

## ***The Dynamics of Welfare Policy-Making in South Korea: Social Movements as Policy Entrepreneurs***

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### **Introduction**

A “welfare state” had remained largely foreign to South Korea until the end of the authoritarian period. Under authoritarian regimes, in fact, policy priority was given to economic growth, and social policy was subordinated to economic considerations. Some welfare programs were introduced under the authoritarian regimes, but they catered only to very specific constituencies (e.g., those whose support for the ruling regime was integral to its survival) and were in large measure intended to facilitate the economic growth of the country. In this respect, the Korean welfare system at the time was not aimed at reaching those effectively in need but those—mainly public workers and middle class citizens—who actively supported the authoritarian regime.

During the authoritarian period most social groups were excluded from the policy-making process. The power and control over social policy measures were entrusted in the hands of a small group of elite bureaucrats, directly controlled by the authoritarian regime. This small group of policy-makers was totally immune to any “infection” potentially caused by contact with nonstate (or societal) actors. Such autonomy or “political insulation” allowed policy-makers to work in complete solitude to establish and operate a “pragmatic” welfare state that reflected the inclinations and necessities of the regime rather than those of the population in need.

Starting from 1987, however, conditions have changed dramatically. The restoration of a democratic regime brought about major institutional changes. Social movements, a vital actor in the previous struggle against authoritarianism, assumed a prominent role in introducing and expanding welfare institutions and policies. Social movements substantially changed and redefined their role, abandoning the confrontational attitude that had characterized them under the authoritarian period, assuming a new appearance that brought them nearer to the general population, complementing political parties and acting as “policy entrepreneurs,” i.e., agents of change, in the field of social policy. This radical transformation in the sphere of social movements has been made possible by the process of democratization in Korea. Democratization provoked a deep institutional reconfiguration in Korea, decreasing the influence of those institutions closely linked to economic growth and empowering those institutions focused on social issues.

This paper purports to give an account of the transformative process through which social movements have changed themselves from pro-democracy advocates to policy entrepreneurs. In particular, we focus our analysis on welfare policy-making, taking into account the paradigm shift that has allowed social movements to counterbalance the relevance of institutional veto players.

### **The Theoretical Background: Ideas, Policy Paradigms, and Policy Change**

In recent years the role of ideas in welfare state reform has attracted considerable attention for a number of reasons. Although social and economic problems may

constitute “objective phenomena,” they are understood and interpreted as “policy problems” by actors as well. Only through actors’ ideas, problems are defined and policy goals established. The interpretation and analysis of policy problems are dependent on the “subjective” ideas that shape our interpretative frameworks (Mullaly, 1994). This means that ideas that are already in the minds of policy actors shape their responses to policy problems. Ideas are also shared and communicated among policy actors, thus constructing an intersubjective, discursive community in which various strategies to deal with specific policy problems emerge, compete with each other, and survive to be accepted by society in general.

In this regard, the most important ideas for public policy are seldom the idiosyncratic ideas of independent individuals. Rather, the ideas that affect policy most powerfully are the shared frameworks, or “policy paradigms,” that influence bureaucrats, politicians, and policy experts within a policy community (Hall, 1990). The notion of policy paradigms came to prominence through Hall’s influential 1993 article, which argued that policy-making “involves three central variables ... The overarching goals that guide public policy; ... the techniques or policy instruments used to attain those goals; ... and the precise setting of those instruments” (p. 278). Therefore, a paradigm is defined as “an interpretative framework” involving “the framework of ideas and standards that specify not only the goals of policy and the kind of instruments that can be used to attain them but also the very nature of the problems they are meant to be addressing ... a *Gestalt*.” Similar to Hall, Bradford (2000) defines policy paradigms as “coherent policy doctrines that acquire for a time substantial influence” within a policy community (p. 194).

The policy paradigms approach opens the door to a complex field of scholarship that explores the “social dimensions” of political ideology and “discursive frameworks.” The term discourse usually refers to a structure of beliefs, identities, and knowledge that are needed to understand the social world. A “discursive framework” is, then, an ideological frame of reference for observation, analysis, and action. For this reason, a policy paradigm may be understood as the discursive framework within which members of a community debate, deliberate, and formulate public policy. As Vivien Schmidt aptly defines it: “discourse is whatever policy actors say to one another and to the public ... to generate and legitimize a policy programme” (Schmidt, 2002: 210).

