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**TRANSITION TO THE 'UNIVERSAL  
WELFARE STATE':  
THE CHANGING MEANING OF THE  
'WELFARE STATE' IN KOREA**

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# **Transition to the ‘Universal Welfare State’: The Changing Meaning of the ‘Welfare State’ in Korea**

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## **Abstract**

Over the last fifty years, the welfare state in Korea has evolved from a minimal structure of welfare programmes to a comprehensive set of institutions and policies for social protection. This paper traces changes in understandings of the welfare state articulated by policy makers, examining their political strategies to lead the Korean society to the welfare state. The concept of the welfare state has changed its meaning according to their political strategies at different conjunctures, while the aspiration for the welfare state as an ideal state of affairs, where a certain level of well-being is guaranteed for all by the state, remains strong if not stronger than before. For the welfare state is an essential component of Korea’s modernization project which goes beyond the left and right divide of the Korean politics.

## *Introduction*

When my book, *The Welfare State in Korea: the Politics of Legitimation*, was published in the late 1990s (Kwon, 1999), many of my fellow Korean academics and students asked me the same question: ‘Do you think Korea is a welfare state?’ My response was, ‘Korea is not a welfare state, but the book examines the welfare state in Korea.’<sup>1</sup> People were a little confused at this answer. It was because the concept of the welfare state had at least two different meanings. First, in Korean language, the welfare state (*Pokjikukga*) is a nation-state that provides a comprehensive range of social protection to its citizens, a kind of ideal state of affairs. At the time of the book’s publication, the Asian economic crisis that began in 1997–98 had taken its toll. Many Korean citizens were not only hard hit by the economic downturn, but those who escaped it also felt vulnerable due to the lack of social protection. Most Korean people did not consider Korea as a welfare state in the sense described above. Rather, people felt that Korea fell far short of the mark and should strive further to become a welfare state as a sort of ‘good society’, which is still the language very much used every day in Korean media and the general public.

Secondly, the welfare state is understood as a set of public institutions and policies that aim to provide social protection to citizens. The state (*Kukga*) in Korean language is a collection of public institutions and policies, and thus the welfare state is a set of public institutions and policies that aim to provide social protection for citizens.<sup>2</sup> This second understanding of the welfare state is more analytical than the first one. My book in fact adopts this second definition of the welfare state, as it enables me to examine those public institutions and policies for social protection, even though they may not be able to provide comprehensive social protection to citizens.

Fifteen years on after the Asian economic crisis, the Korean society was engaged in a debate on the ‘universal’ welfare state. During the presidential election that took place in December 2012, two leading candidates from the major political parties made it clear

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<sup>1</sup> Throughout this chapter, Korea refers to the Republic of Korea (South Korea) not to Democratic People’s Republic of Korea (North Korea).

<sup>2</sup> In fact, I did not explicitly define the welfare state in the book, *The Welfare State in Korea* (1999). I did it in the edited book, *Transforming the Developmental Welfare State in East Asia* (2005).

that they would pursue policies to establish some sorts of the ‘universal’ welfare state once they were elected. The eventual winner, President Park Geunhye, promised that her government would make people happy with the welfare state, which could meet all the different demands of citizens from all walks of life. In order to achieve that goal, she would establish a welfare state that could address various welfare needs of citizens located at the different points of the life course.<sup>3</sup> The opposition party, the Democratic Party, made more specific promises about the ‘universal’ welfare state. It placed a great deal of emphasis on ‘free’ social programmes such as free healthcare and childcare.<sup>4</sup> It also made it clear that its social policy programmes would reduce income inequality. Following the debates on the ‘universal’ welfare state during the presidential election, it seems clear to me that, in Korea, there is such a thing that can be called the welfare state. Nevertheless, it is a ‘selective’ welfare state as opposed to a ‘universal’ welfare state and, the presidential candidates believed, Korea should move towards a ‘universal’ welfare state. But what does it mean by a ‘universal’ welfare state, exactly?

