Identifying Variations of Conservative Social Policy in North East Asia:

The Welfare State in Japan,
South Korea and Mainland China

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Abstract

This study examines the nature and variations of welfare state systems in Northeast Asia, taking the examples of Japan, South Korea and Mainland China. While parting from the very popular and dominating classification of welfare states of Esping-Andersen, this article proposes the existence of welfare state systems that are purely conservative in nature since conservative political parties and/or conservative social policies shaped welfare state development in this part of the world. The article focuses on the main common features and the existing variations of social policies. It finishes with a summary of most important features of conservative social policy in three case studies covered.
Introduction

East Asia is still largely neglected by welfare state analysts, and so are other regions of the world. The fast rates of economic growth achieved in the East Asian region, however, have drawn a great deal of new attention towards welfare state systems in Japan and the Tiger States. In the mid-1980s, Western researchers began to turn their attention to the development and expansion of welfare state systems in East Asia (Midgley, 1986; Heidenheimer et al., 1990; Jones, 1990a, 1990b, 1993; MacPherson, 1993; Esping-Andersen, 1997; Goodman et al., 1996, 1998; Wilding, 1997). Asian researchers, of course, started even earlier to publish important works on welfare state development in the East Asia and continued to play the most vital role in welfare state research in this region (Park, 1975; Chow, 1980, 1981; Kwon, 1993; Chan, 1996; Ku, 1995, 1997; Kwon, 1997, 1999; Peng, 1999).

The best summary of the East Asian welfare state experience is probably given by Wilding (2000) who emphasized the role of the welfare state as a welfare regulator in East Asia on the contrary to the traditional role of the welfare provider in Western, especially European, countries. Furthermore, he stressed the existence of strong residualist elements in these welfare state systems which are caused by the governments' hostility to the idea of the traditional redistributive welfare state in the West. Economic concerns, rather than social concerns for equality and redistribution, dominated social policy development and State expenditures on welfare, consequently, had been held low. Aspalter (1998a, 2000) also found that new concerns about the outcome of increasingly competitive democratic elections in East Asia have led to a chain reaction in form of popular election promises in the field of social policy, especially social insurance and social assistance. These election promises, then, led to large extensions of welfare state systems. These findings have been supported by studies of other welfare state researchers in East Asia (Ku, forthcoming; Kwon, forthcoming). The strong residualist elements, however, are fading and give way to more sophisticated, 'expanded residual' welfare state institutions (cf Aspalter, forthcoming a; Chan, 1996).

While welfare state analysts - most notably Esping-Andersen (1990) - whose research did not center on welfare state development in East Asia, preferred to ascribe the attribute 'conservative' to welfare state systems in Germany, Austria, Belgium and France, Aspalter uses the attribute 'conservative' in reference to welfare state systems in East Asia (2000, forthcoming a). Christian democratic social policy in Germany and its neighboring countries especially after 1945 is highly distinct from social policy practices in other parts of the world (Kersbergen, 1994, 1995; Aspalter, 1998b). It is rather inappropriate to equate Continental European social policy after 1945 with the sort of social policy conducted by Bismarck, Taaffe and their counterparts in the other countries in the 1880s. Therefore, the attribute 'conservative' of the group of Continental European welfare states centering around Germany shall be replaced by the attributes 'Christian democratic and social democratic' as both Christian democratic and social democratic parties shaped a welfare state model of its own kind in Germany, Austria and other countries in Continental Europe. It is for this reason, that the author here has come to identify welfare state systems in East Asia as being 'conservative' (Aspalter, forthcoming a). Conservative welfare state systems are characterized by relatively low levels of governmental welfare expenditures, a stronger emphasis of the market and the third sector in welfare provision, a much stronger emphasis of the regulative capacities of the welfare state, a declared rejection of high levels of welfare dependency and redistributive welfare programs, a preference for occupationally divided social insurance systems, the
preferential treatment of certain occupational groups and a general reluctance to welfare state extensions.