We may maintain that when a particular discursive paradigm is widely accepted and thus influential, that policy paradigm is considered to be *hegemonic*. When a policy paradigm becomes *hegemonic*, it means that it is internalized by most policy actors; it becomes unquestionable and indisputable, and there is no need to explain it: it is simply accepted as natural. Obviously, this does not necessarily mean that the entire society needs to be convinced of the validity of the ideas underlying the hegemonic policy paradigm. Yet, it is a matter of fact that when a hegemonic paradigm comes into existence and becomes widely accepted, alternative ideas get precipitously marginalized, if not rejected altogether.

Many scholars have made a distinction between what is defined as “normal times” and periods marked by a deeper, or paradigmatic, policy change. Basically, normal times tend to be characterized by both a high degree of social and elite consensus and a notable degree of economic stability. In Bradford’s opinion, normal times are framed by what could be called a “governing paradigm” (Bradford, 2000). The governing paradigm sets out the generally accepted view on, among others things,

the role of the state in society and the economy, the political ideas and values that should guide public policy, and the legitimacy of various social structures and processes that affect governing. During periods of social consensus and economic stability, a governing paradigm is likely to be embedded in the state and society as a hegemonic framework for thinking about policy and governance. While there will always be challenges to the hegemonic governing paradigm, these frameworks for thinking about governance and public policy are resilient and resistant to change, except, that is, during periods of “crisis” (Jenson, 1991).

To explain the relationship between crisis and those changes in public policies that do not occur during normal times, we can recur to punctuated equilibrium models of paradigmatic policy change. Paradigmatic policy change—or “paradigm shift”—occur following periods of “equilibrium” in which the hegemonic paradigm seems stable and secure, through a process that can be defined as “crisis, challenge and change.” This “crisis” manifests itself when the policy paradigm—the old way of thinking and responding to problems—proves no longer valid, paving the way for challenge and change.

The approach theorized by John Kingdon in his book, *Agendas, Alternatives and Public Policies* (1984) follows the same path. According to Kingdon, policy change—“when an idea’s time has come”—depends on the opening of an unexpected *window of opportunity*. These windows may be “opened” by exogenous shocks, events that are by nature unpredictable. Moreover, although they may in the end implicate a certain policy area, their origins are often external to that particular policy community (Wong, 2004). In the end, these exogenous opportunities are the result of fortuitous accidents.

In this respect, Korea is an interesting example to be analyzed and theorized. The first window of opportunity was enabled by the process of democratization at the end of the 1980s. Democratization fundamentally unsettled the predictable political scenario of the previous authoritarian era: the authoritarian developmental state faltered, political competition and a multi-party system were introduced, society was freed from the illegitimate state control, and civil society and social movements could finally participate actively in the political life of the country. Democratization and the emergence of multiple policy actors undoubtedly offered new possibilities for social policy reforms. In the wake of democratization, however, the hegemonic policy paradigm predicated on economic growth, which had been at the base of the success and legitimacy of the authoritarian regimes’ economic performance, also persisted through the presence of several institutional *veto points* that tended to obstruct the process of policy change. As a result, the process of policy change in Korea since 1987 has proved quite viscous.

The second window opened in concurrence with the 1997 economic crisis and the presidential election that allowed Kim Dae-jung, an old opponent of the authoritarian regimes and an unwavering supporter of social movements, to become president. The events of 1997 further legitimized and reinforced social movements as policy entrepreneurs, agents of change, in the field of social welfare policy-making. The economic crisis, against all those predictions pointing to the potential retrenchment of reforms, represented the window that allowed policy entrepreneurs to push for more reform in the direction of reinforced welfare and democratic deepening.

