Demographic Changes and Work Family Balance Policies in East Asia

By
Meejung Chin

Introduction

East Asian countries share the common cultural background of Confucianism. They also share the common concerns that resulted from recent demographic changes. Since the 1990s, decreasing fertility rates have been a major social concern in East Asia. It is well known that Japan, South Korea (Korea hereafter), and Taiwan are among the countries with very low fertility rates. The estimated 2012 total fertility rate (TFR) is 1.39 in Japan, 1.24 in Korea and 1.16 in Taiwan according to the CIA World Fact Book. East Asian countries have developed family policies to respond to the decreasing fertility rates. We can find a similar pattern in the process of family policy development in East Asian countries. They first expanded childcare services by increasing the number of childcare facilities and children who were eligible for childcare subsidies. Then, they shifted the focus of policy to the issues of work family balance and family friendly workplace. This policy shift was partly due to the disappointing fact that the government’s investment in childcare services was not effective in boosting fertility. Policy makers and experts agreed to implement work family balance policies in a broader sense.

The purpose of this paper is to explain how demographic transitions facilitate the development of work family policies in East Asian countries and to discuss the lessons learned from the East Asian experiences. Work family balance policies include childcare services, maternity or parental leave, and other family friendly workplace policies in this paper. First, I will explain some social and cultural backgrounds of East Asian countries. Then I will present current work family balance policies in East Asian countries. An example of good practices in work family balance policies will be followed based on Korean cases. In order to promote work family balance among both men and women and to change work-oriented culture, the Korean government took a healthy family initiative. I will provide some information on this initiative.

Observing the development of work family balance policies in East Asian countries, we can learn some lessons to enhance the effectiveness of work family balance policy. Those lessons will be summarized in recommendations. Finally, a limitation should be noted in the scope of this paper. This paper focuses mostly on Korea, Japan, and Taiwan with little consideration on other East Asian countries because of the availability and familiarity of the literature.

Social and Cultural Backgrounds of Demographic Changes in East Asian Countries

East Asian countries are often described as developmental states, which have achieved a rapid economic development and modernization in a short period of time. Political legitimacy of the government in these countries is maintained by the government's ability to drive economic development. Thus, East Asian countries have experienced compressed modernity, which is a social situation in which economic, political, social and/or cultural changes occur in an extremely condensed manner with respect to both time and space, and in which the dynamic coexistence of mutually disparate historical and social elements leads to the construction and reconstruction of highly complex and fluid social system (Chang, 2010).

Given this background, it is not surprising that social policy including work family policy has been subordinated to economic policy in East Asian countries. Scholars described East Asian countries as family-reliant welfare states because families played a primary role in delivering social welfare services instead of states (Goodman & Peng, 1996). Under the legacy of Confucianism, families
valued intergenerational commitment and provided extensive care for children and the elderly. The
governments provided only residual, minimal services to the elderly, the disabled, or the poor who did
not have dependable families. Economic growth made it possible for families to be self-sufficient in
caring for family members. While men serve as wage earners, women serve as caregivers. This
traditional gender division was effective during the period of economic growth. Families functioned
as a highly effective engine of economic development and contributed to compressed modernity
(Chang, 2010).1

Since the 1990s, economic growth has become slow in most East Asian countries. The traditional
family model is becoming increasingly difficult to sustain, mostly because of demographic changes
including fast population aging, very low fertility rate, and decline in the commitment to marriage and
in solidarity in family relations (Chiu & Wong, 2009). While the timing, the scale and the pace of
these demographic transitions vary due to specific socio-economic contexts, there is a convergence in
the patterns of demographic changes across the East Asian countries. These demographic changes
have been interpreted as negative signals of family well-being and functioning and also as new social
risks that threaten the sustainability of East Asian countries (Chin, Lee, Lee, Son, & Sung, 2012).
New social risks experienced in post-industrial societies due to increasing women’s labor force
participation, aging population, labor market change, and expansion of private care (Taylor-Gooby,
2004) are experienced in East Asia as well.

Ironically, the current low fertility level is the result of the government policy to control population
growth. Until the 1980s, family policy was a synonym for family planning policy in East Asia. The
East Asian governments intervened in families through family planning services and controlled
population growth. In Japan, the government encouraged families to reduce the number of children by
permitting abortion for economic reasons (Chiu & Wong, 2009). Likewise, the Korean government
provided a wide range of family planning services such as free contraception and legalized abortion
(Jun, 2002). Chinese government was no exception. In China, one-child policy extensively took place.
In these three countries, family planning policy was successful in reducing the fertility rate.