This study sets out to examine the common features of welfare state systems in Japan, South Korea and Mainland China. Each case study focuses on the historical development of social policy while also taking into account the political context. Thereafter, the author identifies the main common features and the existing variations of conservative social policy in this group of welfare states.

Japan

As to be expected, Japan which was the first Asian country that underwent the process of industrialization was also the first country to establish a welfare state system. Japanese politics of the inter-war period was overshadowed by a series of devastating events. First, the existence of the governing élite of the Japanese Empire had been highly threatened by a country-wide rebellion in the year 1918, i.e. the Rice Riots which lasted for two months. The second major event that shook the Japanese nation was the Great Kanto Earthquake in 1923. Though the government came to see the consequences of major social problems cause by poverty and natural disasters, it did not launch new social welfare programs that could have helped the poor and stabilized the country. The only important piece of legislation in the first ten years following World War One was the Health Insurance Law of 1922 that provided social security for employees. However, this new law was not implemented until 1927 due to the consequences of the Great Kanto Earthquake (Yanaga, 1956; Takahashi and Someya, 1985; Anderson, 1993; Gould, 1993). In 1929, the Japanese parliament, the Diet, passed the Relief and Protection Law that intended to solve the most stringent needs of the very poor. This law was the outcome of political forces in the Parliament and in district level administration that demanded new governmental social assistance schemes. The national government itself did not wish to upgrade the meager benefits of the social assistance system that before the new law solely relied on the provisions of the Poor Salvation Law of 1874. As the government had refused to grant the necessary financial means, the new social assistance program could not be implement before the year 1932. Public assistance under the new scheme, however, covered only those who were unemployable, i.e. the handicapped, the very sick chronically sick and the very old. In 1935 the Japanese governments introduced, partly in response to the new politics of the New Deal in America, a minimal unemployment assistance program. Just before the outbreak of the Second Sino-Japanese War in 1937, the government decided to set up a new Ministry of Health and Social Affairs. The new ministry was set up because of the military's concern about health conditions of new draftees in the light of the approaching war. One year later, in 1938, government also enabled Japan's vast rural population to join the national health insurance (Garon, 1997; Maruo, 1986; Anderson, 1993; Takahashi and Someya, 1985). The Second World War added to the efforts of the government to extend the welfare system. The Seamen Insurance Scheme of 1939 was a very comprehensive social security system covering the risks of sickness, unemployment, old age and accidents. In 1941, the new Workers' Pension Insurance Law had been enacted and three years later, in 1944, the Parliament also passed the Welfare Pension Insurance Law. The newly created pension system for workers included benefits for old age retirement, invalidity and death. Under the leadership of the Supreme Commander of Allied Powers after the end of World War Two, the Japanese government implemented a series of new social legislation, i.e. the National Assistance Law of 1946 that widened the scope of social assistance; and the Accident Compensation Law and the Unemployment Insurance Law of 1947 which enlarged significantly the social security of workers. In the early 1950s, the government continued to extend the social welfare system. First, it upgraded the level of social assistance with The Livelihood Protection Law of 1950. Then, in 1953, the government introduced a new health insurance scheme for day laborers. In 1954, the employee pension system had been extended to companies with five and more employees. The next giant step towards a more developed welfare state system was brought by the New Health Insurance Act of 1958 that established a mandatory universal health insurance system. Only three years later, virtually all of the