## **Economic Growth, Presidents, and Bureaucrats: Policy Paradigms and Political Institutions during the Authoritarian Period**

In the long period from 1961 to 1987, Korea was politically dominated by two leaders who had in common the fact of having seized power through a military *coup d'état*. Both presidents, Park Chung Hee and Chun Doo Hwan, were evidently aware of the fact that they had seized power without any legitimacy and legality, and tried to gain and enhance the legitimacy of their military and pseudo-civilian regimes through the “weapon” of economic development (Kwon, 1995). In essence, the aim of the two leaders—albeit in different times—was that of maintaining the undemocratic nature of the overall institutional structure in order to extend their political life; in doing so they utilized the strategy of modernizing the national economy to enhance their political legitimacy. In this regard, economic development was intended to bolster, if not to create out of scratch, the legitimacy of their regimes, since it would have generated the support of general population that was weary of abject poverty.

Most of the Korean population in 1960s was suffering from severe and intense poverty created by the events of the previous decades and was eager to change this situation. Many Koreans were so poor that they could not even meet the basic needs for living: for this reason, generally, much greater importance was given to economic development than to democracy (Chung, 1986). When a particular policy paradigm becomes *hegemonic*, it becomes so comprehensively embedded in the state and society that those with alternative ideas, beliefs, and policies are likely to remain unheeded and muted. Korea constitutes an excellent example of this. A policy paradigm means a shared set of core beliefs of a given policy community. Economic developmentalism in Korea during the 1960s was an exceptionally stable and secure policy paradigm because it was not only sponsored by “official” policy-makers, but also supported by the public in general, which was inclined to accept political authoritarianism in exchange for better living conditions. Considering that the problem of poverty affected almost the entire Korean population, both Park and Chun effectively used economic development to compensate for their deficient political legitimacy.

At the initial stage, in the 1960s, the developmental strategy focused on export-led economic growth, centered around light manufacturing industries. In the 1970s, however, the strategy began to base itself on heavy industries, and the development and expansion of HCI (Heavy and Chemical Industrialization) became the main drive of Korea's economic growth. The rising inflation and foreign debts during the late 1970s forced an adjustment in the developmental strategy, and stabilization began to be preferred over growth, until the mid-1980s. The two top leaders did not tolerate any form of defiance of economic developmentalism, both from inside the government and—more importantly—from the outside, i.e., from social groups. All national resources were concentrated on developing the economy and for this reason all other policies—including welfare policies—were treated as marginal, if not harmful, to economic development. Social policy became subordinated to the state's economic priorities (Goodman and Peng, 1996), and when social policy measures were introduced, they were intended and expected to contribute to economic development.

During the authoritarian period, as is imaginable, the institutional structure was constructed according to the dominant political discourse. The propaganda of economic growth as political discourse helped the authoritarian regimes pacify and conquer the

population, making it both the hostage to and accomplice of the hegemonic paradigm officially and unilaterally imposed by the government. As most Koreans accepted passively and inertly the active role of the government for pushing ahead with economic development, the state naturally occupied the dominant position in its relationship with civil society.

The actual exercise of the hegemonic policy paradigm counted on an institutional matrix that allowed the authoritarian state to implement coherent economic policies without any intervention or pressure from social groups and to exercise strict control over the legislative branch of the government. This is evident in the creation of the Economic Planning Board (EPB) soon after the 1961 coup. The EPB was originally established mainly to carry out the First 5-Year Economic Development Plan beginning in 1962 and was given development planning and budgetary functions. These functions were of particular importance, since deciding on the budget proposals submitted by other ministries constituted an indisputably strong source of power.

By contrast, the institutions in charge of social policies were in large measure underdeveloped during the authoritarian period, and no structure comparable to the EPB existed in the field of social policy-making. Park reorganized his presidential secretariat in order to make the direct control of the bureaucratic structure easier. This secretariat in the presidential office supervised most of the ministries in the government. But in Park's presidential secretariat, there was no established position dealing exclusively with welfare issue. All this demonstrates the unbalanced emphasis of the authoritarian regimes in favor of economic/developmental issues.

In addition, under the authoritarian regimes, the bureaucracy played a central role in decision-making, privileged by the president who allowed bureaucrats to work totally insulated from any type of pressure, both social and political (Moon, 1999). Bureaucrats, then, determined the detailed policy contents.

It must be made clear that the main base of authoritarian regimes was represented by the strong presidential authority, almost without limit until 1987. The strong presidential power was not checked and balanced by the presence of an autonomous National Assembly. The parliament, in fact, was deprived of any formal significance and was practically controlled by the president himself.