These two examples show that, like in other countries analysed in this book, the term ‘welfare state’ has multiple meanings in Korea. Over the last fifty years, during which it made a rapid transition from a poor, war-torn society to an affluent industrialised country, Korea has evolved from having a minimal structure of welfare programmes to a comprehensive set of institutions and policies for social protection. This chapter will argue that, in Korea, the concept of welfare state has referred to at least two understandings: first, an ideal state of affairs the country should reach, as it strives to become a modern and advanced society; and, secondly, a set of public institutions aiming for social protection, a simple and analytical notion of institutions. Over the last fifty years, the concept of the welfare state has changed its meaning according to political strategies to establish the welfare state at different conjunctures. In this chapter, I will argue that the understandings of the welfare state moved closer toward the second meaning while the aspiration for the welfare state as an ideal state of affairs, where a certain level of well-being is guaranteed by the state, remains strong if not stronger than before. I would argue that the welfare state is one of the essential components of Korea’s modernization project which goes beyond the left and right

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<sup>3</sup> It became one of four overall policy orientations of the government.

[www.president.go.kr/assignment02.php](http://www.president.go.kr/assignment02.php)

<sup>4</sup> Democratic Party’s Presidential Manifesto ([www. http://minjoo.kr/wp-content/uploads/2012/12/](http://minjoo.kr/wp-content/uploads/2012/12/))

divide of the Korean politics. This chapter will focus on understandings of the welfare state articulated by policy makers and academics, examining their political strategies to lead the Korean society to the welfare state.

### *Two meanings of 'welfare state' in the context of economic development*

In the last five decades when Korea managed to achieve a remarkable social and economic transformation, economic development was the top priority for virtually all incumbent governments. For this reason, the understanding of the welfare state has been shaped by its relationship to economic development. In this section, I will look into two significant historical conjunctures that shaped the meanings of the welfare state in relation to the political strategies for economic development: the first took place in the early 1960s, soon after the military coup in 1961, and, the second, in the late 1990s, after the 1997 Asian economic crisis.

Government efforts for economic development began in the mid-1950s, when the Korean War ended in a stalemate, but it was the military government established by the 1961 coup d'état that launched a substantial economic development initiative and implemented it in earnest. Its undisputed leader, Park Chung Hee (in office 1961-1979), was Chairman of the Supreme Council of National Reconstruction as it launched the First Five Year Economic Development Plan to revitalise the country. In a 1963 speech, Park gave his idea of development a clear purpose, project, and priority (Park, 1963: : 173): 'I want to emphasise and reemphasise that the key factor of the May 16 Military Revolution was in effect an industrial revolution in Korea. Since the primary objective of the revolution was to achieve a national renaissance, the revolution envisaged political, social and cultural reforms as well. My chief concern, however, was economic revolution.' This speech clearly set out the policy priority of the government, which could be summarized as an 'economy-first' policy (Park, 1963: : 186). Nevertheless, economic development was not the only policy goal on which the military government focused, as it also recognised the need to address social welfare. Park believed that the Korean government should 'provide all the people in this country with decent lives as human beings' (Park, 1962: : 224). Although he made it clear that it would be possible only after the achievement of the overall growth of the economy, he did not just wait.

In 1962, in fact, Park asked his cabinet to prepare policy proposal for social policy programmes (Seo, 1962), and then Park announced his intention to introduce social policy programmes in his New Year speech (Seo, 1962). The task to prepare the policy proposal was handed to the Committee for Social Security (CSS) (Ministry of Labour, 1981). The CSS was an informal study group that included bureaucrats from the Ministry of Health and Social Affairs, doctors, and academics who were concerned with the idea of introducing social security programmes in Korea. Although the Ministry of Health and Social Affairs had long planned to give this informal group official status, the move to accommodate the CSS as an official bureau of research was quickly completed, as the military government needed to set up a substantial plan for social welfare.