East Asian countries took an exactly opposite direction and launched new policies to increase fertility,
beginning in the mid 1990s in Japan and early 2000s in Korea. Because most East Asian countries do
not receive immigration, fertility decline is directly related to depopulation problem. Alarmed by these
demographic changes, East Asian countries adopted family policy and actively responded to fertility
decline. Family policy of East Asian countries is a pronatalist policy in its objective.

Childcare Services

The East Asian governments first began to expand childcare services to respond to fertility decline.
Previously, childcare services were available only for low-income families in most East Asian
countries. For example, when ‘Childcare Act’ was first established in Korea in 1991, the Act targeted
children whose employed parents could not provide care due to low-income. However, the Act was
reformed to cover all children who needed childcare services regardless of parental income level in
2005. To expand child care services, the Korean government encouraged private childcare providers
to build childcare facilities by relieving regulations regarding construction and operation of childcare
facilities.2

1 Researchers argue that East Asian countries should not be treated a singular cultural, societal entity however.
There are diverse patterns of care provision in each society. For example, the state plays a significant role in
care provision in China and Singapore in order to promote female employment and the market sector plays
an important role for elderly care in Singapore and Taiwan (Ochiai, 2011). In Singapore and Taiwan,
transnational migrants are employed in the market of domestic and care work and provide care for families.
Therefore, we should be careful in discussing the cases of East Asian countries.
2 Relying on private childcare providers in childcare service expansion created a dilemma for the


The government dramatically increased childcare budget as well: the childcare budget jumped approximately seven times between 2002 and 2007 (Bang, 2009). Due to this increasing financial investment, the proportion of children enrolled in childcare facilities exceeded the average of Organization for Economic Co-Operation and Development (OECD) countries. As of 2010, the proportion of those enrolled in childcare facilities was 27.9% for children aged 0, 51.7% of children aged 1, 71.2% of children aged 2. The proportion of children enrolled either in childcare facilities or in kindergarten was 90.5% among children aged 5 (Suh, 2011).

Central and local governments provide earning-related childcare subsidies to families with children until the child’s sixth birthday. The eligibility and amount of childcare subsidies vary depending upon the child’s age, household characteristics (i.e., income, having multiple children or children with special needs, and having dual income), and the use of childcare facilities. Lower-income families that do not utilize child care facilities have been eligible for a flat-rate child care allowance since 2009.

Beginning in 2012, the Korean government started a new childcare subsidy for children aged 0-2. The government provides full childcare subsidy for those who attend childcare facilities regardless of their household income level. This policy brought about heated debates on the appropriateness of childcare services for very young children because the new policy encouraged non-working mothers to send their infants to childcare facilities even when they are able to take care of them at home.

The Japanese government launched a series of five-year childcare policy initiatives (Angel Plans 1994-1998, New Angel Plans 1999-2004, and Child·Family Support Plan 2005-2009), acknowledging that caring for children was no longer a private duty of families alone. These plans significantly created various types of childcare services and increased the number of children enrolled in childcare facilities and.

Yet, childcare-oriented policy did not boost fertility as much as the government expected. The population began to decrease in 2005 due to the continuously low fertility. Therefore, the Japanese government shifted the focus to promote work-family balance among young couples with children. The new initiative intends to change work-centered Japanese culture into family-centered culture, encouraging men to spend more time at home and allowing mothers with young children to remain in the work force (Haub, 2010). The Japanese government announced another five-year plan for child and childrearing with four major policy agenda in 2010: a) support for development of the young, b) support for pregnancy, childbirth, and childrearing, c) increasing community capacity for child rearing, and d) work and life balance among both men and women. Through these policies, the government plans to increase the proportion of children under age 3 enrolled in licensed childcare facilities from 24% to 35% from 2009 to 2014.

In Taiwan, while the investment has led to the increase in the number of public kindergartens and classes, the number of children attended declined. There is concern over the effectiveness of investment in public kindergarten and the need to find a way to improve areas of weakness (Chiu & Wei, 2011). ‘Universal infant and childcare system plan’ was passed in 2006 and the infant care subsidies policy was implemented in 2008. To be eligible for the subsidy, at least one parent should be

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3 While the OECD average rate of children aged 0-2 in formal care was approximately 30% in 2008, the corresponding rate was 37.7% in Korea. While the OECD average rate of children aged 3-5 in formal care was approximately 77% in 2008, it was 79.8% in Korea. Although it has dramatically increased, public spending in formal childcare services of Korea was lower than the average public spending among the OECD countries (OECD Family database: PF3.1., n.d.). It corresponds to .53% of GDP in 2011.
employed and the average household income must be less than 1.5 million NT dollars. The amount of subsidies for the average family is 3,000 NT dollars (approximately 100 US dollars) per month for each infant in care. Beginning in 2010, the free tuition education project for 5 year old children was launched to expand tuition free preschool education and to reduce the financial burdens of childcare.

