Social Policy and South Korea’s Development: An Interrogation

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Problems of learning

- Theoretical “noise” interferes in looking at the past
- Problem of Bad teachers
  - The “usable past” problem and mystification of “success”
  - Collective amnesia
- Unwillingness to share experience
  - Restrictive intellectual property regime
  - Pulling the ladder (Ha Joon Chang)

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Problems of Learning

- Bad learners
  - "Closed" societies
- Low investment in Institutions of learning
  - Absence of national R and D
  - Human capital
- Dependence mentality
- Lack of Direct experience with Asian Experience
  - Lessons lost in translation

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Competing Ontologies of “Welfarism and “Developmentalism.

- Gap between the “Welfare regimes” and “developmental state” literature
- The Linear view – welfare state as end state
- “Demand side” focus of “Keynesian Welfare state vs the Supply side” preoccupation of growth and development
- Fear of instrumentalisation of social policy
Developmentalism and Social Policy

- End justifies the means
  - “Steep Ascent”
  - Acceptance on growing inequality
  - Kuyets Hypothesis
  - Or classical view of profit, distribution and investment
  - Acceptance of authoritarian rule (authoritarian advantage)
- Amartya Sen on
- BLAST Blood Sweat and Tears view
A Framework

- Initial conditions
- Political conditions
- Thriftiness conditions
- Distribution or the “Wage Bargain Conditions”
- Economic structure
- Financial conditions
- Investment conditions
- Labour Market conditions
- Technological Conditions
- International conditions

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Initial Conditions

- Colonial legacies
- Tradition - “Confucian values”
- Ethnic homogeneity
- Land reform

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Political regimes

- Ideas Ideology and the Politics of ‘Legitimation’
- Nationalism and nation-building
- Ideas of “catch-up”
Income Distribution and Thriftiness conditions

- Personal income distribution versus functional income distribution
- Personal income distribution concerned with such measures as GINI coefficients
- Functional income distribution – wages, profits, interest, rent

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Thriftiness

- Forced savings
- “Culturalist arguments” (e.g. Protestant Ethic, Confucian frugality and African and Latin profligacy etc)
- Pension schemes
- Restrictions on credit for consumption
- Low wages

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Resource Mobilisation

Gross Domestic Investment 1960-2009

Source: World Bank Data Bank

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Labour market

- “Taxing Labour”
- Social Pacts
- Wage compression policies *e.g. “solidarity wages”*
...And how has Investment been assured?

- "Patent capital" and "patient labour"
- Restrictive capital flows
- State involvement in Banking

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Financial Conditions

- “Rhein Model” vs Anglo-Saxon Banking
- Pensions and the financial sector

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Economic structure

- Dualism and segmented social policies
  - Problems of “labour aristocracy”
- Openness and social policy

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Social Policy and technology

Human capital

- The “training regime”

- Creating the “Social capability” to handle Technologies

  - Reconciling Productivity of new technologies with other values

- Social policies and technological dualism
Social Policy by other means

- Land reform
- Farm subsidies
- Marketing boards
- Life-time employment

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Thank you

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