After only six months of study, the CSS formulated policy proposals regarding unemployment insurance, health insurance, and industrial accident insurance. The CSS reported the proposals to the Supreme Council of National Reconstruction, the cabinet of the government, for approval. Their recommendation for the industrial accident insurance came through the deliberation process without much difficulty, since the military government was about to embark on an ambitious economic development plan (Son, 1981). The military clearly saw the need for industrial accident insurance, but the proposals for unemployment insurance and health insurance were rejected by the Supreme Council, because they thought that they would impose an excessive financial burden on people. More importantly, the Supreme Council saw these proposals for health and unemployment insurance programmes as rather idealistic (Choe, 1991).

The policy makers assumed that the Korean society was not ready to adopt such programmes, which, they thought, only developed societies could afford. Here it is necessary to pay special attention to the understanding of social welfare among CSS members, who were true pioneers in that field. Some of the academics who participated in the CSS had studied social policy in Europe and Japan (Son, 1981; Woo, 2008).<sup>5</sup> For them, it was a genuine ‘mission’ to introduce social insurance programmes in Korea. The bureaucrats of the CSS who participated from the Ministry of Health and Social Affairs also recognised the need for social insurance. This was why they first started an informal study group seeking to understand the mechanism of social insurance and explored the possibility of introducing

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<sup>5</sup> Some of CSS members studied in France and Japan, and others had progressive political orientation before they joined the CSS (Woo 2008).

them in Korea. Nevertheless, they did not use the language of ‘welfare state’. At the time, even for them, perhaps the idea of establishing a welfare state seemed too idealistic.

As Park Chung Hee won presidential election in 1963, which was carried out in free and competitive manner, the Korean government now had a democratic outfit. His government vigorously pursued economic development as its top priority. Throughout the 1970s, the Park government managed to achieve economic development, and further social insurance programmes subsequently introduced, such as health insurance and public pensions, were structured in such a way that they could foster economic development policy (Kwon, 1999). For instance, public health insurance, introduced in 1977, only covered workers in large-scale industrial workplaces with more than 500 employees, while the poor and other vulnerable groups were excluded from coverage. Industrial workers received the coverage because they were considered to be of strategic importance for economic development. Such policy logic driven by economic consideration gave a distinctive characteristic to the welfare regime in Korea, which I refer to as a ‘developmental’ welfare state (Kwon, 2005).

However, in Korea, other policy paradigms have emerged alongside the traditionally dominant ‘economy-first’ approach. Let us move fast-forward to the late 1990s. In December 1997, in the wake of the Asian economic crisis, long-time opposition leader Kim Dae-jung was elected to the presidency. The Kim government launched the ‘productive’ welfare initiative, which initially came to the fore as a response to the economic crisis but later became a government policy priority. The weaknesses of the developmental welfare state in Korea (based on a narrowly growth-focused system only providing social protection to those strategic for economic development, combined with a heavy reliance on family or informal networks for social support) were painfully exposed during the economic crisis of 1997–98 (Goodman et al., 1998; Kwon, 2001). Faced with a severe economic crisis, the newly formed Kim government convened a tripartite committee, in which the government, business, and labour were able to reach a social consensus for reform. The government quickly implemented social policy reforms to enhance social protection for vulnerable citizens. This swift response was also related to economic structural adjustment and the government’s related plan to implement labour market reform. To facilitate this process, the Kim government saw the need for social protection programmes for the unemployed and the poor. The Employment Insurance Programme, consisting of unemployment benefits and

