

Advocacy Coalitions and the Politics of Welfare in Korea after the Economic Crisis

Huck-ju Kwon

Sung Kyun Kwan University, Seoul; and
United Nations Research Institute for Social Development, Geneva,

This is an electronic version of an article published in

Policy & Politics, Vol. 31, No.1, 2002, pp.69-83.

<http://www.bris.ac.uk/Publications/TPP/pphome.htm>

Abstract

This paper seeks to explain the politics of social policy in Korea after the economic crisis of 1997/98, focusing the advocacy coalitions. It shows that the welfare idealists were able to succeed in introducing the Minimum Living Standard Guarantee (MLSG) by seizing a number of strategic points of decision making in Korea, explaining why Korea adopted active social policy initiatives beyond the functional requirements of the structural adjustment. The introduction of MLSG, which recognises the right of every citizen to a decent living, means that social protection has become an integral social policy goal in Korea.

Huck-ju Kwon is Research Coordinator, UN Research Institute for Social Development (UNRISD), Geneva while on leave at Sung Kyun Kwan University, Seoul, Korea. He has published books and articles on East Asian social policy including recent paper, 'Globalization, Unemployment and Policy Responses in Korea' in *Global Social Policy*, 2001, Vol. 1, no. 2.

Acknowledgement

This article is based on the ongoing project, 'Social Policy in a Development Context' at the UN Research Institute for Social Development. Thandika Mkandawire, Stein Kuhnle, Sven Hort and Ilcheong Yi read the earlier version of this article, and thanks are due for their comments. I also thank the referees and editors of the journal for their helpful comments. The usual caveats apply.

Introduction

This article seeks to explain why Korea adopted active social policy initiatives beyond functional requirements arising from structural adjustment by examining the advocacy coalitions in relation to the reform of public assistance policy. The economic crisis of 1997/98 in East Asia has made a profound impact on East Asian societies. The economic growth and full employment that many East Asian countries had achieved for many years became elusive policy goals. State bureaucracy is also now reluctant to assume the role of market guidance that was regarded as a driving force for economic growth (Johnson, 1987; Haggard, 1988). New graduates, who used to be able to pick from the best job offers are now often forced to enter the labour market at a lower level or become unemployed, while older employees are under pressure to leave the workplaces where they took it for granted that they would have a job for life. (Kwon, 2001a: 220-2).

Social and political responses to the economic crisis, however, varied to a great extent across East Asia. Some countries like Malaysia and Thailand tried to solve their problems without full-fledged economic and social reform (Lee, 1998). Indonesia and to a less extent the Philippines experienced political turmoil in the wake of the economic crisis, not to mention long-term structural reforms. In contrast, Korea, one of the countries hardest hit by the economic crisis, has undergone a series of economic reforms from labour market to corporate governance reform and vigorously implemented social policy initiatives aimed at establishing a so-called the 'Productive Welfare State' (Chung, 2001; Gilbert, 2001; Kuhnle, 2001). In Japan and Taiwan, although they were not hit directly by the economic crisis, a new approach to social policy has been tried (Eto, 2001; Wong, 2001).

In this article we will focus on the Korean case in which the government pursued

economic and social reform that addressed the long-term structural challenges rather than short-term requirements arising from the economic crisis. After such rigorous efforts for the last four years, Korea was able to repay all loans to the International Monetary Fund (IMF) by August 2001, three years earlier than scheduled, and her economy showed strong come-back compared to other East Asian countries affected by the crisis (see Table 1). The question arising from this observation is why Korea carried out this social policy reform beyond the functional necessities for economic restructuring and aimed at establishing social citizenship. To answer this, I will pay particular attention to the introduction of a Minimum Living Standard Guarantee (MLSG) in 1999, which is to give benefits as a social right to those below the poverty line, increased to a much higher level than previously defined. To analyse the politics of welfare reform, I will look into the policy process in which two different advocacy coalitions had competed for the policy paradigm since the 1960s. 'Advocacy coalition' refers here to the group of actors from various public and private organisations who share a set of beliefs and who seek to realise their common goals over time (Sabatier, 1986). Of course, an advocacy coalition cannot spring up simply because some political actors, policy experts and concerned citizens share a belief system and policy goals. An advocacy coalition needs a close network of contact, cooperation and organisational structure, though often informal. This article will examine the way in which those advocacy coalitions competed with each other and achieved or failed to produce the policy output they pursued. I will argue that, after the long period when the economic pragmatists exercised a strong influence in policy making, the advocacy coalition of the welfare idealists was able to grab the effective point of decision amid the economic crisis of 1997/98, which had altered the course of political competition and to a great extent changed the socioeconomic conditions in Korea. Once the welfare idealists had gained the strategic advantage over the economic pragmatists, they were able to produce the social policy outputs

that they had pursued.

This study was also prompted partly by dissatisfaction with the existing literature on the relationship between social policy and globalisation. Although Rodrik (1997) and Yeates (1999) among others showed that globalisation would not necessarily put downward pressure on social policy, the argument did not successfully explain the political dynamics in which active social responses were made to global pressure. Due to this failure, their argument also has a deterministic tone, as it is the case with the neoliberal explanation of globalisation. By applying the advocacy coalition approach this article attempts to show the political dynamics of social reform, which is contingent upon the political institutions and political actors' strategies within them. Before we proceed to answer the question we raised, it is necessary to put the Korean welfare system prior to the economic crisis in a comparative perspective, particularly in the East Asian context. This will help us to interpret the Korean case in a broad East Asian context and give us a clue to understanding what implications can be drawn from the Korean case.