population was benefiting from the protection of national medical insurance. In 1959, the National Pension Law set up a new pension insurance scheme for all those who could not participate in the employee pension scheme, these are farmers, workers in small companies and the self-employed. Furthermore, the new pension law also pensions for those who could not benefit from the existing pension system because they were aged 70 and over, because they were handicapped and because their breadwinner had died, i.e. widows with children. Though the Japanese social security system had been constructed a great deal in the 1940s and 1950s, the level of State expenditures stayed very low throughout the first three decades after the war. Especially the government under the leadership of Prime Minister Sato from 1964 to 1972. The reason for this was that, first, the Japanese economy started to boom in the 1960s and, thus, the post-war emergency period had come to an end; and second, after the occupation of the Allied Powers was over, the conservative government of Japan resorted to the politics of avoiding and cutting down welfare expenditures. As a result, the extent of State-financed social assistance benefits were kept at very low levels. The vast majority of welfare state expenditures, hence, concentrated in the field of health care and pensions (Gould, 1993; Anderson, 1993; JMHW, 2000; Takahashi and Someya, 1985; Watanuki, 1986; Goodman and Peng, 1996; Aspalter, forthcoming a; Vogel, 1979). As a response to heavy a electoral losses on local as well as national level, the government was forced to allure middle class votes with universal social welfare benefits, i.e. child allowances. The Child Allowance Law was enacted in 1971 and the scheme went into operation in January the next year. The new plans of Prime Minister Tanaka Kakuei of extending the Japanese welfare state system in 1973 were buried in the same year as they came into being. The government's intention to raise overall social welfare provision by the State had to be taken back owning to the economic crisis of 1973 that had been caused by the sudden upsurge of worldwide oil prices. Since the Liberal Democratic Party regained control of the majority of seats in the Japanese parliament, the Diet, the welfare state ambitions of purely conservative Japanese government in the 1970s and for the most part of the 1980s came to a stop. In 1984, the government conducted and reform of the earlier introduced nationwide free medical care system for the elderly, i.e. those aged 70 and over (65 in Tokyo), so that from then on the elderly had pay in the beginning ten percent of the costs for medical services. Whereas in the 1970s the share of social security expenditures of GDP doubled, in 1980s this share remained at the same level, i.e. around 14 percent. In the year 1985, the government stopped to pay particular interest to the problem of the aging of society and the lack of social welfare provision for the elderly. The newly created basis pension scheme included provisions for the disabled, the elderly and surviving dependents. Both major national pension schemes, the Employment Pension Insurance and the National Pension Scheme, incorporated this new basis pension program. In the meanwhile, i.e. since beginning of the 1980s, the social system had been gradually transformed from a cash-based to a care based system. After the introduction of the Gold Plan in 1989, new care services for the elderly have been set up and the level of the existing ones had been upgraded. Six years later, the New Gold Plan raised the level of benefits anew. In addition, while facing the worsening social conditions of the fast growing elderly population, the government felt obliged to install a new Chronic Care Insurance. Having lost a parliamentary majority for the first time, the long-term ruling Liberal of Democratic Party together with its junior partners in recent government coalitions now is forced to make concessions to the mounting share of senior citizens of the Japanese electorate since party competition in national elections is higher than ever before. The reluctant extension of welfare provisions will continue to shape the Japanese welfare state in the years to come as dominant conservative political parties have not abandoned their anti-welfare policy stand (Gould, 1993; Chow, 1984; Anderson, 1993; Maruo, 1986; Hashimoto, 1992).