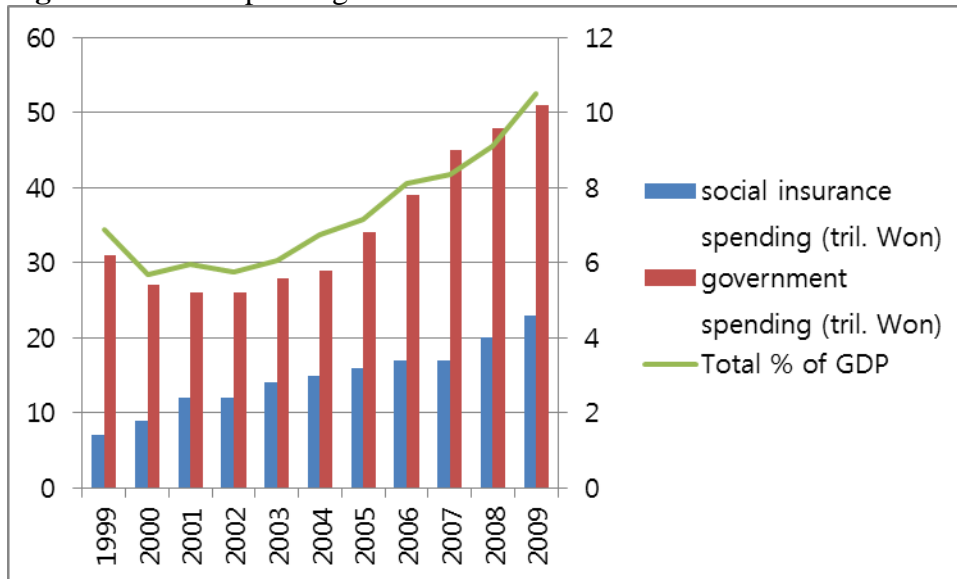
training schemes, was extended and strengthened in terms of coverage and benefits. The government also strengthened benefits of the public assistance programme for the poor. Together with the Employment Insurance Programme, it placed a strong emphasis on training and workfare in order to help the unemployed and low-income families to re-enter the labour market. The government intended to use these welfare initiatives to bring the Korean economy through structural transformation leading to a more high-tech orientation. With this approach, the concept of social policy, which once was understood in terms of trade-off in relation to economic policy, became an essential part of economic policy (Kwon, 2005).

The Kim government continued making social protection its main policy priority. In his 2000 Independence Day address, President Kim promised that his government would launch a 'productive' welfare initiative (Presidential Office, 2000). The president made it clear that his government would serve the welfare needs of the people while meeting the demands for economic development. It was a significant break from the past policy paradigm, which saw social policy as a mere instrument for economic consideration. The Kim government initiative put social welfare as a key policy priority on par with economic development, although the concept of 'productive' welfare was still in use. Following this initiative, the government integrated the fragmented National Health Insurance into the new National Health Insurance Corporation, a single national agency for health insurance administration and finance. This restructuring of National Health Insurance would enhance the redistributive effects of public health insurance by pooling together all income groups into a single risk pool. More importantly, in 2000, the Kim government introduced the Minimum Living Standard Guarantee, which was based on the idea of social rights and replaced the stringent means-tested public assistance programme. The changes in policy worked to extend social protection to the poor and the vulnerable.

Figure 1 shows public spending on social protection in Korea over the decade after the Asian economic crisis. Since the Kim years (1998–2003), public spending on social protection has increased steadily. Spending through social insurance as well as the government spending has increased rapidly as the National Pension Programme, the Employment Insurance Programme, and National Health Insurance have matured. The Long-term Care Insurance which was also introduced in 2008 contributed the increase in social spending. In short, there is a rather wide range of social insurance programmes and income support programmes in place in the Korean society.



**Figure 1.** Public Spending on Social Protection in Korea



Source: [http://kosis.kr/ups/ups\\_01List01.jsp?grp\\_no=&pubcode=KP&type=F](http://kosis.kr/ups/ups_01List01.jsp?grp_no=&pubcode=KP&type=F) (social indicators in Korea); Ministry of Health and Welfare, Social expenditure in Korea.

