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Meaning and Issues

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Participatory Welfare in South Korea : Meaning and Issues

Raymond K. H. Chan¹

Abstract

'Participatory Welfare' is the term coined by the current Roh Moo-hyun government to distinguish its welfare reform from the previous Kim Dae-jung government's 'Productive Welfare' policies. While the use of term 'participatory' is a convenient extension of its slogan 'Participatory Government', the details of Participatory Welfare are still evolving and results have yet to be seen. Observed from the documents and policies proposed or implemented so far, it has two key dimensions: promoting 'participation' and building up of a 'welfare community'. The reforms are located in a context of civil society calling for greater participation and reforms in an increasingly polarized society. Besides continuing the reforms initiated by the previous government, new and strengthened emphasis has been put on promoting welfare rights and redistributions, fostering gender equality and inclusion, and the citizen's participation in the provision and management of welfare services. Yet, it also emphasizes the traditional view of individual and community responsibility. The reforms are both progressive and conservative in nature and are still to be subjected to reality's test. The reforms are facing challenges from the opposition – political parties, traditional elites, bureaucracy, capitalists and even the trade

¹ Associate Professor in the Department of Applied Social Studies at City University, Hong Kong. This paper, which was initially presented at the Korea Workshop, hosted by the Centre for Asian Pacific Studies, Lingnan University, Hong Kong, in April 2005, draws on the comments of Prof. Kim Sang-kyun (SNU), Prof. Kim Yeon-myung (Chung Ang U) and Prof. Lee Hye-kyung (Yonsei U) in personal interviews conducted in November 2004, and their contributions should be acknowledged.

unions. It is doubtful whether the community and individuals are so ready to take up the expected roles and duties.

Welfare Development in Korea

Kwon Huck-ju has described Korea's welfare system before the financial crisis as following welfare developmentalism. Economic development was the overwhelming concern of the contemporary Korea welfare state, taking priority over social protection (1999, 2002). Major features of the system have been a strong regulatory system, low public expenditure, and limited income redistribution with a strong emphasis on the informal sector's contribution. Kwon criticizes such developmental model as having at least three problems:

- a) the lion's share of the resources went to the high income earners and the chaebols (business conglomerates) reflecting an increasingly unequal society;
- b) social policy making was confined to a small number of top-level policy makers, with low accountability and transparency;
- c) public welfare system mainly catered for the regular workers (waged and salary earners), leaving behind the irregular and unemployed workers with nominal welfare protection (2002).

Responding to the Financial Crisis, President Kim Dae-jung launched 'Productive Welfare' in 1999. Influenced by the 'Third Way' concept, this policy placed greater emphasis on welfare as an effective instrument to improve economic productivity and, in addition to protection, to enhance Korea's competitiveness in the global market (Presidential Office, 2000). He argued that this approach was different from the

past as it recognized the social rights to a decent living for every citizen and acknowledged the state responsibility for delivering that goal. During his time in office, Kim reformed and extended the coverage the National Pension System (NPS)², integrated the National Health Insurance (NHI), expanded the coverage of Employment Insurance System to smaller sized firms (EIS) and introduced the Minimum Living Standard Guarantee (MLSG). Productive Welfare policies sought to achieve an integrated balance between economic growth and social protection. It adopted policies which expand the state's role and welfare right, but at the same time, it also introduced the elements of neo-liberal reforms (e.g. flexible labour market, welfare to work and workfare) (Chan, 2003; Kim Y H, 2003).

The overall response to Productive Welfare reforms was positive. Lee comments that 'for the first time in Korean history, welfare reforms came to be appreciated as an institutional means to keep democracy and market economy sustainable' and placed in the mainstream political discourses and national policy agenda (2004:293). Civil society has actively participated in shaping the agenda and policy (e.g. in Maternity Protection Scheme and National Basic Livelihood Security Act) (Lee H K, 2004: 297). Policies have reduced status segmentation with stronger emphasis on redistribution and universalism (Kim Y M, 2001, 2005). The reformed pension and insurance schemes show a strong sense of solidarity and national scale of risk diffusion and income redistribution within and between generations (Kim Y M & Kim K S, 2005). Kwon argues that with these reforms, Korea

² Note that Kim also proposed to reduce the replacement ratio so as to maintain the financial sustainability of the scheme.

has gradually moved beyond developmental model with improved accountability (2003).

