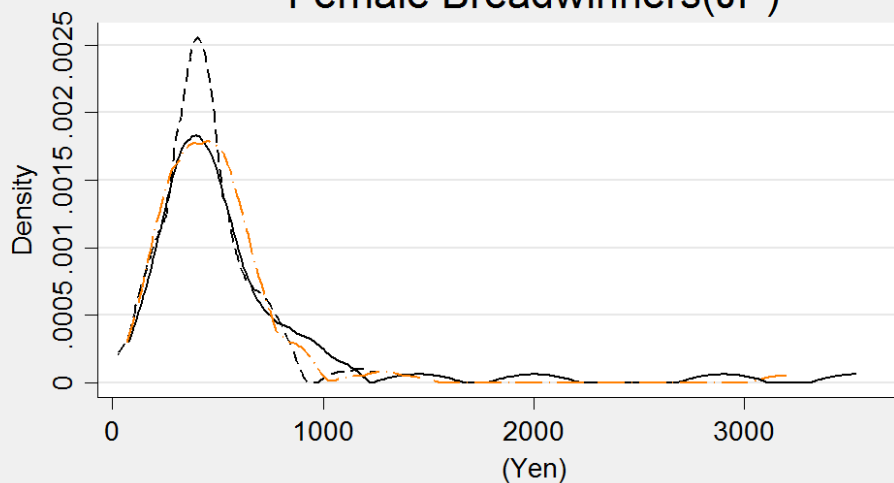
Dual Earners(JP)



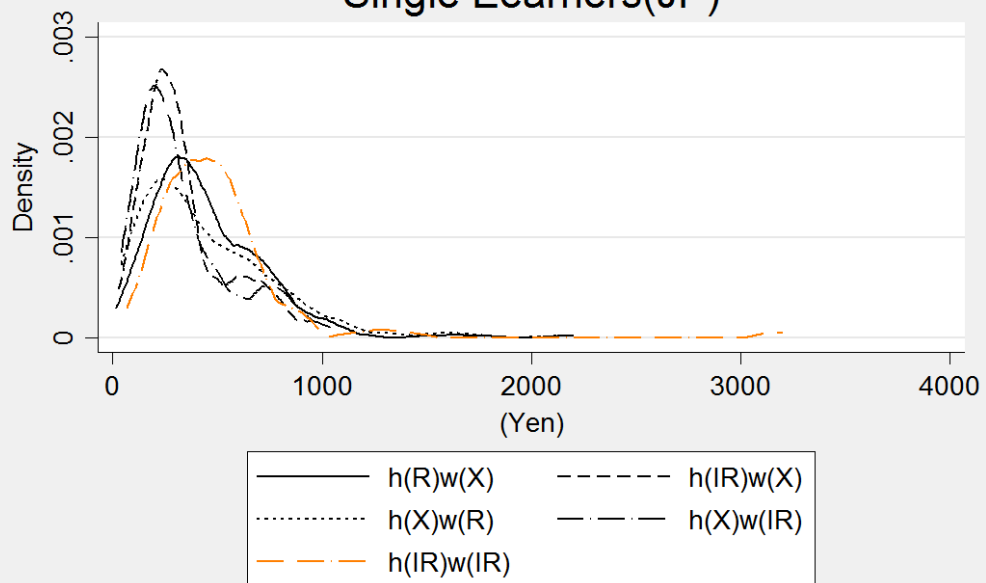
Male Breadwinners(JP)



Female Breadwinners(JP)



Single Earners(JP)