Because of the steady extension of the existing programmes and introduction of the new programmes to the system, there was a significant change in the language of the welfare state. Here it is necessary to follow how social policy scholars used the concept of welfare state, as they are the first group of people to reflect such changes in the discourse. As mentioned above, in the late 1990s, I used the concept of welfare state to refer to the set of public institutions and policies for social protection before (Kwon, 1999), but the term ‘welfare state’ to denote such public institutions and policies for social protection was not used very often. Once the Kim government extended existing social policies and introduced new programmes in the late 1990s and early 2000s, scholars began to use the term of the ‘welfare state’ as an analytical terms rather than as an ideal state of affairs.

For instance, in a paper published in the book titled *Debates on the Nature of the Welfare State in Korea* (Kim, 2002), Seong (2002) used the term of the welfare state to refer to social welfare institutions and policies. The title of the paper, which was written in Korean, can be translated as ‘Democratic consolidation and the development of the welfare state: Comparison between the Kim Young Sam and the Kim Dae-jung governments’. It compared social policy under two presidents in the late 1990s. Seong’s paper maintained that there was a strong growth in the welfare state in Korea under Kim Dae-jung government (Seong, 2002).

Later on, Jeong (2009) edited a new volume with the same title as Kim's 2002 book (*Debates on the Nature of the Welfare State in Korea II*). In the 2009 volume, there were a number of chapters using the concept of welfare state as analytical concept, although some of chapters used the welfare state as the ideal state of affairs, in which a certain level of well-being is guaranteed by the state. In other words, the 2009 book featured both definitions of the welfare state.

This section has showed that the welfare state as an ideal had long existed in Korea and that some social policy measures were introduced when Korea began to embark on economic development under the rationale of 'economy first'. In contrast, today, the growing currency of the welfare state as an analytical term is a reflection of the development of the welfare state in Korea. More specifically, there is a comprehensive set of social policies and programmes in Korea that can be called a 'welfare state'. This reality is not just related to the expansion of social programs but also to their changing nature. Until recently, the welfare state gradually moved from a selective to a more inclusive developmental state, although it was not inclusive enough to cover the whole population (Kwon, 2005).<sup>6</sup>

#### *From development to the 'universal' welfare state*

In this section, I will explore the way in which the concept of 'universal' welfare state has emerged as the embodiment for a 'good society', and its impact on social policy. From the 1960s until the 1980s, although it was seen as a remote possibility at the time, the welfare state as an ideal state of affairs had been an aspiration for the Korean society. From the 1980s until now, in two occasions, explicit political commitments have been made to realise such an aspiration. The first commitment came about in the early 1980s, when the Chun Doo-whan government (in office 1980-1987) launched a welfare state project. The catchphrase used by the government at that time was, 'Let's Construct Welfare State' (*Pokchi Kukka Konsôl Hacha*). The second was in the leading up to the 2012 presidential campaign when the 'universal' welfare state became one of the main policy issues for political parties. The concept of welfare state as an aspiration for a society where a high level of well-being is guaranteed has been further articulated by the new concept of the 'universal' welfare state (*'Popyeonjôk' Pokchi Kukka*). Why did the Chun government put the welfare project first for

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<sup>6</sup> Some argue that the Korean welfare state became more liberal under the Kim government.

their political programme and what impact did it produce? What is the rationale to introduce a new notion of the universal welfare state? What are the implications for social policy?

The first political project for the welfare state began with the Chun government. In 1979, President Park was assassinated by his security chief, and subsequent political events took place in a highly uncertain situation. No one was sure whether such a catastrophic event would lead to democratisation or further deterioration into authoritarian politics. In the end, another military general, General Chun, who was in charge of investigation of the assassination, took over power through a palace coup d'état. Chun forcefully quelled political competition from other civilian politicians and made himself President through a rubber stamp election. What was very interesting was that he put out a manifesto on social welfare to seek support from the Korean people. He adopted the political catch phrase, 'Let's Construct Welfare State' (*Pokchi Kukka Kons'ol Hacha*) (Kwon, 1999). His determined efforts to emphasise social welfare was a deliberate move to distance himself from the previous government; President Park and his government had prioritized economic growth over social welfare, although some social programmes had been introduced during his incumbency. In terms of economic policy, it is important to note that Chun government's main priority was stabilization rather than growth, another contrast to the previous government policy (Haggard and Moon, 1990).