Taiwanese government launched population policy proposal in 2008. The proposal consisted of seven major agenda: a) building up comprehensive public childcare system, b) improvement of unequal maternal leave and unrealistic parental leave policy, c) provision of financial support with dependent children, d) constructing friendly occupational environment for childbearing workers, e) further improving the reproductive health care system, f) enhancing children's rights and improving child protective system, and g) improving marriage opportunity and children's value as public goods (Lee, 2009). Also the Taiwanese government recently integrated two different systems of childcare and early childhood education into one ECEC service system. In the beginning of 2012, 'Early Childhood Education and Care Act' regulated both kindergarten and childcare facilities.

**Maternity and Parental (Childcare) Leave Policy**

Maternity and parental leave had been introduced as a policy tool for the protection of female workers before East Asian countries experienced fertility crisis. However, the leave policy has substantially advanced since the mid 2000s in line with an overall policy shift in family policy.

In Korea, the foundational legislation of work-family policies is the 'Act on Equal Employment and Support for Work-Family Balance'. This Act was reformed in 2007 from the Equal Employment Act, expanding the goal of this Act from gender equality in workplaces to work family balance in working families. Female employees are entitled to a 90-day maternity leave. Typically, the leave takers can receive full wages from their employers for the first 60 days and partial- or full-wage replacement from the employment insurance for the remaining 30 days. In addition to maternity leave, paternity leave was expanded from 3-day unpaid leave to 5-day paid leave in 2012.

Employed mothers and fathers are entitled to parental leave for up to one year until the child’s sixth birthday. The parental leave was introduced in 1987 as an unpaid leave only for mothers with a child under one year of age, but the maximum age of the child was extended up to three years in 2008 and then up to six years in 2010. Currently, each parent may claim a childcare leave but cannot take the leave simultaneously. The leave taker can receive a wage replacement at 40 % of their usual monthly pay up to KRW 1,000,000 (approximately, USD 1,000) through employment insurance.

Maternity leave was introduced in Japan in 1947 as part of the 'National Labor Standard Law'. Women are entitled to a 14-week maternity leave with allowance accounting for 60 % of the salary. Parental leave was introduced in 1992. Employed mothers or fathers can use parental leave up to 52 weeks. Parental leave starts from the day when the maternity leave ends, and lasts until the day before the child reaches the age of one. During the leave, employees are paid at rates ranging from 30 to 60 % of their usual pay through labor insurance.

In Taiwan, the duration of maternity leave ranges from five days to eight weeks according to the 'Gender Equality in Employment Act' and the 'Labor Standards Act'. Fully paid maternity leave shall be granted to any female worker who has been employed for more than six months. For any female worker on maternity leave, if her spouse is employed, he shall be granted three days off as paid paternity leave. Parental leave can be used for up to two years if his/her children reach the age of three. Although the parental leave is unpaid, 'Employment Insurance Act' provides an insured employee with an allowance for up to six months per child and the amount of this remuneration is 60% of the insured person's monthly earnings. If both parents are covered by employment insurance, they may apply for the parental leave allowance separately but not at the same time.
Responding to fertility decline, East Asian countries have expanded maternity and parental leave in terms of length and financial compensation. As of 2012, maternity leave and parental leave are most generous in Korea among the three East Asian countries. Yet, it is too early to expect any positive effects of those leave policies on work family balance among workers and fertility increase. While leaves and other work family balance policies are available, the utilization rates are quite low. Because the leave system is based on employment insurance in Korea, only insured employees are eligible for the leave. Among female workers in their 30s, the proportion of insured workers is 37.2% and the remaining 62.8% is not insured (Korean Statistical Office, 2010). Consequently, the leaves are not actively used. The number of female workers who used maternity leave was only 75,742 and the number of those who used parental leave was 41,742 in 2010 (the number of births was 46.9 million in 2010).