South Korea

In South Korea, the welfare state began to develop relatively late in the year 1960. The political circumstances of the 1950s and 1960s cause a significant delay and only a fragmental unfolding of the initial welfare state system. The pseudo-democratic regime under the
leadership of President Syngman Rhee, the came into power in 1948, quickly turned into a brutal dictatorship. President Syngman Rhee mainly focused on terminating any factual and possible opposition to the ruling regime, as well as rivalry to his own leadership. He stayed in power, in the main, by applying the cruel means of assassination and death penalties; only few had the privilege of keeping their lives and being punished merely by a ban on political activities (Choy, 1982; Cotton, 1993). Syngman Rhee, therefore, did not need to resort to the means of social policy to legitimize his rule. In 1960, the common people on the streets removed President Syngman Rhee from power. In the year 1960, the Civil Servants Pension Law introduced and new era in which the government, highly reluctantly, began to install first social insurance programs. However, these programs were only aimed at occupational groups that were of special interest to the government, i.e. government employees, military personnel and industrial workers; and the poorest of the poor. In 1962 the government set up the Military Pension Program and in 1964 the Industrial Accident Compensation Insurance Program. In 1962 government created a new assistance scheme especially designed for the disaster relief. The Public Livelihood Assistance Scheme was established in 1965. The fall of the democratic regime of the Second Republic delayed the implementation Public Livelihood Protection Law, which was already enacted four years earlier. During the time of the Third Republic, from 1962 to 1972, the once again dictatorial government abstained from adding, with the exception of the Industrial Accident Compensation Insurance Program, new social and labor to the existing one. The ruling elite of the Third the Fourth Republcs gave priority to economic development and neglected social development. Though the military leadership of the 1960s and 1970s claimed to be able to achieve at least the same social and economic results than a democratic government, it did not pursue a strategy of an active social development in addition to the economic one. In 1965 the government, typically enough, set up and experimental several experimental health insurance schemes with 340 people insured in the first year. Twelve years later, these national health insurance schemes covered merely 63,000 people. At the end of the Third Republic and the beginning of the Fourth Republic, after the implementation of the Yushin Constitution which gave the President an even greater power to quell any revolt and resistance (Lee, 1975; Steinberg, 1995), the Parliament extended social legislation in order to enhance its by now highly shattered reputation outside the country. Nonetheless, in the year 1970, the president refused to ratify the newly legislated Health Insurance Law and, thus, delayed the implementation of a truly national health insurance scheme. Only seven years later, health insurance became mandatory for companies with 500 and more workers. The very fact the National Pension Insurance was designed for the population at large was the reason that President Park Chung-hee refused to sign the newly enacted Pension Insurance Bill in 1973. This refusal postponed the coming of a new pension scheme for the next fifteen years. On the contrary to new social legislation that was designed for the country as a whole, the pension law for private school teachers of 1973 was passed smoothly, and the new program started to operate only two years later.

Whereas the early 1970s were marked by two major setbacks in the field of health insurance and pensions, the mid-1970s saw further advancement of the social security system. Besides the new Health Insurance Law, the government also implement the new Medical Protection Law in 1976 which created the new Medicaid scheme. This new social assistance scheme provided in-kind benefits to low income earners and the very poor. In 1977 the government established a new health insurance scheme for civil servants and private school teachers in order to strengthen its power base among these for the government so important occupational groups. In 1979 the Fourth Republic came to an end. For eight months after the assassination of President Park Chung-hee a new civilian government headed by President Choi Kyu-ha took over the official duties of the State. However this new government was soon permeated with representatives of the military. Thereafter, the powerful general Chun Doo-hwan became president and determined the fate of the Fifth Republic. He continued the highly of authoritarian form of government of his predecessors. By the student protests in Kwangju in the year 1980 claimed more than two hundred lives as they demanded the release of Kim Dae-jung, the most popular opposition leader of that time (Yun, 1997; Steinberg, 1995). In 1981 the government felt obliged to extend the national health insurance scheme to
dependants of military personnel and pensioners respectively. In the Fifth Republic, the coverage of the compulsory National Health Insurance Scheme for industrial workers had been gradually lowered to companies with 300, 100, 16 and 5 and more employees and workers in the years 1979, 1981, 1983 and 1988 respectively. In 1988 determined to set up regional health insurance programs after test them for no less than seven years. The year 1987 brought the much-longed-for introduction of the democracy and, thus, the Sixth Republic July 1st, 1989 the national health insurance program became mandatory for urban dwellers. At the very eve of the Fifth Republic the Parliament passed the National Pension Law which was revised only two years later to include also workers in companies with ten or more workers.

The last column of the welfare state system in South Korea was established by the Employment Heath Insurance Program of 1995. Since the conservative government worried a great deal about disincentives caused by common unemployment insurance schemes, it opted for an employment-oriented insurance scheme that is, besides providing conventional unemployment benefits, also integrating benefits for public and private training institutions offering help for the unemployed and subsidies to companies in economic difficulties so that they may abstain from shedding employees. In 1998 the government merged the national health insurance system of farmers, informal workers, and the self-employed with that of public sector employees and private school teachers. This new reform led to the reduction of premiums that have to be paid by low-income groups. The new era of social politics after introduction of democracy has to be explained with the conduct of competitive democratic elections in which candidates of all political parties promised new social policies that are financed by the State in exchange for votes. Whereas before 1987 the Korea welfare state system was primarily addressing the needs of privileged occupational groups, after 1987 the government included the population at large in order to ensure a maximum number of votes in now highly competitive elections. The National Pension Insurance scheme of 1988, the reform of the National Health Insurance scheme of 1988 and the National Employment Insurance scheme of 1995 were all the results of election promises (Chang, 1985; Kwon, 1993; Kwon 1999, forthcoming; Aspalter, 2000, forthcoming b).