With the welfare state project, the Chun government tried to convey the political message to the public that his government was serious about achieving one of the ideals of the Korean society: the welfare state, a term epitomizing a good society. In terms of practical programmes for implementation to realize such policy commitment, the Chun government decided to strengthen the public assistance programme. The programme was introduced in 1965 and was a means-tested policy providing meagre benefits to the very poor. As Table 1 shows, the number of the recipients of that public assistant programme declined throughout the 1960s and the 1970s. Rapid economic development in this period raised the level of the income among low-income households, and reduced the number of poor people in Korea. Considering that only very poor people who did not have enough to survive on their own were eligible for assistance, the reduction in the number of recipients was hardly surprising. In 1980, the Chun government raised the income ceiling of the means-test for public assistance and, as a consequence, the number of recipients increased sharply (Ko, 1990). Apart from the strengthening the public assistance programme, the Chun government

did not continue efforts into bolstering social programmes. His government, however, pursued a stabilisation policy, carrying out structural reform of major industries and keeping government spending in check (Haggard and Moon, 1990).

Table 1 Number of Recipients of the Public Assistance Programme 1965–1990

	Housing, Income and medical supports	Income and medical supports	Medical supports	Per cent of the total population
1965	288	72	3563	13.66
1970	306	63	2116	7.71
1975	375	52	904	3.77
1980	339	47	1500	4.95
1985	282	63	1928	5.52
1990	340	81	1835	5.26

Source: Korea Statistical Yearbook (1966, 1986, 1990)

According to Haggard and Moon (1990), within the Chun government, the welfare initiative was promoted by people with a military background, and the stabilisation policy was backed by the bureaucrats from the Board of Economic Planning and Ministry of Finance. There was inevitable tension between the welfare initiative and economic stabilization policy. Once Chun consolidated his power, he was inclined to rely more on bureaucrats than on military personnel for his economic and social policy. The welfare manifesto became marginalised while economic stabilisation remained at the fore of the government’s overall policy direction. In the end, the ‘welfare state’ in the broad sense of the term remained an elusive ideal for the Korean public.

In the previous section, I discussed the shift in the meaning of the welfare state following the productive welfare initiative by the Kim government. If the concept of welfare state now refers to social welfare institutions and policies, how could one still describe the welfare state as an ideal, as in the broader definition of the concept discussed above? In

recent years, the concept of the ‘universal welfare state’ appeared in the public debate to refer to such an ideal welfare state.

The concept of the ‘universal welfare state’ appeared for the first time in Korean politics during the local election for the Educational Authorities in 2010. Kim Sang-gon, one of the candidates for the Educational Authority in the Kyunggi Province surrounding the Seoul metropolitan area promised that he would provide all children in primary schools with free school lunch. At the time of the election, only children of poor households were exempt from paying for school lunch while other pupils needed to pay a monthly fee for lunch. Candidate Kim promised that all children would have free lunch regardless of the level of family income. This electoral pledge brought about a wide range of responses from politicians and the public in general. Kim Sang-gon explained his idea in the following statement:<sup>7</sup> ‘... in the advanced capitalist society it is natural that basic welfare should be provided universally to the public. As Korea is now preparing to enter the group of advanced societies, basic welfare should be guaranteed for everyone no matter who gets political power.’ While there were strong criticisms toward the statement in the political establishment, the public initially received it very well. The general public’s embrace of his message was an unexpected response, since people in the establishment, politics, government or media still felt it was premature for Korea to establish a welfare state comparable to Western European countries (Koh, 2012). To take advantage of the situation, other candidates in the election jumped on the bandwagon and embraced the idea of universal social policy. For instance, Kwak Nohyun, candidate for the Educational Authority for Seoul metropolitan area, argued that welfare is not only for the poor:<sup>8</sup> ‘... in the school, universal welfare should be guaranteed. There should be children stigmatized. ... Children of rich households should be eligible. ... Universal welfare should be for everyone.’ Although it was not certain whether their promise for free school lunches for everyone influenced election results, these two candidates who supported universal welfare won their seats in the end.