Context for Participatory Welfare

Nevertheless, problems of transparency, efficiency, high stratification effects between regular and irregular workers, inadequate protection of the poor, and inadequate welfare services for children and the family are still there (Kim Y M, 2001, 2005).³ These probably constitute the contextual factor of Participatory Welfare, which is to address the demand for wider participation in policy making and to tackle social problems accumulated for decades.

The issue of social polarization has caught much attention, partly as a result of the liberalization reform under the Productive Welfare. Polarization can be reflected in widening income gap (and different benefits received from the social security system) between regular and irregular workers, between workers in large-sized companies (e.g., chaebols) and small and medium-sized enterprises SMEs, and between income classes.

Currently, 50 per cent of the waged earners are irregular workers in Korea. The number of temporary and daily workers increased by 19.6% from 1997 to 2002⁴ (Ministry of Labor, 2003). The number of elementary occupations has also increased by 18.8%⁵ from 1998 to 2004. The regular workers are the insiders who are more powerful in influencing their

³ Korea's welfare system has higher percentage of compulsory and voluntary enterprise-based welfare, with a strong emphasis on familialism (e.g. high redistribution between generations).

⁴ 6,122,000 in 1997 to 7,319,000 in 2002.

⁵ 2.07 million in 1998 to 2.46 million in the second quarter of 2004.

employment conditions than the outsiders – the irregular workers (Bank of Korea, 2005). These are the results of the neo-liberal flexible labor market reforms from the 1990s (Chan, 2003; Kim C K, 2004).

Wages in large companies are far better than for those employed in small companies. In August 2003, the wage gap between temporary and permanent employees in large firms and SMEs was 48.6% and 52.0%, respectively (the overall gap was 48.6%) (Lee B H, 2005). The wage gap between companies with 500 workers or more and those with 30 workers or less increased from 1.4 times in 1995 to 1.6 times in 2002. Bonuses and severance pays of non-regular workers were, respectively, 31.7% and 44.1% of those of regular workers in the 2002 Workplace Panel Survey by the Korea Labor Institute (Ministry of Labor, 2003).

The Gini coefficient measurement in Korea demonstrates there has been a widening income inequality since 1990s. Though the figures provided by the Report of Income and Expenditure Trends of Urban Salary and Waged Earners' Households (RIE) are not that alarming, the results of the National Survey of Household Income and Expenditures (NSIE), which include the data of those irregular workers such as self-employed, unemployed and single-person households, reflects a more worrying trend (see Table 1). Kim Sang-kyun warns that the income gap will be further widened if the calculation includes the assets of different income classes. He comments that on an ideological level, Koreans are concerned with the issues of social justice, equality and protecting the disadvantaged; and redistribution is a proper means to achieve these objectives.

Table 1: Gini Coefficient, 1995 - 2001

Year	Gini Coefficient	
	RIE	NSIE
1995	.284	.332
1996	.291	--
1997	.283	--
1998	.316	--
1999	.320	--
2000	.317	--
2001	.319	.389

Source: Yoo & Kim, 2002

Generally speaking, lower and lower middle income classes have suffered more since the Financial Crisis of 1997-98. While middle and upper-middle income class are not so affected, the high income class actually increased in numbers, which reflects a trend of growing income polarization. These trends are also 'inherently destructive' to social sustainability (Kim C K, 2004).

The coefficient of regional variation also increased from 0.15 in 1993 to 0.255 in 2001. Seoul, Gyeonggi and cities like Busan, Incheon and Daegu record the lowest incidence of poverty, while provinces in the South-east and Southwest (i.e., Jeonnam, Jeonbuk, Gyeongbuk and Gyeonnam) record the highest. Though this may not entirely due to favouritism (it could have mainly resulted from comparative advantage), it is an issue which has been manipulated by the politics of power elites to mobilize regional sentiments, and so such a phenomenon cannot be neglected by Roh's government (Kim W B, 2003:680).