Family Friendly Workplace Policy

Besides maternity and parental leave, workplace flexibility is an important measure of family friendly workplace policies. According to the OECD family database, flexible workplace practices including choices in managing time, flextime, reduced time, and time off are not common outside European countries. Despite of the research findings arguing that workplace flexibility increases job engagement and satisfaction (Galinsky, Sakai, & Wigon, 2011), employers are reluctant to adopt these measures in their workplaces.

In Korea, employed parents who are eligible for parental leave can request reduced working hours instead of using parental leave. The reduced work schedule was introduced in 2008 in consideration of families that cannot survive with the loss of payment from a full-time parental leave or parents whose job duties do not allow full-time absences for an extended period of time. Employees on the reduced work schedule should work for a minimum of 15 hours to a maximum of 30 hours per week. Consistent with the parental leave, the reduced work schedule can be used for up to one year in one or two blocks until the child reaches his or her sixth birthday. According to a survey of 1,447 companies conducted by the Ministry of Gender Equity and Family in 2011, 12.8% of private workplaces and 38% of public workplaces had flextime practices (Koh, 2012). However, there is no statistics on what proportion of workers actually utilized the flextime.

Flextime options also exit in Japan but generally without the possibility of accumulating overtime and taking extra holiday in lieu. Collective labor agreements which facilitate arrangements whereby workers can decide autonomously when to clock into and out of work are present in 6.3% of Japanese workplaces; 17% of Japanese companies provide regular start and finishing hours outside the norm, while 46% of Japanese companies allow for flexible start and finishing times on an occasional basis (EIRO, 2008 cited from OECD Family database LMF2.4).

Good Practices of Work Family Balance Policy in Korea

Observing the low utilization of maternal and parental leaves and other family friendly workplace practices, the Korean government realized that the success of work family balance policy depends on workplace culture. Because strong commitment and loyalty to work has been considered as social virtue, East Asian workers have longer working hours compared to those in other developed countries. In particular, Korean workers actually worked 2,193 hours on average in 2010, which was 444 hours more than the OECD average. Korea has been on the first place among OECD countries since 1991 (OECD Stat extracts, n.d.).

While East Asian countries commonly share such work-oriented culture, Korea has an exceptionally strong work-oriented culture. Kim and Chang (2011) compared the effects of family friendly culture on work family conflict and job satisfaction among Japanese and Korean workers. They found that the negative association between family friendly workplace culture and work family conflict was
significant in both Japanese and Korean workers. The effects were stronger in Korean workers than in Japanese workers, indicating that Korean workers were more sensitive to workplace culture in their work family conflict.

Family friendly workplace culture helps workers to promote work family balance and reduce work family conflict by allowing them to utilize family friendly policies at workplace. Ok and her colleagues (2011) investigated the effects of family friendly workplace policies and culture on work family conflict of workers using meta analysis of empirical studies conducted in Korea since 2006. Based on 9 empirical studies, they found that family friendly workplace policies were negatively associated with work family conflict with a small effect size. They also found that family friendly culture was negatively associated with work family conflicts with medium sized effect, based on 19 empirical studies. From these results, they concluded that family friendly culture was more important than the availability of family friendly policies at workplace in Korea.

Family policy experts agreed that it takes more than work family balance policy and family friendly workplace policies to change this work-oriented culture. It requires a more comprehensive approach to promote family friendly culture and family value at societal level. For this purpose, the Korean government enacted the ‘Framework Act on Healthy Families’ and Action Plan for Healthy Families according to the Act. The Act was passed in 2004 and is administered by the Ministry of Gender Equality and Family. The purpose of the Framework Act on Healthy Families is to declare social responsibility for building healthy families and communities and to improve the well-being of Korean families. The action plan consisted of six policy areas: socializing family care, pursuing work family balance, supporting various types of families, building family friendly social environments, promoting healthy family relations, and creating family service delivery system.

One of the important elements of the Act is to require local governments to provide comprehensive and preventive family services through Healthy Family Support Centers (HFSCs). Certified Healthy Family Specialists who have expertise in family services deliver various family services at these centers. As of 2011, 182 HFSCs with qualified specialists have been established across the nation and the number of these centers is growing (Healthy Family Support Centers, 2011).

To promote family friendly culture in workplaces and society in general, HFSCs provide father education and family friendly workplace programs. Since the participation of fathers in the center programs is not high, HFSCs provide on-site father education and family friendly workplace programs at various workplaces. They recruit companies located in their communities and deliver targeted programs in order to involve more men in child rearing and family time.