With their eyes on the upcoming general election in April 2012, the main opposition party, the Democratic Party, went on to say that their government would make health care free, removing patient co-payments for National Health Insurance. The Democratic Party also promised that they would halve university fees. The Democratic Party

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<sup>7</sup> Interview with Kim Sangon, *Hangyore Daily*, April 2010.

<sup>8</sup> Interview with Kwak Nohyun, *Poli News*, May 2010.

placed strong emphasis on the concept of ‘free’ welfare provision.<sup>9</sup> During the general election, such efforts were not, however, received very well by the public. It was seen as a fiscally unsustainable commitment grounded in populism. The Democratic Party was accused of reckless by the main stream media. Faced with such a strong backlash, the Democratic Party shifted its policy emphasis from ‘free’ to ‘universal’ welfare, but it was not clear what ‘universal’ welfare would mean, if not free.

One of the underlying reasons the Democratic Party was so desperate about welfare policy was that the leading political figure of the governing party at the time, Park Geunhye, gave social welfare high policy priority. It was a different policy stance from her party which had maintained neo-liberal position. She wanted to project herself as a national leader representing the whole population rather than a particular political tendency. She maintained that every citizen would need social supports from the state, not only the poor. She further argued that welfare benefits should be tailored to each citizen’s needs, varying according to their position in the life cycle. It was a bold move, since the incumbent government under President Lee Myungbak (in office 2008-2013) did not consider welfare a high priority.

During the presidential election in 2012, both major parties, the governing Saenuri Party and the opposition Democratic Party, promised that they would pursue a ‘universal’ welfare state once they were elected. However, the two political parties were not give a clear definitions for ‘universal’ welfare state. First, this concept may mean that the state would provide citizens with welfare provisions for free. In other words, social services are provided for free at the point of delivery. Although the Democratic Party withdrew their commitment for free health care, both major parties supported free childcare for family with children under five. Such a reform would increase fiscal expenditures, which in turn would require tax increases, but the governing party was not very clear about such potential increases, while the opposition party was willing to increase it.

Second, to establish a ‘universal’ welfare state in Korea, it would be necessary to bring in those who are currently excluded from social insurance coverage. As shown in Table 2, social insurance programmes cover less than half of the population in the relevant categories. For instance, only 42.5% of working-age people are covered by public pension programmes such as the National Pension Programmes and Government Employees Pension

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<sup>9</sup> 21 March 2012, *the Maeil Economy*.

Programmes. Furthermore, only 41.2% of workers are covered by the employment insurance programme. This high level of non-coverage means that a large segment of the population facing income losses is not entitled to any state protection. Regarding the Minimum Living Standard Guarantee, only 46.4% of poor people receive income support, as the others are not entitled because they have family members who are responsible for supporting them. In a nutshell, the ‘welfare state’ in Korea is still far from ‘universal’, as it does not cover all the relevant risk categories for the entire population. Despite all the talk about universality, it is not clear how the incumbent Park government would bring those outside the ‘welfare state’ into the main fold of social insurance.