Participatory Welfare can also be understood as a natural response to the growing demands for participation; to balance elite-bureaucrat domination in policy making and improve accountability and transparency. Both Kim Snag-kyun and Kim Yeon-myung agree that Participatory Welfare is more or less an extended part of the Roh's participatory political reforms. Even Participatory Welfare can be simply interpreted as a political-administrative terminology.

During the presidential election campaign in 2002, Roh used Participatory Government as his slogan and pledged to put an end to the old politics (i.e., conservatism, regionalism, cronyism, factionalism, confrontational conflicts and corruption) and vowed to build up a new society and era of politics in Korea which emphasised pan-national cohesion, true participatory democracy, clean and people-centred government. He claimed that the government is 'of the people' wherein the people can participate in all government affairs (Soon H C, 2004:47).

His election campaign also resorted to such participatory strategies. For example, the Millennium Democratic Party (MDP) introduced primaries for presidential-candidate nominations and separated presidential power from the party, which led to a more modern party image. Approximately 1.8 million voters participated in the party primaries that selected 35,000 delegates. The primaries further enhanced the MDP's reformist image by selecting Roh Moo-hyun, a person with a reform bent and populist image, rather than the famous frontrunner, Rhee In-je (Hoon J, 2003).

In the 2002 presidential election, liberal voters increased to 41.1% (compared to 32.7% in 1992), while conservative and

moderate voters declined to 26.7% and 32.3% respectively (compared to 40.3% and 41.9% in 1992). About 70% of the younger voters consider themselves as liberal, while older adults (aged 40 to 49) are tilted toward conservatism (Hoon J, 2003). Roh's political platform tapped into the beliefs and desires of these demands for reforms, especially from an increasingly active younger generation in Korea (Larsen, 2003). No matter whether the government truly sponsors these or not, it has to respond to such calls.

Participatory strategies are also responding to the increasing influence of civil society in Korea. During the 1990s the civil society movement gradually shifted from concerns over class and political conflicts to the promotion of the common good of society. Civil society became more committed to the promote public interest in a wider variety of topics, in the process of consolidation of democratization (Lee C H, 2004:57).

Participatory Welfare Reforms

Kim Yeon-myung observes that the term Participatory Welfare was only adopted after Participatory Government was selected as the election campaign slogan. So this is not a well-planned policy initially, but something that gradually evolved in the process. The welfare part of it is more or less a continuation of the previous policies with the addition of new measures to promote equality, inclusion and greater protection, especially for those groups which are considered to have been neglected previously, such as women, elderly, children and irregular workers. Kim Sang-kyun argues that creating a new term reflects Roh's desire to have his own distinctive policy platform, which can also help to respond to

the sentiment against rapid welfare expansion under the Productive Welfare period.

When Roh won the election, the government announced twelve policy goals which included amongst them to 'improve participatory welfare and quality of life'. Objectives under this goal are to 'develop a full-fledged national health care system', 'promote national welfare with focus on guaranteeing minimum livelihood, childcare, and support for senior citizens and the handicapped' and 'create a prosperous and stable society'. Other related policy goals include fostering a society of balanced development between economic growth and distribution, different regions, different classes, labour and management; and to promote sustainable development and gender equality.

In May 2003, Roh established the Participatory Welfare Planning Group to study the details of the reforms. In January 2004, the Planning Group released the five years' plan on participatory welfare, with more concrete policy areas, actions and outcomes proposed for the government to consider.

The paper describes the vision of this policy as:

1. to create a healthier, wealthier and more pleasant society where the state spearheads the efforts to satisfy the basic demands in public health, welfare, habitation, environment and culture;
2. to allow everyone to take part in decisions and enjoy the services desired by the public.