Apart from the hegemonic developmental policy paradigm and unfair electoral rules, which allowed Park Chung Hee to be elected three times, the authoritarian regimes based their power on the breadth of repressive apparatus in order to annihilate political and—above all—social civil resistance. Martial law was abused by authoritarian regimes, as well as Presidential Emergency Measures.

The authoritarian developmental state, from Park to Chun, created and maintained a system in which societal interests were monopolized by singular, compulsory, non-competitive peak interest associations, which were licensed and directly controlled by the state. The system approximated what Schmitter (1979) called "monist" mode of interest intermediation. Interest associations, such as the Federation of Korean Trade Unions (FKTU), were established with special state recognition (Seong, 2000). In addition, the Park and Chun regimes created various quasi-state organizations, such as the National Center for New Village Movement, to mobilize public support in a top-down manner, especially when elections were held. These organizations were used by the authoritarian regimes to prevent the emergence of independent civic and interest organizations from within the society and to mobilize

public support when necessary for winning elections and countering anti-government forces by holding pro-government demonstrations. Moreover, the Korea Central Intelligence Agency (KCIA) was established after the coup and represented an important apparatus of political surveillance, suppressing political opposition and other social groups that criticized the regimes and demanded democratic reforms (Ogle, 1990). KCIA was under the direct supervision of the President—even the National Assembly could not exercise control over it—and intervened in almost every area of political and social interest.

The authoritarian governments tried their best to limit the potentially explosive social forces that could defy and challenge them—particularly labor unions. After the military coup, Park Chung Hee dissolved all existing labor unions, manufacturing a new labor leadership loyal to the government only. Established top-down by the government to speak for the state and capital rather than labor, the FKTU suffered a serious legitimacy deficit since its inception.

The institutional environment proper of the authoritarian regimes did not allow opposition parties and social movements the possibility to represent a challenge, since political power was concentrated in the hands of the President and his close advisors. In this regard, the policy-making terrain was confined to an exclusive circle, to which only a small number of political elites had access and which was absolutely closed to the general public. The President consulted only his advisory staff and instrumentally involved only those ministries who could help him attain a certain goal. Bureaucrats were subsequently involved in order to design specific policy programs and implement them, without any interference of and consultation with social interests. The institutional space reserved to actors other than these selected few was seriously limited, so that the political process and the final outcome could not be influenced by civil society in any meaningful manner. In this respect, only a limited group of policy-makers had the power to decide what the priorities of the nation were and how these had to be attained. Civil society was tightly controlled and harshly suppressed, so that it could not exert any pressure or influence on the political and policy-making process.

Regarding welfare provisions, timing was an important factor during the authoritarian period. Until 1963, Park and his entourage showed some interest toward social welfare programs, and some programs were in fact legislated, benefiting in particular those sectors friendly to the regime, like military and government employees. Park's motivation was rather obvious, because the 1963 presidential elections were approaching. Having won the elections, Park visibly reduced his efforts at implementing social policy measures. At this point the perception of a possible regime collapse or reversal was so minimal—or even absent due to the lack of menace coming from outside—that Park's interest in social policy even as a means of political legitimization and appeasement quickly turned into complete indifference.

In the 1970s, the interest in social policy measures showed by the regime was correlated with the HCI strategy. The large capital investment needed for HCI could be easily obtained through the implementation of a national pension system, and that is exactly what Park and his regime introduced. The implementation of the National Welfare Pension Law was then to be postponed due to the first oil crisis.

During the most part of the 5<sup>th</sup> Republic, welfare programs remained underdeveloped; only in 1985, after the electoral debacle, a government plan to improve social welfare during the next 6<sup>th</sup> Economic Plan (1987-91) was made public. The Plan

proved to be the most important policy measures to be introduced, but the regime collapsed before trying to put the Plan into practice.

### **Paradigmatic Change and Open Institutional Terrain**

Chun's announcement in April 1987 that the next presidential election would be carried out under the existing indirect election system generated massive protests and demonstrations by social movements and opposition parties, opening a window of opportunity to various reforms. The socio-political change began in earnest since the so-called "Declaration of Democratic Reform" on the 29<sup>th</sup> June 1987. After seventeen consecutive days of street demonstrations, during which almost the entire Korean population demanded democratization, the ruling party and the authoritarian government accepted public demands, including the adoption of a direct presidential election system.