Mainland China

The origin of the Chinese welfare state system dates back to the year 1948. The Communist Party of China established the first labor insurance program still in the heydays of the civil war with the Nationalists in Manchuria which at that time was under the control of the Communist forces. After the retreat of the Kuomintang to Taiwan, the communist government announced the Labor Insurance Regulations in October 1950 that implemented the labor insurance program nationwide. The labor insurance program provided benefits for e.g. the sick, the disabled, pensioners, as well as expecting and nursing mothers. The labor insurance scheme covered those employees who worked in state-operated, joint state-private, cooperative and private factories and mines with more than 100 workers and staff. The coverage of the labor insurance program had been extended significantly only after two years of operation, then including also units of factories, mines and transport enterprises, communication services, and state-run construction enterprises. All the contributions of the labor insurance program came from the employers, who had to pay three percent of the payroll into the labor insurance fund. This fund was operated by both the company and the labor unions. 30 percent of the fund was given to companies that got into serious financial difficulties. Amendments of the Labor Insurance Regulations in the years 1956 and 1957 extended the coverage of labor insurance anew, so that in 1958 the membership of the program rose to 45 million. From then on, the development of social insurance in China experienced a slight setback in terms of coverage. The political turmoil of the Great Leap Forward in the late 1950s and the Cultural Revolution in the second half of the 1960s interfered in the growth of the social insurance system. Only after the introduction of the policies of modernization in 1978, the government could again pay more attention to the provision of social insurance. However the Chinese welfare system continued to develop during the 1960s and 1970s. During this time the government focused on the provision of
public housing, medical care services and special homes for the elderly, the disabled and orphans.

By the late 1970s, the Chinese welfare state catered to about four fifths of the urban population. Of course, the percentage of people living in the cities at that time was only 19 percent. This means the Chinese welfare state was only existent in the cities, and not in the countryside. The communist welfare state from the early 1950s to the late 1970s became to be known as 'the iron rice bowl system'; i.e. a Chinese version of 'the cradle to the grave welfare system' in Sweden. The Chinese welfare state system was designed for urban workers who were employed by the government, State-run companies and collective enterprises, i.e. the vast majority of the urban workforce. It is for the reason of the government's need, in the past, to ensure social peace in the cities that the Chinese welfare state was particularly designed for city dwellers. Nonetheless, the argument that people living in the countryside, most of whom had been farmers, were not in such a need for social insurance benefits, because they are living in an archaic society, is also valid. The dualism between the urban and the rural China in terms of social development is highly linked to the different stages of economic development of the respective areas. Since China was, at that time, still a Third World country, it would have been impossible to set up a social insurance financed by the national budget that would have incorporated the vast majority of the population living in non-developed parts of China.

The Chinese government had to tackle other, much more urgent tasks first; e.g. safeguarding the minimal standards of living in the cities, where people cannot rely on vegetables the plant themselves and livestock they raise themselves and where people cannot rely on the support of family members, relatives and neighbors as much as people in the countryside. As a result, the Chinese development developed its social care service institutions and other welfare sectors such as public housing. Another important task the government began to focus on was the demographic development of the population, since it wanted to make an end to the miserable conditions of its people and to enhance economic and social development at the same time. For these reasons, the government heavily promoted a new birth control policy that aimed at reducing the number of children a couple has to only one. These policies included a great number of incentives and disincentives in order to ensure the obedience to the new one child policy. In the cities, the new birth control measures were much more effective than in the countryside (Dixon, 1981; Selden and You, 1997; Lee, 1993; Ma, 1999; Chow, 1999).