Six major policy objectives have been proposed in that policy paper, which are more or less the same as the previous announcements⁶:

1. Establish a health insurance system that safeguards people's health throughout their lives [MOHW];
2. Actualize 'welfare for all Koreans', in which not only the needy but also the elderly, the disabled, women and children can feel the benefits [MOHW];
3. Enhance sovereign competitiveness by solving childcare problems and expanding social participation of women [MOHW & MOGE];
4. Create a society with no worries about housing by stabilizing the housing prices and improving residential welfare [MOCT];
5. Build a sustainable 'green' nation through coexistence of environment and economy, and harmony between development and preservation [MOE]
6. Improve quality of life through cultural welfare, a basic right for the people [MCT].

Apart from the conventional core concerns of welfare policies (i.e., items 1 to 3), the policy expands to incorporate housing policy, sustainable development and cultural welfare. The latest information on the Participatory Welfare policies can be found in the publication, 'Dynamic Korea: A Nation on the Move' edited by Korea Development Institute and Ministry of Finance and Economy published in June 2004.

⁶ Relevant ministries are listed in brackets after each policy. MOHW is Ministry of Health and Welfare; MOGE is Ministry for Gender Equality [renamed as Ministry of Gender Equality and Family in 2005]; MOCT is Ministry of Construction and Transport; MCT is Ministry of Culture & Tourism; MOE is Ministry of Environment.

Echoing its context, the strategies of Participatory Welfare can be broadly divided into two dimensions: ‘participatory’ policies and ‘welfare’ policies. The document states that Productive Welfare still considers welfare as in conflict with growth while the government gave priority to growth. Based on their ideological belief and analysis of the social conditions, Roh’s government aims to build up an ‘advanced democratic nation’ with an efficient ‘welfare community state’ overcoming the deficits of the past centralized and limited welfare system (KDI & MOFE, 2004:312).

Comparing with the previous Productive Welfare policy, the current government suggests that participatory welfare has its particular distinctiveness:

Table 2: Comparison between Productive and Participatory Welfare

Ideas of Productive Welfare	Ideas of Participatory Welfare
Pursue a welfare state through expansion of public welfare	Pursue a welfare community state through participation of citizens (P)
Recognize growth and economic preferentialism based on the relationship between growth and distribution, and between economy and welfare	Recognize harmonious relations between growth and distribution, and between economy and welfare (W)
Denotative expansion of welfare	Strengthen the efficiency and systematic functioning of welfare (W / P)
Lack a coordination system for social conflicts caused by the process of preparing for the welfare system	Establish a democratic coordination system for social conflicts through active participation of citizens (P)

Source: KDI & MOFE, 2004:314

‘Welfare community state’ seems to be a new term in Korea, described as,

The universal welfare system covers all members of society (including individuals, private organizations, and the government) participate to establish a social safety net and welfare system as well as to contribute to economic growth and distribution. In addition, society equally shares the achievements and benefits so that all members of society will together pursue national development and social stability (KDI & MOFE, 2004:312).

In this welfare community, a ‘three-fold layered social safety net’ will be built up by the individuals (and families), communities (neighbours, religion, charity, social welfare, and private organizations) and nation (government). In this construction, individuals (and families) have to work to be self-supportive, contribute to the social insurance schemes and the nation’s social safety net. The community will deliver its obligation to support individuals in need and the nations in providing welfare. The nation will strengthen the social safety net, independent from individuals and communities, ensure the provision of basic medical, housing, education and living support to all people irrespective of their income, and play a leading role in expanding citizen’s participation in community activities. Such welfare community is managed by better coordination, systematization, connection, mobilization and integration among the private welfare networks in the communities which are currently dispersed in communities; and with public welfare system (KDI & MOFE, 2004:312-313).

In this welfare regime, ‘participation’ can be referred as individuals and communities participating in ‘providing’ and

'managing' welfare to those in need, which are, in fact, constructed as their obligations (KDI & MOFE, 2004:313). Participation also means fostering the participation of excluded social groups to be re-included into mainstream social and work life by social policy and legislation. So, Participatory Welfare, on one hand, represents a further consolidation of the notions of citizens' rights for welfare, and state's roles in providing welfare provisions. However, on another hand, the policy also re-emphasizes the traditional family and individual's roles, which is more or less the same as the conventional construct of the so-called East Asian Welfare Model.

