

Counterbalanced Marketization: The Korean Way of Labor Market Reregulation and Welfare Reform in a Comparative Perspective

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Abstract

How can one understand recent welfare reform in Korea? This research claims that Korea's welfare reform since the late 1990s is not explained as a functional response to growing labor market uncertainty or as a democratic shift to a new welfare state. Alternatively, it discusses the issue in the wider context of labor market reregulation designed to embrace more market forces and safeguard likely reform losers. Focusing on regulatory changes in the realm of employment protection and income maintenance, this research presents two crucial findings: (1) Together with its wider range of employment security liberalization, citizenship-based income maintenance has constituted the Korean way of labor market reregulation, i.e., "counterbalanced marketization." (2) This reform path is associated with the peculiar policy-making network structures of Korea, which gives leeway for the government to carry out bold reform projects. Comparisons with the Japanese and Taiwanese cases are offered to highlight the characteristic nature of the Korean welfare/labor market reform. Limitations of Korea's labor market reform are also discussed.

Keywords: labor market reform, East Asia, employment liberalization, income maintenance, counterbalanced marketization, policy-making network structures, reform passion without reform calculus

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Introduction: Understanding Welfare Reform in Korea

The postwar labor market system of East Asia, including Japan, Korea, and Taiwan, has fundamentally favored full-time regular workers over others¹ in its benefit structures of employment protection and income maintenance.² During the 1970s and 1980s, this type of dual labor market system³ could maintain stability particularly due to its capacity to draw the most qualified workers into expanding industries and distribute income-generating works externally (You 1998). Since the late 1990s, however, these East Asian countries have faced significant pressure to modify their labor market systems. This has resulted from the end of rapid growth, intensified market compe-

1. The definition of "others" includes non-regular paid workers such as temporary, part-time and dispatched workers, the self-employed, and the workers who are employed in pre-capitalist production modes, such as underpaid family work.
2. Many commentators have argued that the East Asian countries have substituted strong employment protection for underdeveloped income maintenance scheme (Miura 2002; Bonoli 2003). But this "functional equivalence" view has important limitations in grasping the characteristics of the East Asian income maintenance programs. This view, first of all, ignored the fact that the retiring workers in large enterprises and state sectors have been provided lump-sum cash benefits called *toejikgeum*, *taishokukin*, or *tuixiujin*. Second, income maintenance programs of East Asia were often complementary to—rather than replaced by—employment protection. For example, Japan's employment insurance of 1975 is different from the unemployment insurance program in Europe in its emphasis on strict qualification condition and work-inducing benefits. Korea also followed Japan's unique system in 1993.
3. "Dual labor market" in East Asia is different from the European welfare state context in which the left governments have used "public employment" policy against the caprice of private-sector labor market. Regarding structural difference between public and private labor market, see Iversen and Wren (1998). Instead, this research refers to the emerging literature about the similarities and differences in the East Asian labor market systems. For example, see Oh (2000); Jung and Cheon (2004); and Song (2000). According to their views, labor market structures in East Asia have reflected industrial structures of the region which are divided into large enterprises (mostly public ones in Taiwan) and small- and medium-sized enterprises. In particular, Jung and Cheon (2004, 21) showed that the benefits of employment security, wage levels, and enterprise welfares have been significantly fragmented *within* labor markets of the three East Asian countries, although amounts of those benefits have differed *between* these countries.

tion, together with the rise of China (Lall and Albaladejo 2004), regional integration with successive formation of Free Trade Agreements (Aggarwal and Koo 2005), and widening social inequality (Oda 2005).

Such pressure was the most intensive in Korea, which was caught in the grip of a serious financial crisis and subsequent economic restructuring. The restructuring process critically destabilized the labor markets to the extent that the unemployment rate jumped close to nine percent in 1998. Since then, the market has swiftly moved to seeking part-time, dispatched and day laborers instead of hiring full-time regular workers.

Facing such challenges, the Korean government has initiated unprecedented welfare reform. Under the slogan of Productive Welfare, the Kim Dae-jung government (1998-2003) introduced the Five Big Social Reforms, including a) extension of coverage of the National Pension Program to the whole population; b) merger of occupationally and regionally separate health funds into a single National Health Insurance program; c) establishment of the Tripartite Commission to solve looming labor problems and promote industrial peace; d) extension of the Employment Insurance Program (EIP); and e) introduction of the Minimum Living Standard Guarantee (Office of President 2000). The following administration led by President Roh Mu-hyun (2003-) proposed a new roadmap of Participatory Welfare, to ease the disparities between the rich and poor and strengthen active labor market policies for the poor.

A fundamental question arises from these conditions: How can one understand intensive welfare reform in Korea during the past decade? One strand of argument comes from the neoliberal advisors in the International Monetary Fund (IMF) and the U.S. administration who recognize social welfare programs as a functional requirement of the liberalization project to respond to increasing labor market uncertainty. For example, the IMF argued that the Korean government needed to strengthen several social policies including employment insurance together with the efforts to facilitate the redeployment of labor and improve labor market flexibility (IMF 1997). Michel

Cardessus (1999), the former IMF managing director, claimed that unemployment insurance must be strengthened to reduce poverty and secure essential broad-based support for [restructuring] policy implementation. The U.S. Treasury Undersecretary David Lipton made a similar request in 1997 when he met President-elect Kim Dae-jung (*Chosun Ilbo*, December 23, 1997).

However, the neoliberal advisors do not embrace welfare reform that exceeds the minimal function to address economic uncertainty. They instead argue that it must be the market, not public policy, that plays the role of lowering social inequality. Cardessus (1997) argued at a Bangkok conference that East Asian countries, including Korea, have to encourage [labor market] mobility, keep labor costs in line with labor productivity, and establish simpler, more transparent regulatory systems that are equitably enforced not only to enhance economic competitiveness in the short term but also to promote income equality in the long term. During an official visit to Korea in October 2004, for the same reason, IMF staff advised the Roh administration that raising the pay and working conditions of non-regular workers to bridge the divided labor markets is tempting, but almost certainly wrong (IMF 2004).