Poverty in 2012	South Korea		Japan	
	(1) Income	(2) Equivalised household income	(3) Income	(4) Equivalised household income
h(R)w(R)	-	-	-	-
h(R)w(IR)	0.0762	0.11	-0.01	-0.339
h(R)w(N)	1.518***	1.360***	0.681*	0.652*
h(IR)w(R)	-0.594	0.0267	0.938	0.91
h(IR)w(IR)	-0.565	0.596	0.702	0.807
h(IR)w(N)	1.748***	1.778***	1.529***	1.441***
h(N)w(R)	1.861***	1.490***	0.547	0.358
h(N)w(IR)	2.801***	2.417***	1.194**	0.839
h(N)w(N)	3.101***	2.942***	1.486***	1.432***
h(R)w(X)	2.485***	1.589***	1.859***	0.877**
h(IR)w(X)	3.525***	2.388***	2.458***	1.462***
h(N)w(X)	5.154***	4.354***	3.016***	2.035***
h(X)w(R)	3.043***	1.788***	2.500***	1.641***
h(X)w(IR)	3.857***	2.710***	2.766***	2.264***
h(X)w(N)	4.129***	3.372***	3.124***	2.315***
Young(-34)	-	-	-	-
Middle(35-49)	-0.301	0.913**	0.782***	0.905***
Old(50-64)	-0.0205	0.707*	0.992***	0.686**
Elderly(65-)	1.079***	1.533***	0.486*	-0.175
Below middle	-	-	-	-
High school	-0.895***	-0.976***	-0.734***	-0.753***
2 year college	-1.171***	-1.025***	-0.878***	-0.877***
4 year college+	-1.912***	-1.883***	-1.283***	-1.257***
Others	-	-	-0.625*	-0.883**
Constant	-3.505***	-4.034***	-3.173***	-2.870***
N	5732	5732	3348	3348
Pseudo R2	0.4238	0.3435	0.157	0.092

Results of Logistic Regression

- * The forms of family play an important role in the risk of poverty of family.
- * The elderly in Japan shows much lower possibility of poverty than in Korea.
 - The Japanese elderly are enjoying benefits of economic growth and prosperity when they were young.
- * The effect of education on lowering the risk of poverty is much larger in Korea than in Japan.
 - Stronger educational stratification in Korea than in Japan

Poverty in 2012	South Korea		Japan	
	(1)	(2)	(1)	(2)
h(R)w(R)	-	-	-	-
h(R)w(IR)	0.586	0.665	0.309	0.251
h(R)w(N)	1.078**	0.928*	0.340	0.264
h(IR)w(R)	0.529	0.518	<i>(empty)</i>	<i>(empty)</i>
h(IR)w(IR)	0.871	0.934*	-0.295	-0.233
h(IR)w(N)	1.461***	1.410***	0.878	0.607
h(N)w(R)	1.380**	1.249**	0.386	-0.159
h(N)w(IR)	1.877***	1.421***	1.128	0.675
h(N)w(N)	1.946***	1.605***	0.492	-0.294
h(R)w(X)	2.137***	1.944***	1.376***	0.520
h(IR)w(X)	2.675***	2.448***	1.974***	0.940
h(N)w(X)	3.588***	2.464***	1.692**	0.618
h(X)w(R)	2.556***	2.117***	1.986***	1.344**
h(X)w(IR)	2.813***	2.397***	2.609***	1.388**
h(X)w(N)	2.861***	2.057***	2.681***	1.516**
Young(-34)	-	-	-	-
Middle(35-49)	0.680**	0.676**	0.475	0.387
Old(50-64)	1.133***	1.068***	0.942***	0.797**
Elderly(65-)	2.474***	2.147***	0.787*	0.667
Below middle	-	-	-	-
High school	-0.980***	-0.749***	-0.607**	-0.365
2 year college	-1.261***	-0.894**	-0.747*	-0.582
4 year college+	-1.612***	-1.232***	-1.210***	-0.778*
other			-0.400	-0.037
Poverty in 2006	-	1.717***		2.249***
Constant	3.589***	3.884***	2.728***	2.989***
N	5731	5731	1558	1558
Pseudo R2	0.333	0.388	0.131	0.230

Conclusion

- * In sociology, there has been a few theoretical and empirical attempts to explain poverty at the societal level, focusing on work at an individual level too much.
- * The role of family, in particular family type or family composition, in income distribution should be readdressed for a sociological understanding of inequality and poverty at the societal level.
- * In conclusion, poverty is an outcome of complex social dynamics with regard to work and family system under the institutional configuration.

Thank You