Major welfare policies proposed or introduced include (KDI & MOFE, 2004) include:

1. Social security system:

1.1 Social assistance: improve National Basic Livelihood Security System (such as selection criteria and asset check, efficiency, benefit level). Expected to have more beneficiaries: 1.38 million in 2003 to 1.6-1.8 million in 2008.

1.2 National Health Insurance: increase contributions and reduce out-of-pocket payments, increase coverage especially for the poor through medical care scheme, activate supplementary private insurance and planning of Long Term Care insurance.

1.3 National Pension Scheme: strengthen the financial sustainability by increasing the contribution rate (increase from 9% by 1.38% in every 5 years from 2010, to 15.9% until 2030, reduce income replacement rate from 60% to 50% by 2008, synergy with private pension).

- 1.4 Employment Insurance System: extend coverage to casual workers working less than a month, workers working at least 15 hours per week and newly employed workers aged 60 or older are also included from January 2004.
 - 1.5 Rationalise the management: including collection of tax and levy for pension, health insurance and EIS contribution, curb under-report and non-report of income.
2. Social welfare services:
 - 2.1 Improve the efficiency of social service delivery system and to network community resources, establish Community Welfare Councils in cities and provinces starting from 2005 and pilot social welfare office under local governments to increase efficiency, and to solicit / coordinate community resources.
 - 2.2 Improve and increase child care services by government's investment, and require large sized private companies to provide that services by legislation.
 - 2.3 Aging society challenges: greater attention to address the needs and problems arising from rapid aging society, and proposes measures to stabilize child birth rate, family-work balance policies, and work for the elderly.
3. Promoting gender equality and preventing discrimination:
 - 3.1 establish a fair and transparent system under the principle of equal opportunity, and new mechanism, such as Gender Discrimination Improvement Commission and National Human Rights Commission.

3.2 introducing global standards to Korean society

4. Labour policy:

The current government continues the previous social investment strategies on human capital formation, and employment services to targeted groups (such as women, the aged, the disabled, non-regular workers and low-income earners). Public work programmes continued to provide mainly social service jobs for the marginal labour groups. Flexible labour market reforms were also continued (KOIS, 2003; Ministry of Labor, 2003; 2004).

4.1 Promoting Aged Employment: expand the list of occupations listed in the Aged Employment Promotion Act preferentially assigned to the age, from 70 categories to 160 categories (70 and 90 in public and private sectors respectively) in June 2003. In July the same year, the government differentiated the standard employment ratio of the aged into 2% for manufacturing; 6% for real estates, renting and leasing; 6% for transportation and 3% for others instead of applying the same ratio of 3% to all industries.

4.2 Foreign worker permit system adopted in 2005 to protect the foreign workers and the facilitate SMEs to recruit workers.

4.3 Employment conditions: National Assembly passed the five-day workweek bill on 29 August 2003 after a three-year long debate between labour and management. Minimum wage: The minimum wage applicable from September 1, 2003 to August 31, 2004 is 2,510 won per hour (20,080 won for a standard 8-hour work day).

- 4.4 Irregular workers: prepare legislation for better protection of irregular workers (as the bill also calls for greater flexibility for employment, it has been strongly questioned by Korean trade union movement).
- 4.5 Labour relations: gradually adopted a tougher approach to handle industrial disputes, management will have greater power in layoffs and better protection against walkouts, no work no pay principles will be enforced during illegal strike/walkout, disciplinary measures against unruly behaviour (such as occupation of facilities, blocking entrance to offices, interfering with operations of non-unionists and actions of violence, destruction and blackmailing).