Another strand of argument is the developmental welfare state (DWS) thesis (Kwon, 2002, 2005a, 2005b; Holliday 2005). This emerging welfarist literature has emphasized that democratic politics allow labor market deregulation to go together with significant social policy development. There are three key arguments in the DWS thesis: Firstly, the past authoritarian regime in Korea subordinated the welfare concept and policies to development ideology and the goals of human rights and social equality were not considered a policy priority. Secondly, recent unprecedented welfare reform in Korea is possible under the condition of democratization. The politics of democracy facilitate creation of advocacy coalitions, which results in a greater expansion of welfare towards previously marginalized groups in the labor market. Finally, therefore, Korea's welfare reform must be understood as a democratic shift to a new, inclusive welfare state beyond a simple response to economic uncertainty.

Kwon Huck-ju, the leading DWS scholar, showed that the politics of democratization resulted in the departure of Korea from other Asian authoritarian regimes, which stick to selective and marginal welfare provision. Many scholars in Korea and abroad have shared a similar vision and highlighted the new welfarist experiment in Korea. Kim Yeon-Myung (2001) described the Korean experiment as an emergence of the Western-style welfare state. Ramesh (2003, 88) saw an embryonic welfare state in Korea, which will, according to present trends, continue to expand, even if no new programmes are established [additionally].

Nonetheless, this research challenges both arguments. It rejects the neoliberal assertion that the Korean government has had no choice but to accept a contingent, minimal amount of social programs while letting the market contribute to income distribution and social equality. It is too simplistic to argue that the Korean government has only functionally responded to marketplace pressures to make the labor market less costly and more flexible. On the other hand, the research also rejects the DWS thesis, which presupposes that state activism is much more visible in the social policy arena than in the realm of employment adjustment. Another problem of the DWS thesis is its assumption that democratic governments are only a reactive entity that translates social grievance into welfare policies. Instead, this research proposes that the reforming governments in East Asia, including Korea, have reform capacity and expertise in both arenas of employment adjustment and income maintenance (Evans et al. 1985; Shefter 1994). Finally, this research claims that Korea has adopted a distinctive strategy not only for welfare reform but also for employment security adjustment. Korea has combined employment adjustment and income maintenance policies in remarkably different ways from other East Asian countries.

Therefore, this research discusses welfare reform in the wider context of labor market reregulation, which aims to embrace more market forces and safeguard likely reform losers as well. Focusing on the development of labor laws and labor market policies in the realms of employment liberalization and income maintenance, it first

establishes a general framework with which to compare diverging paths of labor market reregulation in East Asia. It then presents two important findings regarding Korea in a comparative perspective: (1) Korea has opted for the citizenship-based income maintenance entitlement to incorporate most citizens into the cross-occupational schemes of income protection, and this constitutes one component of the Korean way of labor market reregulation, counterbalanced marketization. Another component is its universal type of employment liberalization. (2) The reform path is associated with the nature of policy-making network structures, which gives leeway for the Korean government to carry out bold reform projects. Comparisons with the Japanese and Taiwanese cases will be offered to highlight the distinction of the Korean welfare/labor market reform.

Operationalizing Labor Market Reregulation

As noted, the characteristics of welfare reform in an East Asian country must be grasped in the larger context of how the country reorganizes its traditional dual labor market system. The key goals facing most East Asian policymakers are not to what extent they would increase welfare benefits merely but how they could “reregulate the bundle of complex regulatory arrangements not only to embrace certain types of market forces but also to prevent the likely social dislocation”⁴ Specifically, they intend to liberalize their traditional employment protection in order to move toward more cost-effective and flexible production mechanisms and compensate for market risks in order to make the reform process politically viable (Gansmann 2000; Etchemendy 2005). Meanwhile, the existing dual benefit structures of employment security and income maintenance provide the reforming governments with more policy leverage than the neoliberal and DWS literatures imagine. Given the structures in which full-time

4. Interview with a politician from the Uri Party, Korea’s current ruling party, on December 26, 2005.

regular workers have enjoyed the lion’s share of job protection and income maintenance, the East Asian governments may have discretionary capacity to decide how they would reorganize and redirect the original benefit structures across the internal-external divide of the labor market.

Two Dimensions of Labor Market Reregulation

The state capacity to deal with two policy areas leads to the two dimensions of labor market reregulation. The first are “types” of employment liberalization, which decide the range of liberalization effects. Governments may take a direct diversification approach by creating relaxed regulatory guidelines for using fixed-term contract and dispatched workers. Governments may codify the previously customary boundaries between protected regular workers and underprotected workers. This indirectly legitimizes marginal job protection for non-regular workers and increasingly diversified forms of employment in the workplace. In both cases, governments can be assessed to opt for a selective type of liberalization in the sense that they keep employment protection for regular workers but activate external labor markets by providing businesses with more leeway in using non-regular employment for flexible production.

Alternatively, governments may pursue a more universal type of liberalization by using the policy options of discharges and dismissals in addition to the previously described two options. The option of discharges allows the authorities to promote swift industrial restructuring and business transfers by defining labor forces as a disposable property like other fixed capital. The dismissal option refers to the policies that facilitate both individual and collective disposal of the workforce based on business necessity.

Three indices help capture different types of employment liberalization: a) employment protection against dismissals, which mostly involves full-time regular workers employed by large enterprises (LEs) or public companies in the East Asian context; b) regulatory commitment to employment succession in the case of business trans-

fers; and c) difficulty in using non-regular labor. The effects of these indices upon the liberalization types are straightforward. Easing the constraints on non-regular employment combined with the continuing, or strengthened, protection of regular workers against dismissals and business transfers can be seen as a selective form of liberalization. If both employment protection for regular workers and the constraints on non-regular employment are eased, this is universal liberalization.

The second dimension of labor market reregulation is the entitlement resources for income maintenance benefits. Governments may concentrate their administrative skills on upgrading current income maintenance programs, including retirement payments, public pensions, and employment insurance, by tightening the linkages between the programs benefits and each worker's individual contributions. Governments can focus directly on reinforcing the existing rights to income maintenance benefits against risky labor market conditions. This includes protecting defined benefits and strengthening job retraining programs. In both strategies, market positions are the entitlement resources to income maintenance benefits.

Meanwhile, the reforming governments may select citizenship as the new basis of income maintenance benefits.⁵ Some governments may redirect existing income-supporting resources to integrate more marginalized groups in the external labor market. This is often accompanied by a risk-pooling strategy that pools the premiums and risks to level the rate of welfare benefits across different occupations. In addition, governments may devise new measures devoted to marginalized workers. For example, such active labor market policies as

5. The citizenship-based model of income maintenance refers to the income-supporting programs whose eligibility and level of basic benefits are not strongly connected to labor market status, job title, size of firms, or duration of the working life. Differing from a truly universal-egalitarian type of citizenship-based welfare scheme, as in Sweden (Esping-Andersen 1990), East Asian countries, if any, tend to adopt a hybrid type of citizenship-based income maintenance programs that feature universal eligibility and risk-pooling but to a certain extent differentiate benefit levels according to initial contributions.

learn-fare for young and female workers and tax incentives for the poor help those marginalized groups enter or stay in the labor market.