Table 2 The Coverage of social Insurance Programme in 2012

Social Programmes	Categories	People covered by the programmes	People not covered by the programmes
Public Pensions	Working-age people	42.5% (Contributors to the National Pensions or Government Employees Pensions)	57.5 % (Non-contributors, and economically non-active)
Employment Insurance	Employed	41.2% (Regular employees and some of short-term contract workers)	58.8% (Part-time workers, family business employees and self-employed)
Minimum Living Standard Guarantee	Low-income (below the poverty line)	46.4% (People without family members responsible for support)	53.6% (Low-income People with family members responsible for support)

Third, in order to claim that Korea has established a ‘universal’ welfare state, in which citizens are guaranteed a decent level of well-being, a sort of ideal state of affairs that used to be implicit in ‘welfare state’, there would have to be a sharp increase in the amounts of public provision. For instance, old-age pensions, which are provided to people over age 70, are only one fifth of the average wage of working people and should be raised to a higher level in order to be considered genuinely universal. Another example is health care. Although National Health Insurance covers the entire population, the medical treatments that are

covered within National Health Insurance are still limited. The extension to those previously uncovered treatments will also cost a great deal of financing.

Although the concept of ‘universal welfare state’ has yet to be clarified in Korea’s political discourse, it set the directions of social policy for the foreseeable future, as both major political parties have pushed forward the idea. They agree that the universal welfare state can be an effective response to ‘new social risks’ in Korea (Myles, 2002; Pang, 2011; Kwon et al., 2010). Among these new social risks, the dramatic demographic transition to the ageing society poses the most serious threat. While in most OECD countries, the transition from an ageing to an aged society (the proportion of the elderly population from 7% to 14%) took about 100 years, it should only take 19 years in Korea (from 2000 to 2019). With such demographic transition, it is seems clear that every citizen will need social protection at some point in life, either in the form of social services or social insurance. Political parties seem to agree that a ‘universal’ welfare state could be economically useful, as it could maintain Korean society’s productive potential. In the end, the Korean concept of welfare state remains closely tied to economic imperatives.

### *Conclusion*

This chapter examined the changing meaning of the term ‘welfare state’ in Korea, contrasting its two different meanings: an embodiment of a ‘good society’ and an analytical term referring to specific institutions and policies. Originally, in the 1960s, the welfare state referred to an ideal state of affairs, when a small number of social programmes were introduced in the country as part of economic reform. Although a range of social insurance programmes had been subsequently implemented in Korea, the welfare state as an ideal remained an elusive goal in Korean society. It was only after new social programmes were introduced and existing ones were extended in the late 1990 that the welfare state as an analytical term became used by academics and policymakers to refer to a concrete set of social policies and institutions. Today, as a new social ideal, the ‘universal’ welfare state appears to set the goal for an ever-changing Korean society. Such fluctuating meaning of the welfare state is a reflection of the Korea’s transition from a poor to an affluent society, and the related development of social policy it brought about, in particular. Analytically speaking, this change constitutes a shift from a developmental welfare to a universal welfare state.



Despite this transformation, the paper has revealed that there has been a remarkable continuity in Korean society in the prevalence of the enduring belief that citizens should be guaranteed a decent standard of living. It is true that, in Korea, the recent emergence of the welfare agenda is due to increasing political competition in democratic politics. It is also true that demographic shifts and subsequent increases in ‘social risks’ have been among the main reasons for the support of the middle class towards a ‘universal’ welfare state. Nevertheless, democratic competition and the social shift towards post-industrialization are only part of the story. Such strong continuity can only be fully explained by Korea’s modernization project, which is about economic development, democracy and the welfare state. The idea of President Park Chung Hee that the ‘economy [should come] first and welfare [should come] later’, the notions of Kim Dae-jung’s ‘productive welfare’, and now the ‘universal welfare state’ all converge in principle with the belief that Korea should strive for the ‘welfare state’ as a good society. It is a fair observation that such consensus has not just been among policymakers but also among Korean people, throughout Korea’s economic transition.

What is important in the present context is that the ‘universal’ welfare state is no longer an ideal state of affairs for the future. It is now knocking at the door. The Korean society is now faced with the immediate task of deciding what the ‘universal’ welfare state should be like. Who should be eligible for benefits? Who should pay for the ‘universal’ welfare state? How should the system be implemented? These are some of the questions waiting to be answered.

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