Another way to promote work family balance is launching a national family campaign. To reduce working hours and increase family time, workers are encouraged to observe 'Family Day', which is

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4 The HFSC system has a top-down, three-tier structure. The Headquarters of HFSC generally manages and supports province and local HFSCs throughout the nation. The Headquarters of HFSC provides operational guidelines for province and local HFSCs to ensure that these centers practice the core mission of the Framework Act on Healthy Families and uphold similar service quality among all HFSCs across the nation. In terms of maintaining service quality, the Headquarters of HFSC evaluates local HFSCs every three years and consistently provides professional development programs for staff at the HFSCs. As a bridge linking the headquarters to local HFSCs, province HFSCs provide support for both the Headquarters and local HFSCs. Province HFSCs develop programs reflecting various needs and regional characteristics in order to respond to the unique needs of residents in different regions. It also helps manage and evaluate local HFSCs that are under their administrative districts. Local HFSCs, in turn, provide direct and customized services to families in the community.
every Wednesday. This may sound surprising to Western workers, who do not have long overtime working hours. This campaign is designed to change overtime work patterns. It is not, of course, compulsory for most workplaces. Yet, public workers are not paid for the overtime they work on Family Day. Family Day is also called as 'Family Meals Day' because it is intended to have dinner together with family.

Recently, the Korean government announced a plan to reduce the working hours. Currently, workers are prohibited from working more than 40 regular hours and extra 12 hours a week (52 hours a week at maximum) according to the 'Labor Standard Act' of Korea. However, this standard does not include work hours during weekend or holidays, so workers can work more than 52 hours if they work on weekend or holidays. The Ministry of Employment and Labor suggested that the Act should be reformed so that the extra 12 hour-regulation include work during weekend or holidays. If the Act is amended, workers are banned from working more than 52 hours under any circumstances.

**Recommendations**

- Work family balance policy should attempt to change workplace culture to value work family balance of workers. It may not be difficult to introduce work family balance policies to workplaces. Yet, it would be difficult for workers to utilize those policies if the workplace culture is not family friendly.

- Work family balance policy should target men rather than women if it attempts to change the workplace culture. Father education or family friendly workplace programs provided at workplaces are able to involve men more easily than community-based programs. Family friendly workplace certifying system may help in recruiting private companies and workplaces and encouraging male workers’ participation in these on-site programs.

- Childcare services are important but not sufficient. In Japan and Korea, childcare services have been tremendously expanded since the late 1990s and early 2000s, respectively. However, they have not been effective in creating family friendly culture. On the contrary, it rather served to reinforce work-oriented culture by providing longer hours of services such as night service or 24 hour service. Thus, childcare services should be complemented by other family friendly and work family balance policies.

- To increase the effects of work family balance policy, collaboration across the government ministries is necessary. In Korea, work family balance policy is ministered by the Ministry of Health and Welfare (childcare), the Ministry of Employment and Labor (working hours and leaves), and the Ministry of Gender Equity and Family (family friendly culture). Although it is not easy to draw collaboration among different ministries, it is necessary.

**Conclusions**

East Asian countries are characterized by long hours of work, priority of work over family matters, and commitment of families to economic development. In fact, these characteristics made the rapid economic development and modernization possible. Scholars identified East Asian countries, Japan in particular, as a hybrid case of traditional familialistic and post-war liberalist elements (Esping-Anderson, 1997). The family was responsible for dealing with and solving family matters with no assistance from the government or other public entities. However, the consistently low fertility trends in East Asian countries signal that the traditional model of division between states and families does not hold and require a paradigm shift in social policy including work family balance policy.

Because work family balance policy has been triggered by the low fertility trend in East Asian countries, its objective is pronatalist and its effects are evaluated in terms of fertility statistics. If we
take the TFR as single criteria to evaluate the effectiveness of the policies, most work family balance policies would turn out to be ineffective, at least up to this period. However, if we take other criteria such as employment of married women, work family balance policy would turn out effective.

A relation between work and family spheres should be restructured at a broader level in order to recover fertility. General workplace structure and culture should be reformed so that workers can balance work and family life without suffering disincentives at workplaces. It is essential to involve both male and female workers to promote family friendly culture at the societal level. When work family balance policy was first introduced several decades ago, it was considered as women-friendly policy and was difficult to expand without an unintended outcome of avoiding employment of female workers. Increasing awareness of men on the importance of work family balance may be an effective way to expand work family balance policies and to increase utilization of the policies. East Asian experiences show that a comprehensive cultural paradigm shift should be sought for in order to promote work family balance among workers.

References