The entitlement resources of income maintenance are observed through three indices: a) coverage of income maintenance programs, including employment insurance and private/public pensions; b) selection (improvement) of occupationally separated vs. nationally unified income maintenance schemes; and c) relative government efforts toward active or passive labor market policies.⁶ Coverage of income maintenance programs is an important index to measure not only different entitlement resources between the market position and citizenship but also primary compensation targets. The last two indices show whether the income-supporting resources are directly (e.g., scheme types) or indirectly (e.g., government tax expenditure) redistributed toward previously marginalized groups.

A Typology of Labor Market Reregulation

As Table 1 shows, the two dimensions help construct a typology of labor market reregulation in East Asia. The typology proposes four different ways of combining these two dimensions and thus all possible ways for East Asian governments to reformulate their traditional dual labor market system. Firstly, the East Asian governments may pursue rehabilitation or restoration of their dual labor markets without wholesale restructuring. To attain this goal, governments provide stable and specific legal foundations upon which core workers can depend for their employment duration, while obtaining the flexibility and cost-reductive effects mostly from external labor markets. Meanwhile, governments also assure occupational income maintenance schemes for privileged full-time workers that are com-

6. Active policies refer to public training of "problem groups" or "marginalized populations" and negative income tax for the working poor, while passive ones include vocational retraining for skill upgrading and wage subsidies for employment, etc. For example, see Casey and Bruche (1985) and Pierre and Scarpetta (2004).

parable with existing programs. However, they improve these schemes into more market-conforming ones by emphasizing individual market contributions as the proper condition of income maintenance benefits.

Secondly, governments can adopt pro-competitive labor market reform. They can extensively relax the regulations upon employment protection and diversification to ensure more labor market flexibility and cost reduction. This strategy differs from the rehabilitative strategy in that it retreats from the traditional or conventional commitment to employment security. Governments seeking pro-competitive reform also try to curtail existing occupational income maintenance benefits while emphasizing workers' swift adjustment to the changing market situation through effective job training.⁷

Thirdly, governments can select the preventive path of labor market reform. As in the case of rehabilitative strategy, governments can minimize the effects of job instability in the internal labor market by luring employers to seek more diversified forms of employment in the external market. However, this strategy also thoroughly minimizes the impacts of market-driven social risks through new welfare regulations that expand income compensation schemes towards previously marginalized sectors and groups.

Finally, governments may transcend labor market dualism by following the counterbalancing strategy. The method of counterbalanced marketization not only eliminates traditional advantages of

7. For example, Singapore's labor market reform fits this path. In the late 1990s, the city-state revised its 1968 Employment Act to liberalize employment security further. While redirecting the state budget towards infrastructure and human capital development, it devised various austerity measures to reduce labor costs: 15% wage cuts on average, suspension of the National Wages Council wage adjustment, and cutback of employers' Central Provident Fund (CPF) benefits. Although unemployment issues keep haunting Singapore, this country remains reluctant to provide unemployment insurance. Instead, the National Trades Union Congress (NTUC) initiated productivity campaigns and job retraining as it had done previously. Note that this research does not discuss labor market reform in Singapore because its anti-welfarist stance and authoritarian political nature is different from the democratic regimes in Japan, Korea, and Taiwan.

Table 1. A Typology of Labor Market Reregulation in East Asia

		Liberalization Type of Employment Protection	
		Selective	Universal
Entitlement resources of income maintenance	Citizenship	<p>Rehabilitation</p> <ul style="list-style-type: none"> - Applying flexibilization measures to labor market entrants and outsiders and protecting employment security for full-time workers - Reinforcing the linkages between individual market positions or contributions and income maintenance benefits 	<p>Pro-Competitiveness</p> <ul style="list-style-type: none"> - Designing extensive rules to facilitate more flexible and diversified forms of employment across the internal-external divide - Emphasizing workfare logic as an alternative to the welfare concept
	Market position	<p>Preventive Reform</p> <ul style="list-style-type: none"> - Reinforcing the privileges of full-time workers in their employment maintenance - Incorporating previously marginalized citizens into income compensation schemes 	<p>Counterbalancing</p> <ul style="list-style-type: none"> - Lifting the regulation on employment protection and pursuing external labor market activation - Creating risk-sharing, cross-occupational programs of income maintenance

full-time regular workers by easing the dismissal requirements but also activate more diversification of external labor markets. In conjunction with universal measures of liberalization, the authorities incorporate various economic groups into cross-occupational schemes of income protection. At the same time, they redirect state subsidies to labor market outsiders not only to protect their lives but also to encourage their labor market participation.

The following points need to be clarified to prevent any misinterpretation of the typology. First, the typology does not consider such programs as health care and social services (e.g., childcare and school

education). It deals with the two realms of reform, i.e., employment protection and income maintenance, whose polarized benefit structures have represented labor market dualism. Second, the typology does not yield exhaustive legislative developments in the process of labor market reregulation. Significant exceptional cases to this typology may exist. However, the intention is not to cover all aspects of labor market reregulation but to provide an analytic framework with which to compare cross-national variation more succinctly.

The Korean Labor Market / Welfare Reform from a Comparative Perspective

Korea has taken the strategy of counterbalanced marketization. It has lifted restrictions on both the replacement of regular workers and the use of non-regular forms of employment, but it has also offset growing market risks through extensive redirection of income maintenance resources possibly to all citizens. Japan's labor market reregulation is sharply different from that of Korea. It has embarked on the path of "rehabilitation," which has provided a clearer legal segregation between protected core workers and underprotected non-core workers, while simultaneously tightening the link between the market status of individual workers and their income maintenance benefits. Japan has tried to enhance the productive and protective functions of its dual labor markets without a wholesale restructuring. In a sense, Taiwan has taken a similar path of labor market reregulation as Korea in its fairly wide range of liberalization and relatively universal approach to income maintenance. It has however watered down reform effects by shielding public-sector employees from labor market reform preemptively (Table 2).