Table 1 GDP growth rates in East Asian Countries

Country	1997	1998	1999	2000	2001
Japan	1.9	-1.1	0.8	1.5	-0.5
Korea	5.0	-6.7	10.9	8.8	2.5
Taiwan	6.7	4.6	5.4	6.0	-1.0
Malaysia	7.3	-7.4	6.1	8.3	1.0
Thailand	-1.4	-10.8	4.2	4.4	2.0
Philippines	5.2	-0.6	3.4	4.0	2.5
Indonesia	4.5	-13.1	0.8	4.8	3.0

Source: World Economic Outlook (WEO) database, October 2001.

http://www.imf.org/external/pub/ft/weo/2001/02/data/growth_a.csv

(visited on 27th November 2001)

The Korean welfare system in the East Asian context

In recent years, a growing body of published literature has analysed the East Asian welfare systems from a comparative perspective. It also emerges from these studies that East Asia

includes at least two distinct clusters of welfare systems: North East Asian and South East Asian systems. Kwon (1998) compared the welfare systems and the political dynamics behind them in five East Asian countries: Singapore, Hong Kong, Taiwan, Korea and Japan. He concluded that the three North East Asian countries, Japan, Korea and Taiwan, shared many distinctive characteristics in their welfare system. He argued that the state in these three countries largely played the role of regulator, which enforced the social policy programme as compulsory but did not take responsibility for financing it through state expenditure (Kwon, 1998: 66-7). Most social policy programmes in these countries are based on a social insurance mechanism such as health insurance, pension, industrial accident insurance and unemployment programmes. Kwon (1997) also pointed out that the lion's share of the redistribution went to the high income earners, reflecting the fact that the wage earners in large scale business and the state sector employees were the first groups of people covered by the social policy programmes. Holliday (2000) goes further, arguing that North East Asia comprises a fourth welfare regime of 'productivist' welfare capitalism in relation to the much discussed three welfare regimes of Esping-Andersen.¹ Although it is a matter of debate to justify a fourth regime type, Holliday is certainly right in emphasizing that the developmental state always placed its policy priority on economic development and that social policy was only considered in that context.

Regarding South East Asia, Ramesh and Asher (2000) pointed out that social welfare systems in South East Asia are still rudimentary, except in Singapore and Hong Kong. In Singapore, the Central Provident Fund introduced by the British colonial government in 1953 includes schemes for housing, healthcare, education and income maintenance for retirement. Malaysia also has a similar provident fund scheme, the Malaysian Employees' Provident Fund, and Hong Kong has been considering a similar mandatory provident scheme for some time, on top of its welfare system predominantly consisting of public assistance programmes financed by

the state. In short, South East Asian countries rely heavily on provident fund schemes, whose effects on redistribution are negligible², in contrast to North East Asian welfare systems that are mainly based on a social insurance mechanism.

Despite some differences between North East and South East Asian clusters, they share two important characteristics in the development of social policy. First, authoritarian (and conservative) governments dominated social policy making, often using it as an instrument for legitimation (Ku, 1998; Ramesh and Asher 2000;). These political elites in East Asia placed their policy priority on economic development, and social policy was usually perceived as an instrument for economic policy. Second, the East Asian countries by and large achieved good records on economic growth and welfare outcomes for the last two or three decades while they spent very little on social welfare. These characteristics can be well captured by the notion of the developmental welfare state, in which elite policy makers set economic growth as the fundamental goal, pursue a coherent strategy to achieve it, and use social policy as an instrument for attaining that goal (Gough, 2001).

Korea, having some North East Asian characteristics in her welfare system, also shares these commonalities of the developmental welfare state. Most social policy initiatives in Korea came from the top rather than from below prior to democratisation in the late 1980s. At the same time, social policy was only considered within the developmental context. Over the 1980s and 1990s, however, as the country made progress toward democracy, there had been strong criticism of the structure of the welfare system. Although the government extended the coverage of those social policy programmes in an incremental manner, the basic thrust of the welfare system remained as before. In particular, social protection for poor, disabled, older and unemployed people remained rudimentary until the recent social policy reform, which we are to examine in the following section.

Economic crisis, welfare initiatives and the advocacy coalitions

New government and social consensus

At the end of 1997, the Korean economy was on the brink of collapse, and the Finance Minister first went to the US Treasury for help only to find that the US would not provide emergency funding. In the end, the IMF promised the much-needed help but with a string of conditions (Ministry of Economy and Finance, 1998). One should not forget that Korea was in the midst of campaigning for the presidency during this period of economic crisis, and the country was vulnerable on both economic and political fronts. As in many Latin American countries in the 1970s and 1980s, Korean democracy could have fallen into turmoil and consequently a dictatorial regime could have taken over. Instead, Korean democracy showed its resilience and survived this difficult time. What the economic crisis altered, however, was the outcome of the presidential election. In this election, the long-time opposition leader Kim Dae-jung was elected to the presidency. During the campaign prior to the onset of the economic crisis, the governing candidate was leading the race, while Kim Dae-jung was struggling to mend his broken promise that he would retire from politics after his defeat in the 1993 presidential election. His support remained confined to his strongholds, leaving him to trail the front runner. As the economic crisis unfolded, however, he successfully presented himself as a national leader who could deal with this unprecedented crisis, which resulted in electoral success.³ To be sure, many other factors

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_21488

