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The Quality of Life in Ideal-typical Welfare Regimes: The Case of the Republic of Korea

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Introduction

During the past decades, the Republic of Korea (ROK) achieved a high rate of economic growth. GDP per capita in 1990 was \$6,290 and grew in two decades to \$21,063 (United Nations Statistical Division, 2012). The economic success of the ROK has been a good model for developing countries and perhaps even for developed countries struggling with the economic crisis since 2008. Government policy focused on rapid economic growth has been successful but has also meant that policy has not been concerned with Korea's social needs. The ROK's public social expenditures were 6.5% percent of GDP and lowest among Organization for Economic Cooperation and Development (OECD) countries (OECD, 2010). It is assumed that the deficiency of public social services reduces Koreans' satisfaction with their lives. The mean score of life satisfaction in the ROK was 5.5 (on a 10 point scale) and was below the mean score of 6.7 for all OECD countries. The suicide rate in the ROK was 29 per 100,000 persons, the highest among OECD countries (OECD, 2010). Many Koreans realized the need for a greater emphasis on social welfare and made regime development a critical policy agenda for the 2012 presidential election. See, for example, Commissioner Yi's remarks to the third OCED world forum in 2009 stressing the need to use more socially responsive measures than the GDP to judge progress (Yi, 2009). At the point of designing a welfare state, policy makers should concern themselves with which regime is most appropriate for the Korea's capitalist, democratic society. This study explores the possible choices by looking at the characteristics of ideal-typical welfare regimes. Ideal types represent conceptual approaches to choices between different governmental and social arrange-

ments. This study uses Aspalter's (2006) amplification of Esping-Andersen's (1990) classifications of regimes: social democratic, corporatist democratic, liberal, or conservative welfare regimes.

In order to conduct a basic test of the people's quality of life (QOL) under different welfare regimes, two simple but contrasting life satisfaction measures were chosen. Life satisfaction was used as the positive indicator of QOL, as it is a widely used measure (Campbell, 1976) and regularly collected by the OECD. The suicide rate was adopted as the negative QOL indicator, since previous research has shown it to have a strong and significant relationship to QOL (Lester, 1984). Comparisons between reported mean scores of each type of regime then suggested which ideal-typical regime is more likely to produce QOL through increased life satisfaction scores and with decreased suicide rates. Two test configurations were developed based on which regimes emphasize a strong role for the state/national government versus those which emphasize a strong role for the family.

Hofstede (2001) studied which countries were more likely to emphasize a strong role for the state vs. the family in providing social support. Interviewing the employees of a global company regarding the state role for social support, he found that employees in Austria, Denmark, Finland, France, Germany, and Norway answered more strongly positive than those in Canada, Japan, Republic of Korea, United Kingdom, and United States. Regarding the family's role in social support, employees in Austria, France, Germany, Japan, and Republic of Korea answered more strongly positive than those in Canada, Denmark, Finland, Norway, United Kingdom, and

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United States. Contrasting the two scales, the findings suggested that the Asian countries, Japan and Republic of Korea, should be categorized as favoring a strong family role with a weak state role. Considering the countries' culture and values as the cornerstone, proceeding social construction (Berger & Luckmann, 1966), the categorizations could be used to test the country people's differences of social activities according to their particular characters.

Ideal Types of Social Welfare Regimes

Esping-Andersen (1990) classified welfare regimes in the three categories: social democratic, corporatist democratic, and liberal welfare states. Each type can be largely contrasted on the roles and responsibilities placed on the state and those expected of the family. Social democratic states are those that provide public services to all citizens, including social insurance, social services, and public employment (Ferragina & Seeleib-Kaiser, 2011). Basically, social democratic regimes stress support rather than free market distribution and actively encourage redistributive policies, especially with regard to social services and public employment. Nations belonging to this category include Norway, Finland, and Denmark (Stephens, 1979).

Corporatist democratic states prefer social insurance schemes for occupational social security and social transfers through corporatist institutions such as NGOs (Kersbergen, 1995). Their social assistance and taxation policies emphasize vertical redistribution since they have a high degree of social stratification (Korpi, 1983). The role of the state is strong as is that of family supports, whereas in social democratic welfare states the role of the state is strong but that of the family is weaker. Nations belonging to the classification include Germany, Austria, and France (Aspalter, 2006).

Liberal welfare states place a high emphasis on private savings and insurance for helping citizens. This means that they implement a highly limited redistribution of income and value market-friendly systems (Huber & Stephens, 2001). Hence, the government social support is usually only to provide for the basic needs for the poor, a weak state role, with emphasis placed on the individual responsibility. In liberal welfare systems the role of the state is weak, but family roles are also weak (Aspalter, 2006). Liberal

states emphasize market-based systems and deemphasize redistribution policies. Kymon (2008) notes that liberal state social service policies are focused on developing human capital through education services – a meritocratic system which values individual effort. Nations in the classification include the United States, United Kingdom, and Canada (Aspalter, 2006).