Table 2. Key Regulatory Development of Labor Market Reforms and Reform Characters in East Asia (Mid/Late 1990s-)

	The Range of Employment Protection Liberalization			The Entitlement Resources of Income Maintenance			Characters of Labor Market Reregulation
	Employment protection of regular workers against dismissals	Commitment to employment succession	Difficulty in using non-regular labor	Income maintenance coverage	Occupational separation vs. national unification of income maintenance programs	Government expenditures on active versus passive labor market policies	
Japan	Strengthening • Labor Standards Act (2003)	Strengthening • Labor Contract Succession Law (2001)	Relaxing • Worker Dispatching Law (1990/2003) • Employment Security Law (1999) • Labor Standards Act (2003)	Expansionary • Employment Insurance reform (2001)	Separated • Employment Insurance reform (2001/2003) • Pension reform (1999/2001/2005)	Passive • Emergency measures (1999/2000)	Selective liberalization + Market-position-based income compensation
Korea	Weakening • Labor Standards Act (1998)	Weakening • The Supreme Court decision (2001)	Relaxing • Dispatched Workers Protection Act (1998/2006) • Labor Standards Act (1998)	Expansionary • Employment Insurance reform (1998/1999) • National Pension reform (1999)	Unified • National Pension reform (1999)	Active • Public works (1998-) • Social Agreement on job creation (2004) • EITC (expected)	Universal liberalization + Citizenship-based income compensation
Taiwan	-	Strengthening • Mass Redundancy Protective Act (2003)	-	Expansionary, limited • Labor Pension Act (2004) • Old-Age Allowance Program (2001)	Separated • Labor Pension Act (2004) • Employment Insurance & Employment Promotion Allowance (1999)	Passive • Employment Insurance & Employment Promotion Allowance (1999)	Market-driven liberalization + citizenship-based income compensation + Protection of the public sector

Counterbalanced Marketization: Korean-Style Labor Market Reform

Korea's combination of universal employment liberalization and citizenship-based income maintenance, as in Table 2, has two crucial implications: above all, this indicates that Korea has followed neither the neoliberal form of labor market flexibilization, whose risks are only functionally addressed by contingent social programs, nor aimed to construct a new welfare state while letting the market decide the level of labor market flexibility. Additionally, Korea's unique style of counterbalanced marketization means that this country intended to depart from its previous Japanese model of a dual labor market by boldly blurring the divided benefit structures of employment protection and income maintenance.

The Korean authorities, like the Japanese ones (see below), have systematically activated the external labor market. The Kim Dae-jung administration revised the Labor Standards Act (LSA) in 1998 to ease the barriers on fixed-term contracts. In the same year, Kim also created the Dispatched Workers Protection Act (DWPA) that stipulated the positive list of 26 occupations allowing worker dispatches. The Roh administration then introduced the negative list that specified exceptional occupations to which workers could not be dispatched and stipulated equal treatment of dispatched workers in terms of working and welfare conditions. Roh also introduced a term-to-perm scheme by which employers must permanently employ workers after two years of employment.

As shown in Table 2, however, what constituted a more universal liberalization in Korea than in Japan is its radical retreat from employment protection, which was mostly given to regular workers in the past. The Kim administration inserted a new clause into the LSA to validate collective dismissals for managerial reasons in 1998. Roh also has the firm intention of breaking with traditional employment protection. Facing the wave of strikes in the summer of 2003, which demanded the government restore the previous level of employment security, he decisively argued that regular workers must give up their longstanding privileges, which posed obstacles to

enhancing general employability and job-sharing. In effect, the Committee for Regulatory Reform (CRR) is studying the further easing of layoffs requirements, including the allowance of layoffs even when there are no urgent managerial reasons.

In July 2001, in the same vein, the Supreme Court ruled that the protection of workers' life is not the sole goal of the LSA, but the primary goal of this act is promotion of national economy and competitiveness. It also declared that employment protection must not be thick but harmonious with production and management. Additionally, the court also weakened the legal foundation for employment succession in the case of business transfers. In the 1980s the Supreme Court established a case law that forced employment succession in cases of business transfer. The court changed its position through the 2001 Sammi Steel case to validate a more disposable transfer of business organizations, including labor. According to the new case law, if transferee and transferor conclude a selective property transaction contract, the former has no obligation to employment succession.

The Korean authorities have boldly reorganized its dual labor market system not only through universal employment protection reduction but also through the construction of a citizenship-based compensation system. The basic idea of Korea's income maintenance reform is reflected in its Workers' Basic Welfare Act established in 2002. The act stipulates that, regarding the improvement of workers' welfare, preferential treatment shall be given to small- and medium-sized enterprise (SME) workers and low-income workers.

This idea has taken concrete form in several policy measures designed to incorporate marginalized groups into current income maintenance programs. The Kim administration created a unified national pension system in 1999 to cater to previously marginalized populations. The system promoted solidarity across different occupations by using the average income of all insured workers to calculate benefit amounts. The government also extended the EIP to all SME workers in 1998. Its coverage was extended to workers aged 60 and older, part-time workers, foreign workers, and day laborers later.

Finally, Korea followed Japan's new model by remodeling its private retirement pensions (see below). Korea, however, differs from Japan in that it requires employers to make contributions to non-regular workers' pensions.

Another important reform that distinguished Korea from Japan was Korea's active labor market policy. In particular, the Roh administration has devoted increasing resources to active labor market policy that targets key problem groups in labor markets. Firstly, it devised learn-fare programs in favor of non-regular workers, SME-workers, and the self-employed. After the 77th National Agenda Conference in May 2005 when Roh argued that marginalized groups must receive job training as their basic rights as citizens, the ministries established the following policies: a) an individual training account that provides educational fees and minimum wages to non-regular workers, lower-income groups, and the unemployed who receive training/education services; b) financial subsidies to businesses that give their non-regular workers on-the-job trainings; c) business consultation and training programs for the lower-income self-employed; d) a vocational training consortium among LEs and SMEs that helps provide SME-workers with job training opportunities in LE facilities, etc. Secondly, the development of youth employment measures in the last few years was a policy response to increasing rates of youth unemployment. The measures include: a) a youth work experience program that provides unemployed youth with internship opportunities in public institutions and subsidized private companies; and b) tailored vocational training and a youth employment package project that concentrate on training in knowledge-based industries and help young workers find decent jobs in the SME. Finally, the government invented social job creation to create jobs and enterprises in the social service sector where social demands are increasing but the service supply remains insufficient. The government anticipates job creation and service provision in the sectors of child-care, elderly-care, and after-school, environmental works, operation of local child centers, training for housewives, etc.