The year 1978 marks a watershed not only in Chinese politics as a whole, but also in social politics. Before, the State ran a sort of cradle to the grave welfare system for most of the city dwellers that was tied up to the workplace providing pension and sick leave benefits, health care benefits, public housing, various social assistance programs and a great number of community and cultural facilities. Thereafter, the government began to upgrade pension system from company level to provincial government level. In 1985, the Chinese government acknowledged the urging need for setting up new social insurance programs for workers and employees of government institutions as well as State-owned, collective-owned, and other enterprises in the Seventh Five-Year Plan for National Economic and Social Development. However, the government emphasized the limits it has set for ist responsibilities for social security and pointed out the need to focus on the welfare functions provided by families and communities (Chow, 2000: 64). After 1994, the government speeded up the pooling of pension funds, extended health care services a great deal and started also to unify maternity benefit schemes. The new reforms also led to the sharing of the financial burden of social security provision. Now, the premiums of employers and employees help the government to reduce the heavy load of financing the social security system. As a response to new mass unemployment caused by the economic restructuring in the State-owned enterprises, the government created a new unemployment insurance system in 1986. In the 1980s and 1990s, over one hundred million farmers have left their home villages and poured into the cities, especially those situated in the east. This new development aggravated the social conditions in China's coastal cities and larger inland cities. It is for these reasons that the Chinese government has been working very keen on the extension of the existing pension and
unemployment systems. Recently, the government pursues a new plan of extending the coverage of the health insurance to 70 percent of the urban population. The Ninth Five-Year Plan, covering the period from 1996 to the year 2000, set out to incorporate 50 million new members into the health insurance system. Today, the Chinese health care system is only marginally established on the countryside, since 80 percent of all hospitals and doctors are concentrated in urban areas. The reform of the Chinese economic system brought along also an enormous change of the education system. From the year 1998 to 2000, the enrollment of universities and colleges doubled reaching two million. (Hu, 1997; Chow, 1995; Niu, 2000; Zhao, 2000; Zhu, 2000; Guo, 2000).

The traditional economic and societal system of the backward areas is going to change in the years ahead. This inevitable trend will cause the necessity of implementing a welfare system on the countryside. The Communist Party of China is very aware of this and is, therefore, undertaking a great deal of efforts to fulfill this strenuous task. The forthcoming rural middle class will undoubtfully demand the protection of social insurance schemes and social assistance programs. In the last two decades, the Chinese welfare state system developed into a more universal social security system, i.e. the social insurance system in China is not divided occupationally. However, there are differences among provinces and especially between the cities and the countryside. Up to now, the function of the Chinese welfare state system has been to address the social welfare needs of the urban population. With the ongoing industrialization of the Chinese hinterland, the Chinese welfare state system will certainly be extended to include more and more of China's vast rural population.

Conclusions

The above case studies, in essence, all demonstrated the existence of variations of the East Asian welfare state model that is based on fundamental social policy practices of conservative political parties. Mainland China, besides Hong Kong, seems to represent a major exception in the sense that the leading political party is not a conservative party. However, recent policy outcomes, especially in the 1990s, have shown that Mainland Chinese authorities prefer a major role played by the market in welfare provision and are also highly reluctant with regard to extension of welfare state programs that are financed by the State. The outcome of social policy in the three case studies above have all similar features, but at a closer look they still vary from each other significantly.

The major similarities of the welfare state systems in Japan, South Korea and Mainland China, besides low levels of welfare expenditures, are a strong role of the market in welfare provision and a strong role of the welfare state as a regulator. Governments in Japan and South Korea have in common a profound dislike for welfare programs creating welfare dependency, as well as strong conservative welfare ideologies stressing the responsibility of the individual in welfare provision and limiting the responsibility of the State. China pursues a mixed approach what regards welfare responsibilities. The Communist Party made a great deal of welfare commitments in the State sector; however, it has chosen not to do so in other parts of the labor market, i.e. the collectives and private labor market. As a consequence thereof, the overwhelming part of the Chinese population cannot rely on the State in welfare provision. Furthermore, the three countries show a highly reluctant policy stand of the State towards welfare state expenditures. Therefore, welfare state outcomes in all three countries resemble each other to a great extent (see Table 1).