In addition to these three ideal-typical welfare regimes, Aspalter (2006) noted that the welfare model extant in Asian countries could be called the conservative welfare model. In this regime, public investment is focused on social programs that support workers and ensure their ability to enter the labor market. For example, the Republic of Korea's occupational social security system for working classes was put into place to encourage development of the economy. The benefits from the welfare services are quite limited, and preferential treatment of special interest groups is allowed. These welfare programs are economy-friendly welfare programs (Aspalter & Opielka, 2006). In comparison with the other three ideal-typical welfare regimes, the roles of both state and individual are weak whereas the roles of both family and market are strong. The conservative welfare model also depends upon the family to carry out many of the social support functions that governments take in other nations. Nations in this fourth type include the Republic of Korea and Japan (Aspalter, 2006).

Quality of Life in Different Welfare States

Aspalter's and Esping-Andersen's classification of welfare states are basic to an inquiry into the suitability of different ideal-typical welfare regimes which might increase the peoples' expressed quality of life. This analysis is conducted on secondary data from the OECD fact book (2010) concerning expressed life satisfaction scores and the suicide rates (Campbell, 1976; Lester, 1984). The analysis assumes that life satisfaction scores are the positive factor while the reported "suicide rates represent the negative. Regarding life satisfaction, social democratic welfare regimes scored the average of 7.8 (Denmark 8.0, Finland 7.8, Norway 7.6; see Group D of Table 1); liberal welfare regimes scored an average of 7.1 (Canada 7.2, U.S. 7.1, U.K. 7.0; see Group C of Table 1); corporatist democratic welfare regimes scored an average of 7.0 (Austria 7.3, France 7.0, Germany 6.7; see Group B of Table 1); and conservative welfare

Table 1

Average Scores for Life Satisfaction by Regime Type

() = The Mean Score for Life Satisfaction

State Role \ Family Role	Weak	Strong
Strong	Group A* (6.0)	Group B* (7.0)
Weak	Group C* (7.1)	Group D* (7.8)

*Group A: Japan, Republic of Korea *Group B: Austria, France, Germany

*Group C: Canada, U.S., U.K. *Group D: Denmark, Finland, Norway

regimes scored an average of 6.0 (Japan 6.5, Republic of Korea 5.5; see Group A of Table 1).

The life satisfaction scores in all four categories were tested. Reported life satisfaction scores in the four ideal-typical welfare regimes representing a wide range of countries were found to have differences, but these differences were not statistically significant. The life satisfaction scores in social democratic welfare regimes were higher (mean = 7.8) than those in conservative welfare regimes (mean = 6.0), but, again, differences were not statistically significant (Chi-square = .978, $p > .05$).

Testing the suicide rate showed social democratic welfare regimes to have an average rate of 13 per 100,000 persons (Denmark 10, Finland 17, Norway 11; see Group D in Table 2), while liberal welfare regimes had an average rate of 9 (Canada 10, U.S. 11, U.K. 6; see Group C of Table 2). Corporatist democratic welfare regimes had an average rate of 12 (Austria 12, France 14, Germany 10; see Group B of Table 2). Conservative welfare regimes had an average rate of 25 (Japan 20, Republic of Korea 30; see Group A of Table 2).

Using the Chi-square test, the suicide rates in the four categories were tested, and statistical differences were found (Chi-square = .045, $p < .05$). The suicide rate in conservative welfare

regimes (average rate = 25) was around triple those in liberal welfare regimes (average rate = 9) and around double those in corporatist democratic regimes (average rate = 12) and social democratic welfare regimes (the average rate = 13).

In descending order of the mean scores for life satisfaction, social democratic welfare regimes were 7.8, liberal welfare regimes 7.1, corporatist democratic welfare regimes 7.0, and conservative welfare regimes 6.0. In ascending order, the suicide rate in liberal welfare regimes was 9, corporatist democratic welfare regimes 12, social democratic welfare regimes 13, and conservative welfare regimes 25. Based on these outcomes, it is clear that the quality of life (QOL) in conservative welfare regimes is lowest for both positive (life satisfaction) and negative (suicide rate) indicator levels.

Which Ideal-type Welfare Regime is best for Korea?