A Korean Case within the Universe of Labor Market Reregulation in East Asia

The uniqueness of Korean labor market reform becomes clearer when it is compared with other reform cases in East Asia. Most of all, by choosing the path of rehabilitation, Japan has moved to preserve and even reinforce its traditional employment protection in favor of core workers in the LEs. In particular, both the Obuchi and Koizumi governments have changed employment protection based on case law into a more explicit legal code. The 2003 revision of the LSA and the 2000 creation of the Labor Contract Succession Law codified the previous case laws that guaranteed employment protection from dismissals and mass layoffs. The revised LSA nullifies any dismissals that are not based on objectively reasonable and socially acceptable grounds.

However, this does not mean that Japan was reluctant to enhance labor market flexibility. It very swiftly activated its external labor market. The Japanese government has also provided businesses with more leeway to dispatch workers. It moved to the negative list system that only lists industries where worker-dispatching was not allowed as early as in 1999. It also simplified the registration and licensing process for extending dispatching contracts in 2001. Additionally, the 2003 LSA edition allowed two- or three-year contracts in any type of business.

On the other hand, the Japanese government focused its administrative capacity on upgrading existing occupational income maintenance schemes in preparation for increasing market risks. The Koizumi administration opposed the Democratic Party's (DPJ) proposal of a Korean-style *nenkin ichigenka* (unification of the three existing public pension schemes)⁸ to benefit marginal workers and the self-employed (*Yomiuri Shimbun*, April 11, 2005). It has instead taken several steps to improve the financial sustainability of the three-tier

8. These are *kosei nenkin* for salaried workers, *kyosai nenkin* for government officials, and *kokumin nenkin* for everyone else.

public pensions. From 2001-2002, the government required firms to change the previous *taishokukin* (retirement payment) system to three new systems, i.e., a defined contribution system similar to the U.S. 401k plan, a contract-type defined benefits system managed by investment companies, and a fund-type, defined benefits system operated internally. Such private pension reform contributed to both labor market mobility and regular workers income stability by making benefits more portable than before.

Meanwhile, Japan has extended the coverage of some income maintenance schemes to non-regular workers (e.g., employment insurance) while adopting emergency measures for job creation. However, the income maintenance benefits remain significantly unequal according to occupational status. Furthermore, greater financial resources were allocated to subsidize firms retraining programs than to support marginalized groups with high labor market risks.

While Japan's path of rehabilitation sharply contrasts with Korea's counterbalancing, Taiwan reveals limited application of counterbalanced marketization. The Chen Shui-bian government has left growing numbers of *feidianxing gongzuo xingtai* (non-standard forms of labor) and individual dismissals unregulated, while expanding several income maintenance programs, including labor pension (2004), employment insurance (1999), and old-age allowance programs (2002), towards various marginalized groups. Moving away from national-level analysis, however, Taiwan shows critical limitations to its counterbalancing strategy at the sectoral level. Taiwan has made public-sector employees and unions an almost impervious island in the midst of privatization, market-initiating deregulation, and extensive enlargement of income maintenance schemes.

The most notable strategies by the Chen government to protect public-sector employees are threefold. The first is to delay privatization. When it came to power in 2000, Chen postponed many of the privatization schedules once agreed to by all the major parties, catering to the workers' fear of removal of job security and welfare after privatization (*DPP News*, November 3, 2000). Secondly, the Chen government developed several enforcements to assure employment

succession by privatized public companies. When public and private companies merge, for example, the M&A law comes into play to enforce negotiation between the merging companies and their employees. Public companies must provide employees with job-transfer training before the companies are privatized or merged with private companies. Finally, the government helped the transferred public-sector workers keep their vested rights to income maintenance resources. Those workers are allowed to retain access to the Civil Servant Pension or Government Employees Insurance, with income replacement rates over 80%, if they do not opt for the New Labor Pension Act. For this reason, the new pension program has certain limits in its risk-pooling and redistributive functions. Additionally, the Chen government requires former public enterprises to give severance pay and an extra seven months salary to workers who are not willing to be transferred. Taiwan has constructed a quite inclusive, but patchwork-like income maintenance system.

In sum, Korea's welfare reform and labor market reregulation has been quite unique in the East Asian context. It is unique in its far-reaching development of citizenship-based income maintenance programs. Furthermore, combined with its wide range of employment liberalization, Korea's unique welfare reform has constituted its particular strategy of labor market reregulation, i.e., counterbalanced marketization. In contrast, Japan has created a more market-conforming income maintenance scheme together with a selective range of employment liberalization. Taiwan has revealed its critical limitations to counterbalancing strategies at the public-sectoral level.

Explanation: Policy-making Network Structures

What has led Korea to the unique path of labor market reregulation? The neoliberal and DWS arguments have offered quite different rationales. Neoliberal advisors and mainstream economists have focused on government willingness. That is, they assume that reform is a process driven from above to fulfill the public good, and that the

dynamics of labor market reform rest on how effectively the state can marginalize, if not persuade, vested social interests to carry out reform projects (Krueger 1993). Social organizations are regarded as passive actors that must be sidelined and even defeated when they do not agree with the proposed reform. However, the vested interests of Japanese regular workers and Taiwanese public-sector workers have not been unilaterally sacrificed for reform goals.

The DWS thesis focuses on interest coalitions as the main driving force behind reform (Kwon 2005a, 2005b; Wong 2004). It emphasizes that Korea was able to construct a social consensus mechanism, like the Tripartite Commission, to achieve various socioeconomic agendas. However, the normative commitment of the DWS literature to social forces or vitality is hard to verify. The thesis tends to ignore what really happened inside the state-society relations surrounding labor market reform. And it remains unexplained whose interests the advocacy coalitions have organized around and represented. For both full-time regular workers and others, labor market reforms usually result in different levels of reform benefits and costs. Moreover, the reforming government may decide to favor unrepresented socioeconomic interests while sidelining organized and represented social interests.

Alternatively, this research seeks to reconcile the state-centric view of neoliberal advisors and the society-centric DWS literature. In explaining the national variations, this research focuses on the nature of policy-making network structures, through which the reforming government and organized interests, particularly labor, interact with each other in the making of labor market reforms. The policy-making network structure refers to inbuilt, effective communication routes between political elites and labor organizations, affecting the selection of reform policies and agendas. Its prominence can be validated by East Asian contexts in which the effective points of policy-making are more open to social organizations that have maintained close relationships with policymakers, rather than being neutrally responsive or responsive towards all social organizations (Evans 1995).