The most striking differences between these welfare state systems lay in the provision of social insurance. The Japanese social insurance system shows a strong dualism between employees of large private sector companies and the rest of the working population, especially in the field of pensions. Occupational welfare played the most of important role in overall welfare provision. The South Korea government, in the beginning, installed social insurance systems for governments employees and military servants only. Since the introduction of democracy in 1987, the government also created social insurance programs for the population at large. An outstanding feature of the South Korean social security system is the universal national health insurance. Social insurance in China, on the contrary to Japan
and South Korea, is based on occupational and geographical divisions. The Chinese social insurance system is particularly designed for the urban workforce. The unique feature of the Chinese welfare state system is that it is, for the most part, only existent in the cities. All three countries examined prevailed the dominance of conservative welfare ideologies in social policy making, with the important exception of welfare provision in the State sector in China where communist ideologies formed the welfare system of the past and serve as a means for theoretical hegemony of present policy-making. Whereas demographic changes and increased party competition cause welfare state extensions in Japan and South Korea, economic and demographic changes in combination with pro-welfare ideologies are responsible for welfare state extension in Mainland China.

Table 1: Features of Conservative Social Policy in Japan, South Korea and Mainland China

<table>
<thead>
<tr>
<th>Criteria for conservative social policy</th>
<th>Japan</th>
<th>South Korea</th>
<th>Mainland China</th>
</tr>
</thead>
<tbody>
<tr>
<td>market-State relations in welfare provision</td>
<td>heavy reliance on the market in welfare provision</td>
<td>both marker and State welfare provision are emphasized</td>
<td>heavy reliance on the market in welfare provision with the exception of State sector employees</td>
</tr>
<tr>
<td>government’s attitude towards welfare dependency</td>
<td>opposing welfare dependency a great deal</td>
<td>opposing welfare dependency a great deal</td>
<td>avoiding welfare dependency of the masses (partly a reaction to the consequences of the still existing high welfare dependency of State sector employees)</td>
</tr>
<tr>
<td>government’s attitude towards redistributive welfare programs</td>
<td>opposing redistributive welfare programs a great deal</td>
<td>opposing redistributive welfare programs a great deal</td>
<td>not opposing redistributive welfare programs</td>
</tr>
<tr>
<td>government’s attitude towards government spending on social welfare</td>
<td>opposing government spending on social welfare a great deal</td>
<td>in general, opposing government spending on social welfare, but regular exceptions are made in times of election campaigns</td>
<td>would like to increase government spending on social welfare, but prefers spending on economic development</td>
</tr>
<tr>
<td>type of social insurance schemes preferred</td>
<td>occupational insurance schemes (pensions)</td>
<td>occupational insurance schemes (pensions); Universal insurance scheme (health care)</td>
<td>formerly: labor insurance schemes on enterprise level; new universal insurance schemes on Provincial level (pensions)</td>
</tr>
<tr>
<td>main target groups for welfare state institutions</td>
<td>employees and workers of large enterprises</td>
<td>formerly: military servants and government employees; now also the masses</td>
<td>workers in large, State-owned enterprises and government employees</td>
</tr>
<tr>
<td>welfare ideology</td>
<td>conservative welfare</td>
<td>conservative welfare</td>
<td>practical</td>
</tr>
<tr>
<td>promoted by government</td>
<td>ideologies focusing on individual responsibility for welfare provisions</td>
<td>ideologies focusing on individual responsibility for welfare provisions</td>
<td>conservatism under the umbrella of theoretical communism emphasizing both individual and collective responsibility for welfare provisions</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>major reasons for welfare state extensions</td>
<td>increased party competition in democratic elections, demographic changes</td>
<td>high party competition in democratic elections, demographic changes</td>
<td>economic and demographic changes, pro-welfare ideology of the CPC</td>
</tr>
</tbody>
</table>
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