‘Participatory’ is in line with the Roh’s government’s national agenda to enhance participatory politics to ‘shift toward an open and decentralized governing structure to create a new political and social environment that can ensure proper and responsible practices in politics’ (KDI & MOFE, 2004: 28). Apart from the previous policies which aimed to promote people or organizations’ participation in the provision, management and planning of services, this dimension also has three major strategies:

1. creating a participatory political and social environment by measures such as online system for recommending candidates for government positions and institutional improvements, town hall meetings to discuss and make recommendations on public official candidacies (also applied to government-affiliated organizations and public corporations);
2. promoting participation of minority groups in decision making and high ranking posts, e.g. women and disabled;

3. decentralization of power to local development which will also mitigate regional imbalance (KDI & MOFE, 2004; Kang M G, 2003).

Issues of Participatory Welfare

The progress of Participatory Welfare reform did not have a smooth start. The policies were caught by conflicting interests and ideological positions. The reforms received strong resentment from those whose interests are being affected adversely - the opposition party (e.g. Grand National Party, GNP), bureaucrats, media, and even the trade unions. The major challenge to it was the political conflicts or even turmoil in the first one and a half years of Roh's government, which over-flowed into this domain.

The GNP certainly takes a very critical stance on the reforms. The two parties (the GNP and the MDP) have different opinions on social policies issues, for example, in the priorities of growth-oriented or redistribution-oriented, and in pension reforms.

If the government represents the liberal strand, arguing for greater redistribution, the opposition camp represents the conservative strand, protecting the long-standing social structure and values. As shown in the above, Roh's government represents and reflects a 'new tide of ideological competition, the 20/30 generation, and voluntary participation' which has replaced the 'old order of regionalism, personal charisma, and closed party politics'.

Roh's government has adopted a series of 'new' and perhaps 'unusual' participatory policies that are unconventional in

Korea's politics and as such are not well received by the opposition. Occasionally, Roh has had to make compromises. As a result, the initial stage of the reform was a sort of trial and error, and therefore conducted in a stop-and-go manner, even if not u-turns.

Larsen observes that Roh's government has no connection to the traditional elites which hindered him from promoting his agenda (Larsen, 2003). The transition committee for the new government excluded bureaucrats and was staffed by mainly relatively young and reform-oriented academics. According to Kim Yeon-myung, the bureaucrats in the Ministry of Health and Welfare (MOHW) did not even prefer the term 'Participatory Welfare' and rejected the ideas of streamlining the administrative structures (i.e., a more flexible resources allocation system which would assign money to local government, instead of through the Ministry, to enhance efficiency and local autonomous) and by that weaken the Ministry's power, especially in the allocation of resources.

On another hand, Roh tried to accommodate the opposition even at the very beginning of his office. For example, the appointment of Goh Kun, a career bureaucrat as prime minister, and the looking for advice on international relations and economic policies from other bureaucrats, signified that Roh has tried to seek a balance (Hoon J, 2003). Nevertheless, he was not successful in achieving such a balance and conflicts stepped up.

Major media, such as Chosun Ilbo, Dong-A Ilbo and Joong-Ang Ilbo, do not support the government. At one time, Roh heavily criticized the press for misinterpreting his policies and being hostile to the government. The situation came as

‘pure principles of the campaign are tested severely by the rough and tumble of actual governance; conflict with an increasingly aggressive South Korea media’ (Larsen, 2003).

Before mid-2004, the parties supporting Roh was actually a minority in the National Assembly. Mobilizing societal support is an alternative for counteracting attacks. It is natural for critics to see the government as governed by populism (i.e., government is tempted to go outside the legal system and deal directly with the people when they encounter an obstacles in reform), and brainwashing people into ‘believing that only change and reform are right while tradition and custom are wrong ... progressiveness is good and conservatism is bad’ (Moon C K, 2004:12). They also criticized the government for an over-emphasis on direct democracy which might only intensify the conflict between the participants and the parliament, especially when the parliament and even the new government are not experienced enough to tackle such a level of participation, dynamism and dilemmas (Hoon J, 2003; Lee C H, 2004:76).