Policy-making networks in industrial relations create both the

subjective (orientational) and objective (organizational) conditions of labor market reform politics. Subjectively, it defines and reproduces the style of labor market intervention, value priority, and the regulation process. Imagine the case when the labor organization is a clan, which is internally cohesive but externally too inflexible and isolated to obtain diverse sources of perspective and information (Burt 2000). In this case, the government tends to restructure its labor market system in a more bold and unilateral way and sideline organized but unconnected labor interests. The opposite case is when a labor organization develops an integrated community internally as well as diversified channels to businesses and policymakers externally. In such a case, a consensus-based and coordination-oriented style of policy-making is more likely.

From an organizational aspect, the policy network structure has a concrete effect upon the specification of the type of employment liberalization and the entitlement basis of income maintenance. If organized labor has developed diverse and multi-leveled issue linkages to government, political parties, and business organizations, it is able to mobilize its policy linkages to minimize the effects of liberalization and income redistribution. If organized labor has failed to constitute veto players in its policy formation, the reforming government may have more leverage in implementing its own reform vision. When this situation occurs in nascent democracies, particularly, the government is inclined to reach out to constituencies outside labor organizations by broadly redistributing administrative and financial resources.

Let us explain the unique policy-making networks of Korea found in its labor politics. Firstly, union-management relations at the firm level remain adversarial or less cooperative. Korean firms are generally organized by family partnerships, which play key roles as the main stakeholders and decision-makers of management policies. Labor unions and workers are held in esteem only insofar as they cooperate with this corporate order. In contrast, Japanese unions have held a stakeholder position within firms, which allows them to engage in management. Thus, management participation has been

informally institutionalized in Japan (Kume 1998; Suzuki 2000).

Second, Korea has kept segmented firm-level relations between regular and non-regular workers, as in Japan where labor organizations are less committed to the provocative inter-class agenda than to the protection of workers' livelihoods within businesses (Weathers 1997). However, Korea and Japan have developed different networks between regular and non-regular workers in national-level politics. In Japan, most major unions have, like the Japanese Trade Union Confederation (Rengo), remained very reluctant to represent non-regular workers.⁹ In Korea, however, there is an asymmetry between the national-level union leaders and firm-level union members. The historical struggles between the radical Korean Confederation of Trade Unions (KCTU) and the modest Federation of Korean Trade Unions (FKTU) during the 1990s resulted in these two unions' strategic or sympathetic mobilization of non-regular workers to achieve organizational enlargement.

Finally, Korea's configurations of policy-making networks differ from those of Japan and Taiwan in terms of linkage of organized labor to government authorities and political parties. Japan has long developed diversified coordination mechanisms among labor, business organizations, and the government. The *shunto* has been an important mechanism through which labor and management have agreed on wage levels following wage agreements in leading industries. The *shingikai* (deliberation council) and the *sanronkon* (round-table conference on industry and labor) have played politically salient roles in leading the cooperation of union representatives,

9. For this reason, in Rengo's presidential election of October 2005, a candidate, Kamo Momoyo, chairwoman of the Japan Community Union Federation, criticized Rengo for its exclusivity to non-regular workers and pledged that she would struggle for the increasing non-regular workers' interests. However, she was defeated by Takagi Tsuyoshi, head of UI Zensen Domei (the Japanese Federation of Textile, Chemical, Food, Commercial and General Workers' Unions). Even after this, Rengo and political parties still take a very dubious position regarding employment stability and wage increases for non-regular workers (*Kyodo News*, January 11, 2006).

employers, and members of the public in the formulation of labor policies (Kume 2001; Honda 2005). In the Taiwanese case, the Kuomintang (KMT)'s quasi-Leninist regime effectively infiltrated the public-sector labor market and unions to achieve political legitimacy in its new insular home, and thus to avoid the political catastrophe it had suffered on the mainland. The politics of democratization has not significantly changed the clientelistic nature of labor market governance. Although the official ties between the KMT and its patronized Chinese Federation of Labor (CFL) ended in 2000, the Taiwan Confederation of Trade Unions (TCTU) and key islander-populated unions have sought to become political clients of Chen Shui-bian's DPP. Additionally, the clientelistic nature of regulatory systems has created cooperative but highly biased policy-making networks between the ruling elites and public-sector unions.

In contrast, Korea's labor organizations have hardly shared any political or policy-making linkage with the major political actors. Not only the militant KCTU but also the moderate FKTU have not constituted stable policy-making partnerships with governments and political parties. The experiment of the Tripartite Commission was not successful due to defection of the KCTU, whose member unions include a considerable number of influential enterprise unions. It is also important to note that democratization in the 1990s did not change the basic features of Korean policy-making networks: democratization was achieved after almost decade-long negotiations and cohabitations between old military and new democratic elites (Valenzuela 1989), with the institutional capacities of the state being smoothly transferred from the military to a democratic regime. Even after democratization, labor organizations failed to develop policy-making networks with political authorities particularly because the conservative politics of the Roh Tae-woo and Kim Young-sam administrations prevented militarized labor movements from spilling out of the workplace.

How have such distinctive policy-making networks created Korea's counterbalancing path? Korea's bold orientation toward labor market reform is facilitated by the disengagement of labor organiza-

tions from policy-making mechanisms. With the lack of ties to organized labor, the reforming government of Korea has easily justified possible socioeconomic risks resulting from the labor market reform process. The route of state intervention in Korea is more direct, unilateral, and goal-driven, rather than consensus-driven. While Japan's primary goal of intervention is to help the dual labor markets accommodate pressing market and social changes while keeping their basic framework, the Korean government has radically restructured its dual labor market. Korea's reform goal is to create an almost new institutional arrangement that could serve economic growth and social stability in a new formula. In his 2005 New Year's address, for example, Present Roh proposed that the government would bridge the gap between the polarized labor market and industrial structure by pulling it from the front and pushing from behind (*Chosun Ilbo*, January 13, 2005). By this proposed method, he pledged to further liberalize the competitive part of the labor market, while providing financial support for the labor market participation of marginalized workers.