As a consequence of the achieved restoration of a democratic regime, the overarching paradigm has changed. The beginning of the process of democratization brought about enormous changes in all spheres of Korean society and in Korean institutional and political life. The change in the electoral rule assured a greater fairness in political contestation, and freedom of expression and demonstration were institutionally guaranteed with the abolition of the laws that had hitherto obstructed free popular protest and press. After the restoration of parliamentary democracy in 1987, basic civil liberties—such as freedom of speech and expression, freedom of press and free association—have been secured; this also signified the beginning of a new course in the relations between state and civil society. The process of democratization enabled the opening of a new political space, providing Koreans with a public arena in which they could dissent without any fear of possible interference of the state. This arena was also occupied by independent civic organizations willing to influence the making of social policies. The ideological orientation of these civic groups generally put greater emphasis on redistribution, equity, and solidarity than on economic growth and development. These groups have focused their attention on those citizens who had been underrepresented, like the urban poor, the disabled, the homeless and in general all those who had been marginalized in the preceding developmentalist, period.

Democratization has arguably laid a secure institutional foundation upon which a strong, dynamic civil society could develop, and as a result, the imbalance between the overdeveloped state and the underdeveloped society came to be largely redressed. In the wake of democratization, the hegemonic paradigm considerably changed: once economic growth had been achieved, it was now time to make effort at accomplishing greater equity and fairer redistribution of wealth.

The democratization process led to a new institutional configuration. First of all, the introduction of a direct election system changed the perspective through which political leaders should seize popular support. In addition, the rules of the parliamentary elections were modified so that the distribution of parliamentary seats could become more balanced between the ruling and the opposition parties, compared to the previous period.

Democratization also affected the policy-making patterns within the bureaucracy. The top-down approach of the EPB, the exclusive and unlimited power

represented by economic ministries all came to an end. In the new institutional configuration, economy lost its priority and predominance over all other issues.

The transformation of the political regime into a more responsive one and the activation of all major social groups to play a leading role in shaping public policy assumed great significance: through frequent national elections the general public became able to penetrate the political space, which was not as limited as it used to be in the past. This meaningful shift obviously reverberated in the social policy-making process too. The first remarkable difference was the “abandoning” of the developmental attitude and the growing influence of social movements, the emergence of a new “distributional coalition” (Rhodes 2001) striving for equity. The second difference was represented by the enlargement and intensification of the debate concerning social policies. The limited and confined decision-making circle, to which only a few bureaucrats and the President had had full access was transformed by the democratization process into an expanded space in which social movements and various political forces could participate and influence (Kwon, 1995).

### **The Emergence of Social Movements as Policy Entrepreneurs**

The concept of policy entrepreneurs as political actors has received in the last decade increasing attention in the political science literature. Different authors (e.g., Mintrom, 2000; Mintrom and Vergari, 1997; Mintrom, 1997; Schiller, 1995; Schneider and Teske, 1992; Wiessert, 1991) have used this term in a multitude of settings, contributing to the construction of a precise theoretical foundation of policy entrepreneurs.

The first systematic use of the term “policy entrepreneurs” may be found in John Kingdon’s seminal work, *Agendas, Alternatives and Public Policies* (1984). In this work, the author defines policy entrepreneurs as “advocates for proposals or for the prominence of ideas” (1995: 122). Kingdon does not exactly specify the nature of entrepreneurs, stating that they may be found “in or out of government, in elected or appointed positions, in interest groups or research organizations,” but gives us a specific account of their defining characteristics, that is, “their willingness to invest their resources—time, energy, reputation and sometimes money—in the hope of future returns” (122). Returns can assume a multitude of aspects: “promotion of their personal interests; policies which reflect and promote their values; satisfaction gleaned from participation in the policy process.” Further developing the concept, Schneider and Teske (1992: 737) define “political entrepreneurs” as “individuals who change the direction and flow of politics.” They maintain that “this line of research transforms the notion of entrepreneurs from the study of heroic figures to the study of a larger class of individuals who help propel political and policy change.”