The reforms are also challenged by the needs of balancing protection / redistribution and flexibility / growth, just as in Kim Dae-jung’s time (Lee H Y, 2004). The way that the government handles labour disputes is a good example. Trade unions are complaining the government is increasingly siding with capital and therefore deviating from Roh’s initial sympathetic attitude on legal and even illegal strikes. For example, in the illegal strikes case of Doosan Heavy Industry and Cargo Drivers Alliance, Roh expressed that ‘a proper industrial relations cannot be established if the legitimate demands are disregards just because the strike may have been illegal’. The worsening economic climate in late 2003 and

political scandals have provided opportunities for the opposite parties' 'disciplining' of the government.

Since late 2003, Roh has expressed his view that efforts by trade unions to shape the government can never be tolerated. He publicly criticized and complained about union movement, for example, in the cases of ChoHung Bank, new Free Economic Zone Act, railway workers union strikes and Hyundai Motors. He went on to question the moral and ethical standards of the trade union leaders. The government's tough position on the labour movement has led to pro-capital labour relations practices from 2004 (Lee W B, 2003, Ministry of Labor, 2004).

The Roh government also has had to face up to the problems inherent in the existing welfare systems. For example, the task to design a Long-Term Care Insurance, reforming the pension and National Health Insurance in view of the aging society, the issues of sustainability of pension and health insurance schemes. Any reform which asks for more contributions will certainly raise concerns from the payers, and especially from the employers who have to pay for their regular employees. There are also debates about whether the government should continue to reduce the replacement level and out-of-pocket medical expenses, and the calls for improving efficiency and accuracy of income reporting and fund management of the major social security schemes (Kim Y M & Kim K S, 2005).

The idea of a welfare community state is very much ideologically-driven, without a comprehensive assessment of the various sectors capacity to participate. The concern over family capacity to take care of the increasing burden is a good example. Undoubtedly Korea is facing an aging society. More

problematic is that it comes at a time when demographic trends are actually undermining the family capacity to care: smaller family, lesser children, increasing divorce (e.g. crude divorce rate is 3.0 in 2000), more women going out to work and, hence, fewer people ready to give care. In 2000, 82% of the family was nuclear family with an average family size of 3.1. Percentage of three-generation household has declined from 23.2% in 1970 to 10.1% in 2000. In 2001, 17.3% of the elderly were living alone (Shin & Shaw, 2003).

Kim Yeon-myung argues that the Korean family is still influenced by Confucian concepts and is still willing to uphold the family mutual obligations, but that it is already taking up too many responsibilities that are beyond its capacity. The family at the same time is burdened by increasing spending in education and housing costs, and may find it difficult to take care of the older generation. Concerning the non-governmental organizations (NGOs), he comments that they are not ready to participate in welfare provision due to limited resources, their primary nature as advocacy type organizations and therefore inexperienced in providing welfare services. The public are also not ready, either apathetic or lacking the capacity, to participate in the daily operation and management of services, as prescribed in the welfare community state construct.

Conclusion

Compared to Productive Welfare, Participatory Welfare has greater emphasis on the participatory side, echoing the theme of the Participatory Government. Participatory Welfare policies themselves are not merely concerned with welfare alone, but are in essence a social and political reform. The

emphasis on participation is an appropriate response to the call for wider democracy. The strategies, if succeeded, can also help to address the problems of a lack of accountability and transparency.

In the past few years, welfare reform has been overwhelmed by political disputes. Welfare reforms themselves have also led to the debates over the issues of redistribution of benefits and costs. Improvements in social welfare services to fill the gap are still on the way. While we cannot expect significant achievement in just two or three years, the results achieved so far are still limited.

The government itself is working to strike a balance among different demands and social sectors. While addressing the needs of reforms and participation, it has to take care of the interests of traditional elites, bureaucrats and chaebols' interest. This is more critical when the current government cannot enjoy a majority in the National Assembly and the President only has low popularity. The progress so far is not significant, and except for the expansion of current services, participation is still far from true.

At this stage, the success of Participatory Welfare not only depends on how much resources the government is willing to invest, or how it tackles the problems inherited in the welfare systems, but also, and perhaps more important, on its tactics to mediate conflicting interests in a society which is increasingly mobilized.

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