The distinctive policy-making structure of Korea has also conditioned its unique policy selections for employment liberalization and income maintenance. Obviously, the initial step for employment liberalization was taken through engagement of labor organizations in policy-making routes, particularly the Tripartite Commission. However, when the agreement of the Tripartite Commission was disapproved by the KCTU and its new leadership demanded that the government renegotiate the agreement, Kim Dae-jung's response was very decisive. The Kim government criticized the new leadership, arguing that the disapproval resulted from factional conflicts within the KCTU, and this did not constitute a reason for re-negotiation. In August 1998, Bak Ji-won, the president's spokesman, said, no one doubts that the new layoff system in the revised LSA was based on the agreement in the Tripartite Commission, and strikes against layoffs are illegitimate. Facing financial workers' demands to negotiate the layoff problem, Yi Heon-jae, chairman of the Financial Supervisory Commission, argued we find no reason to bargain with sec-

toral unions since we have already reached a national-level compromise (*Korea Herald*, February 10, 1998).

This demoralizing strategy became stronger with Roh Moo-hyun, as he faced the non-cooperation of the FKIU in the revision of the DWPA and incessant strikes waged by the KCTU. He blamed labor organizations for the recalcitrant attitudes in the negotiation process and excessive mobilization of militant struggles. Also, he often questioned the moral sincerity of organized labor for resolving the problems of non-regular workers, as his comments on various TV programs show: The unions in big factories have to seriously think back on how much they are willing to contribute to the problem of non-regular workers; The unions must not use the non-regular worker problem for their own political purposes; and I cannot understand on what grounds union leaders could criticize politicians and bureaucracies. Roh even claimed, the iron rice bowls of the LE unions are the main culprit of the non-regular workers problem (Dan 2005).

Many union activists criticized Roh for inciting a conflict within labor. But his strategy has been widely adopted. Lawmaker Lee Mok-Hee, who drafted the DWPA amendment, criticized the KCTU for its selfish way of thinking, arguing that what the KCTU really worries about is not the worsening living conditions of current non-regular workers, but the future possibility that employers will use more dispatched workers as an alternative to regular ones. He explained, If the use of non-regular workers is banned as the KCTU argues, firms will abandon employment *per se*, not changing current non-regular workers into regular ones. . . . What we need to do is regulate the market process in which non-regular labor is created and treated (*Chosun Ilbo*, December 5, 2005).

If politicians prevented labor unions from exercising their right to veto, the Ministry of Finance and Economy (MOFE) and the Committee for Regulatory Reform (CRR) have assumed the primary role of reform designer for employment liberalization. The MOFE has played the primary role for creating employment liberalization measures. For example, the MOFE has gathered economists, journalists, lawyers,

and businessmen for public hearings to form opinion leaders for liberalization. As the Vice Prime Minister, meanwhile, the MOFE has presided over the Ministerial Meetings for Economic Affairs, which coordinate diverging policy ideas among the economic ministries. Even if the Ministry of Labor (MOL) had proposed decreasing the speed of reform due to concerns about possible opposition from organized labor, it was highly difficult for the MOL to persuade other members under the strong influence of the Vice Prime Minister.¹⁰ Meanwhile, the CRR has played the role of final examiner regarding the effect of the government policies and agreements of the Tripartite Commission on the deregulatory principle of reform. The CRR is composed of six ministers and twelve civil representatives. The ministers include the MOFE, the Minister of Government Administration and Home Affairs (MOGAHA), and the Ministry of Commerce, Industry and Energy (MCIE), the Fair Trade Commission (FTC), the Office for Policy Coordination (OPC), and the Ministry of Government Legislation (MOGL). Most civil representatives are economics professors, financial advisors, lawyers, and businessmen, excluding labor-related experts. Under these circumstances, the MOFE actively mobilized the CRR when they promoted further employment liberalization.

On the other hand, labor's exclusion from the policy-making process has facilitated a more citizenship-based entitlement to income compensation. The Korean government has indeed responded to organized labor's interests but reincorporated them into a concrete welfare policy according to its own vision. The Kim Dae-jung government, for example, dissuaded the sporadic opposition of the FKIU and some business groups, such as the Korea Federation of Small and Medium Business (KFSB) when implementing a universal pension project. Kim skillfully made use of a very abstract agreement reached in the Tripartite Commission to legitimize his solidaristic idea of social policies. In other aspects, the national level unions did not raise persistent, sincere opposition to the incorporation of non-regu-

10. Interview with the Director of Planning Division, the Tripartite Commission on January 15, 2006.

lar workers and the self-employed into the single pension scheme. Union leaders did not want to sacrifice their goal of organizational enlargement for the vested interests of union members.

Once the pacts were reached, it was the government that changed abstract pacts into specific policy measures. The MOL and several presidential committees created specific plans about the content, schedules, and main targets of the reform measures. In February 1998, for example, the Tripartite Commission recommended the expansion of the EIP to workplaces with five or more employees until mid-1998. The MOL, however, decided to expand the benefits to *all* workplaces and all types of workers. Meanwhile, the Presidential Committee for Social Inclusion (PCSI) and the Presidential Committee for Job Strategy (PCJS) played an important role in actualizing abstract items of the Social Pact for Job Creation of Feb. 10, 2004. The PCSI developed several active labor market policies, including the learn-fare measures and youth employment measures, which were devoted to helping many labor market outsiders or potential labor market losers. Meanwhile, the PCJS coordinated ministerial jobs for social job creation while persuading lawmakers to provide more budgets and necessary laws.

Expecting conflicts between employers and unions, the government rarely brought the concrete policy measures up for discussion in the Tripartite Commission once they were drafted. The reform policy of social job creation is a good example. Both employers and unions were critical or at best lukewarm toward this measure. Labor unions suspected that social works would create a new pool of non-decent jobs and thus aggregate employment stability in the long run. Business organizations did not raise direct opposition to the social job creation project. But they remained very lukewarm to the idea due to the possibility of tax increases. For employers, social job creation is not a pure economic policy but a welfare policy calling for more government intervention and tax costs. Given the potential conflicts between the two sides, the government has not asked them to create more concrete policies through negotiation.

Concluding Remarks: Passion without Calculus?

This research claimed that welfare reform in East Asia must be grasped in the larger context of labor market reregulation. In this vein, it addressed how the reforming governments in question have changed both employment security and income maintenance systems to introduce market forces into their dual labor market systems while safeguarding the expected losers of the reform. The research then discussed how the reform outcomes of Korea differ from those of other East Asian countries. Korea's counterbalanced marketization is sharply divergent from Japan's rehabilitative strategy in its wider range of employment liberalization and citizenship-based income compensation. Although Taiwan shared a relatively similar reform path with Korea, it has made public sector employees and unions an almost impervious island in the midst of privatization, market-initiating deregulation, and extensive enlargement of income maintenance schemes. In explaining the unique path of Korean labor market reform, finally, this research bridged the state-centric view of the neoliberal advisors and the society-centric DWS literature by highlighting policy-making network structures between state and society. Arguments were presented to show that the policy-making networks gave rise to both the orientational and organizational conditions of reform policies. In Korea, the confluence of isolation of labor organizations and their competitive mobilization of unorganized labor conditioned its unique pattern of labor market reform.