The knowledge of policy entrepreneurs is enlarged in Baumgartner and Jones’ model of agenda-setting (1993). In their “punctuated equilibrium” model of agenda-setting, Baumgartner and Jones emphasize the lack of equilibrium existing in the political realm. Structure-induced equilibrium is obviously possible and appears to be effective for varying lengths of time, but it is only a matter of time and circumstance before this equilibrium comes to be “punctuated.” These punctuations are very similar to Kingdon’s “policy windows” (or “windows of opportunity”)—namely, favorable (political) circumstances during which entrepreneurs can effectively “push” their

proposals, hoping for a positive outcome. Punctuations or windows, then, represent nothing more than a good opportunity for effecting policy change.

However, the definition of policy entrepreneurs is indebted to the multiple contributions made by Mintrom. He suggests, adopting and enlarging Schneider and Teske's definition, that "policy entrepreneurs constitute an identifiable class of political actors" and defines them precisely as "people who seek to initiate dynamic policy change" (1997: 739). In a more recent work, Mintrom tries to further consolidate his theory of entrepreneurs by identifying four aspects of entrepreneurship (ability to clearly sense what others are looking for, so that they can perceive opportunities for gain; develop innovations; devise strategies and work the system; and organize and provide leadership) and other six "key" characteristics, such as creativity and insightfulness, social perception, ability to mix in a variety of social and political settings, ability to argue persuasively, skills in building strategic teams, and preparation to lead by example. The discussion of these key characteristics emphasizes the importance of entrepreneur's personal quality, explaining how they can facilitate efforts to achieve policy change.

In summary, we can assume that policy entrepreneurs are important actors who make an issue "hot" and promote significant policy change by "selling" their policy ideas (Mintrom and Vergari, 1996; Mintrom, 1997; Baumgartner and Jones, 1993; Cobb and Elder, 1983; Polsby, 1984).

Korean social movements' arrival at the arena of institutional politics as a key actor reflects a deep transformation, characterized by the emergence and consolidation of a new "typology" of movements, with new features, objectives, strategies, and structures. The renewed and reinvigorated Korean civil society tends to deny the earlier theoretical assumption according to which civil society becomes rapidly demobilized and marginalized after the democratic transition (Fish, 1994). In the case of Korea, civil society movements did not yield its active pro-democracy role to political society, and continued to contribute importantly to the process of democratic consolidation (Kim, 2004).

In Korea, civil social movements after the June Uprising in 1987 grew remarkably in number and—more importantly—in influence: democratization in Korea, then, engendered the "mushrooming of voluntary associations and all varieties of social and cultural movements" (Koo, 1993: 247). O'Donnell and Schmitter (1986) have wisely described this phenomenon as the "resurrection of civil society." In effect, the number of civil social movements rose considerably between 1987 and 1996.

In the 1990s the front of civil society ceased to be "monopolized" by people's movement groups (*minjung undong danche*)—composed of urban poor, students, workers and anti-regime politicians—which had indisputably been essential in order to make authoritarian regime collapse and democratic transition begin. Instead, new civic movement organizations called citizens' movement groups (*simin undong danche*) emerged and proliferated. These organizations, composed of professionals, white-collars, religious leaders and intellectuals, aimed at filling the vacancy created by democratization, by intervening in certain areas of social need and focusing on gradual institutional reforms (Kim H.R., 2004). Citizens' movement groups were different from people's movement groups, especially concerning the strategy. People's movement groups, in fact, played a "confrontational" role based on radicalism and resistance, with the declared objective of restoring a democratic regime. Their intransigency and

manifestations of “street politics” brought about their isolation and substantial fragmentation within different aspects of civil society. On the other side, citizens’ movement, which emerged in the wake of democratic transition, were characterized by their moderate attitude and focus on practical policy issues. This bifurcation of Korea’s social movement marked a profound discontinuation of the democratization movement and a great change in Korea’s social movement landscape (Cho, 2006).

Citizens’ movement groups promoted institutional reforms and alternative policies, turning their attention to some policy areas towards which the interest of the state had always been inadequate. For this reason, these groups became pivotal in stimulating public attention to a wide range of social issues, economic justice, political reforms, gender equality, environmental problems, etc. In this sense, they played an entrepreneurial role in identifying new issues and sponsoring reforms in those areas of public interest.