Based on the analysis of two QOL indicators, one positive and one negative, the countries with social democratic welfare regimes seem to be the best ideal-type welfare states. These regimes scored high levels of life satisfaction with correspondingly low suicide rates. The corporatist democratic and liberal regimes also scored higher levels in quality of life than the conservative welfare regimes in Korea and Japan but were lower

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than the social democratic regimes. This suggests that social democratic welfare policies and programs could be a good example for Asian countries.

However, other countries' welfare regimes cannot be simply adopted due to differences in culture and values. As described by Aspalter (2006), Asians have constructed conservative welfare regimes focusing on insuring an occupational social security system for working classes to develop their economy. This style, emphasizing the roles of both family and market rather than those of state and individual, is not easily changed by policy makers' decisions. These systems are deeply involved in the unique values and national culture of Asian states. For example, take the values and culture of Confucianism; built on the premise that parents will provide for their children, even sacrificing their own future welfare, the Confucian value system called for the elderly to end their lives in their children's care and be respected within the family. The government did not need to provide social security schemes, specialized health care, housing and/or nursing homes, or social services, as these were the responsibility of their children.

Korea's rapid industrialization has been called the "Korean Miracle." Few countries have developed from rural societies to hyper-technical, urbanized industrial societies in so short a time. Howev-

er, policies and laws favoring industrialization have resulted in large numbers of elderly people left without income support; Korean law denies welfare to parents whose children are economical-ly able to support them, even when the support is not given. Internal labor mobility often means parents are left in rural areas far from their urbanized children. Not living with the children's families also removes the head of household role so vital to elderly Koreans. The demands of rapid economic success have challenged centuries of Confucianism and, in the last few years, Korea has begun to experience a surge in suicide among the elderly. In order to decrease the suicide rate, Koreans must begin development and redesign of their social systems. They must move from a conservative regime, where the top priority is on economic growth, to corporatist or social democratic regimes which, hopefully, balance economic growth with the social systems needed in economically advanced societies. They must reconsider citizenship from a human rights standpoint rather than just seeing people only as economic resources. This study suggests that a model of welfare regime for Koreans requires movement toward social democratic forms because the QOL is highest in those ideal-typical regimes. Practically, the ROK must increase public social expenditures, develop social service programs for diverse and minority people,

Table 2.

Suicide Rate Per 100K Population

() = Reported Suicide Rate

State Role / Family Role	Weak	Strong
Strong	Group A* (25)	Group B* (12)
Weak	Group C* (9)	Group D* (13)

*Group A: Japan, Republic of Korea *Group B: Austria, France, Germany

*Group C: Canada, U.S., U.K. *Group D: Denmark, Finland, Norway

and design a redistribution system in both vertical and horizontal ways. These efforts may make Koreans report that they are doing well and, with these social constructions, find their life satisfaction increased and the suicide rate decreased.

The Need for a New Model

Since culture and values are more difficult to change than is government policy, how can the ROK eventually adopt a social democratic welfare regime? Policy makers must concern themselves with creatively developing social welfare programs, not in ideology but in practice. Uncritical acceptance of any set of welfare policies might lead to crucial side effects. Actually, the ROK's rapid transformation of its social system under industrialization has apparently led to social isolation in a family-centered society. Industrialization emphasizes the individual and is often called Westernization. Social isolation is the critical factor explaining mental health issues such as depression and suicide. Not coincidentally, Korea had the highest suicide rate, with Japan third, among OECD countries (OECD, 2012).

Korea must therefore pioneer a new welfare model for assisting the elderly in a hyper-technical, industrial society. The new model should consider a system in which the old are not only recipients of welfare service but also have a role as providers of a highly developed social system. In order to construct a mature society full of vitality, Asian reformers will need to be innovative in designing an economic system in which the old take a role not only as a consumer but also as a main producer. If they concentrate the energy currently expended on economic success on developing a social welfare system in their own ideal-typical regime, the developed Asian countries, including Republic of Korea, can be a new model of a welfare state for developing countries and even for the developed West.

Limitations

This study depends upon a two variable analysis of the quality of life (QOL) under different idea types of welfare regimes. The ideal-type is itself a conceptual limitation by establishing 'ideal' classifications such that no nation's systems fit perfectly. Another limitation is that the characteristics of conservative welfare regimes

have not been studied enough to be compared with those of the other welfare regimes. More importantly, it is hard to find common values and social characteristics even among Asian countries. For example, although China originally embraced Confucianism, their system has become dominated by communist ideas, and their system is quite distinct from democratic-leaning Asian countries. Finally, testing with more indicators of QOL would increase the validity of the research method. In spite of these drawbacks, this study suggests the needs of future study, exploring a new ideal-typical welfare regime for Asian societies, particularly the ROK, that go beyond the Western ideas from Beveridge and Bismark.

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