

Asian Labour in the Age of Decaying Neoliberalism: Implications for Asia's Political Economy of Development

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Abstract

The world is going through the age of decaying neoliberalism. During the COVID-19 crisis, the world economy broke the lowest post-war growth rate record set up by the global financial crisis only a decade ago. Rival powers are challenging US hegemony first through a trade war and now through an actual war. We are witnessing, however, not the end of neoliberalism but the end of 'global neoliberalism'. Born as a class project in the 1970s to restore elite power in Atlantic economies, neoliberalism had to overcome many challenges to become a global doctrine. The broken promises for Third World development, the Asian economic crisis of the late 1990s, and anti-globalisation movements were the conditions that gave birth to global neoliberalism - an awkward and temporary global elite alliance based on China's hyper-economic growth and the American rhetoric of freedom, democracy, and good governance. Asia was a growth engine of such development, attracting investment from and producing profits for global elites. Asia's rise to a global factory relied on a 'labour paradox' creating a large-scale new workforce without creating a cohesive working class capable of improving labour conditions and welfare. Global neoliberalism, however, began to fall apart after the 2007-2008 global financial crisis that revealed its risky reliance on debt-fuelled household consumption in the US and China's investment-led growth vulnerable to over-accumulation of capital. China's response to the crisis resulted in further overaccumulation, the New Normal, and outward expansion of Chinese capital in search of profitable outlets, provoking US protectionism and finally ending global neoliberalism. Navigating this transition to maintain neoliberal growth, Asia's elites increasingly relied on what Bruff and Tansel (2019) call 'the intertwinement of authoritarian statism and neoliberal reforms'. They created full or semi-authoritarian regimes across Asia by the mid-2010s. This politico-territorial reformulation of neoliberal development bears important implications for the region's political economy of development. Asia's working population is exposed not only to neoliberal market competition. They also face escalating authoritarianism, nationalist clashes between neoliberal economies, and imperialist confrontation, all of which may hamper the continuing effort to build sustainable and equitable economies for ordinary working people across Asia.

Bio

Dae-oup Chang is a Professor of Global Korean Studies at Sogang University, Seoul. He is also the editor-in-chief of the Asian Labour Review. Before joining Sogang in 2015, he taught Development Studies at SOAS, University of London. His publication on East Asian labour and development includes *Capitalist Development in Korea: Labour, Capital and the Myth of Development State* (2009, Routledge), 'Informalising Labour in Asia's Global Factory' (2009, *Journal of Contemporary Asia* 39:2), and 'Transnational Labour Regimes and Neoliberal Development in Cambodia' (2022, *Journal of Contemporary Asia* 52:1). He is now writing a book titled "Continent of Labour: The Making of East Asia from Colonial Integration to Neoliberal Ascent."