However, Korea's determined steps have not necessarily had far-reaching success. Firstly, a dilemma arises from the strategy of counterbalanced marketization *per se*: the effect of employment security liberalization comes sooner than the effect of new income maintenance programs. Employers have responded rapidly to the new incentives for liberalization, but policy constituencies surrounding social programs have taken much more time to appear. This time lag between increasing labor market flexibility and formation of social policy constituencies could critically undermine the effects of welfare reform.

Secondly, further efforts are required to minimize the gap between theory and practice in welfare reform. Korea's welfare reform was apparently intended to create an institutional change in favor of SME-workers, non-regular workers, the urban poor, and the unemployed, all of which had previously been underprotected. Nonetheless, many of those populations still remained insufficiently protected under the influence of various factors, including the financial weakness of SMEs and self-employed businesses, employers' reluctance to share new welfare burdens, the unwillingness of the marginal workers to contribute to welfare programs, etc. Moreover, the existence of privileged pension schemes for state officials, the military, and private school teachers seriously limits the universal nature of pension reform.

Finally but most importantly, the government committed two types of policy failure in dealing with the emerging problem of the working poor and labor market polarization (*nodong sijang yang-geukhwa*). The first type was under-execution: the government failed to offer sufficient work-encouraging incentives to marginalized workers, although it did develop several active labor market measures for that purpose. This type is evident in the operation of the Employment Stabilization Program (ESP), which as a component of the EIP supports employment adjustment by subsidizing employment retention and promoting reemployment of marginalized groups in the labor markets. Since ESP coverage was expanded to all-sized enterprises in 1998, growing number of SMEs, particularly those with 10-49 employees and 50-299 employees, could be subsidized for their employment adjustment. However, it is hard to say that the operation of ESP has had significant effects on the labor market participation of marginalized workers or reduction of labor market inequality. Approximately seventy percent of non-regular workers have fallen outside of ESP benefits. Moreover, excessive reserves of ESP are maintained without being invested in possible work-encouraging projects at the firms. The existence of excessive ESP reserves, which remain unexecuted for the possible recipients of benefits, shows that the government has not prepared for the substantial execution of this

program in a way to encourage the labor market participation of those workers. Meanwhile, the Job Skill Development Program (JSDP) is another important labor market policy that the government introduced to encourage employers to provide job-training programs to their employees. It seeks to encourage low-skilled workers to adjust themselves to changing technological environments through employers cooperation, thus preventing unemployment. Like the ESP case, however, only about 27% of the premiums of the Job Skill Development Training Project, the most important JSDP program, were executed to assist the skill development of workers. The more critical problem is that this project was executed in a retrogressive manner. Table 3 well demonstrates that IEs with more than 1,000 employees could receive 38.4% of what they paid as grants for job skill development training for their workers, but small enterprises with less than 50 employees received only 13.6% of what they paid.

Table 3. Premiums and Grants of JSDP according to Firm Size in 2004

(100 million won, %)

	Total	Less than 50	50-149 persons	150-499 persons	500-999 persons	More than 1000 persons
Premiums (A)	6,648	1,016	539	1,256	705	3,132
Grants (B)	1,810	139	120	209	138	1,203
B/A	27.2	13.6	22.2	16.6	19.5	38.4

Source: MOL (2004).

The second type of policy failure is *under-regulation*: although household poverty has increased as the result of corporate and financial reform, the government could not create any concrete policy measures necessary to regulate the increasing poverty of the household economy. For example, the government carried out industrial surveys of the self-employed and announced its self-employment policy only in 2005. This was after long debates between the MOL and MOFE, to

avoid primary responsibility for the issue. Moreover, this policy initially had certain problems. It was simply concerned with freezing the size of the self-employed workforce at the current level by preventing the inflow of waged workers, rather than incorporating the self-employed into the labor market system or encouraging their productivity increase. Meanwhile, the government encouraged the then self-employed in the service sector to receive business consultation regarding changing business climates and opportunities. However, it was almost impossible for approximately a thousand consultants in a country to deal with the problems of productivity and the incomes of the then self-employed, which numbered over two million.

A more critical problem is the government's failure to correctly grasp changing household incomes. The government in particular lacks the administrative capacity to prevent the highest-income groups, i.e. medical doctors, lawyers, accountants, etc., from under-reporting their incomes. Although those groups still have sufficient room to evade the growing tax burden, impatient reform designers have been depending more on the earned income tax of wage earners and objective tax or VAT on anonymous citizens. The situation has aroused the problem of the reform credibility of the government, asking whether the government really intends to promote the lowering of income inequality between rich and poor.¹¹

Reform passion without adequate calculation has created the toughest political reality for the Korean government and its policymakers, whose new vision and decisive role in the labor market sphere remain under-credited by their potential constituencies. What is worse, the seeming placebo effects of reform on the increasing pauperization and polarization of labor markets lead many Korean

11. Scheduled for implementation in 2008, the Earned Income Tax Credit (EITC), the refundable federal tax credit that helps poor households and individuals achieve economic stability and security, is facing similar criticism. Many commentators are suspicious of the effects of the EITC because the government lacks income grasping capacity against the targeted beneficiary groups and it must ultimately depend on a tax increase rather than higher-income groups' resources to fund this program.

citizens to sympathize with overstated conservative criticisms that the government is only obstructing the market mechanism, wasting valuable resources, and is primarily responsible for labor market deterioration. The consequence of reform passion without the equivalent support of reform calculus is grave.

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GLOSSARY

<i>feidianxing gangzuo xingtai</i> (Ch.)	非典刑工作形態
<i>nenkin ichigenka</i> (J.)	年金一元化
<i>nodong sijang yanggeukhwa</i>	勞動市場 兩極化
<i>sanronkon</i> (J.)	產勞懇
<i>shingikai</i> (J.)	審議會
<i>shunto</i> (J.)	春闘
<i>taishokukin</i> (J.)	退職金

(Ch.: Chinese; J.: Japanese)