Citizens’ movement organizations enjoyed a wide support from the general public in Korea, primarily due to the deep and chronic crisis of institutional politics. Political parties have been largely unable to either represent citizens’ interests or articulate their demands. In response to and because of this failure, citizens’ movements assumed the role of “pseudo-political parties” (Cho 2006: 82) or, better, alternative or supplementary parties. In this sense, citizens’ movements have played the role of quasi-legislative organizations (Shin 2006: 18), replacing the conventional function reserved for political parties and almost depriving the National Assembly of its *raison d’être*. In addition, the general public’s trust in political parties and political institutions in general, like that in the National Assembly, has been very low since these institutions were afflicted by such problems as party bossism, inter-party conflicts and the resultant immobilism, diffuse corruption, etc. On the contrary, citizens’ movement organizations were largely reputed to be one of the most trusted and reliable social institutions in the country (Shin 2006).

### **The 1997 Crisis as a Window of Opportunity for Policy Entrepreneurs in the Field of Social Welfare**

When the Kim Dae Jung government took office in 1998 it was the first time in Korean history that the opposition became the ruling party through electoral competition. This shift was absolutely remarkable and represented a notable sign of the process of consolidation of democratic regime in the country. In his long experience as the head of the opposition party, Kim Dae Jung had always cooperated with civil society groups in opposing the authoritarian regimes; it was quite obvious that his election to presidency would provide a new momentum and a higher status for societal actors in the reform process, “from agenda setting through the final decision-making stages” (Wong, 2004).

#### *The Public Assistance Reform*

The National Basic Livelihood Security (NBLIS) Act is often referred to as the most representative of all social welfare reforms implemented by the Kim Dae Jung government (Kim, 2001; Lee, 2004). The introduction of NBLIS marks a crucial turning point in the evolution of Korean public assistance that had been, until that moment, based upon the Livelihood Protection Act of 1963. The pre-1997 social assistance

scheme, in fact, posed important eligibility criteria such as the basic conditions of being poor, the exclusion of citizens between the ages of 18 and 65, and the exclusion of able-bodied people. Obviously, all these limitations and the absolute lack of workforce explicitly devoted to the social assistance scheme, made the scheme inaccessible to most citizens. Only less than 1 percent of the total population had received livelihood benefit supplementing basic livelihood until the eve of the financial crisis (Lee, 2004).

The NBLS Act was enacted in October 2000, representing a watershed in the way Koreans conceptualized and understood social assistance. First of all, the implementation of the Act was supported by the *ad hoc* creation of a dedicated structure. The system of calculation of the official poverty line received utmost consideration so as to create a staff composed of qualified social workers for means-test and provision of benefits. In terms of actual operation, the limitations imposed by the Livelihood Protection Act were substantially eliminated since anyone with income and property below a certain level were eligible for social assistance. In addition, the new social assistance scheme moved its focus to a “workfare” ideal by establishing the so-called “conditional recipients rule,” which forced all able-bodied citizens in conditions of poverty to participate in Self-Reliance Support Programs. These Programs were intended to create conditions for all beneficiaries to get out of poverty by offering them proper job training and helping them find jobs.

The enactment of the NBLS Act was celebrated by many civil society organizations including the People’s Solidarity for Participatory Democracy (PSPD). In the last few years, the PSPD had worked hard on the proposal of a national minimum, which implied the reform of the entire public assistance system. In particular, the PSPD demanded the introduction of an equitable poverty line as the official eligibility criteria. After the outbreak of the economic crisis, the PSPD filed a lawsuit against the Ministry of Health and Welfare (MoHW) for not having announced the official poverty line (Lee, 2005). It must be underlined that the PSPD had meticulously prepared the proposals for the new Act through organizing public meetings with the potential beneficiaries of the law. Afterwards, the PSPD also closely monitored the implementation of the NBLS.

### *National Health Insurance Reform*

Although NBLS constituted the most representative of all social welfare reforms introduced by the Kim Dae Jung government, health insurance system underwent the most significant modifications. Korea introduced a compulsory health insurance scheme in 1977. The scheme was progressively opened to the subscription of different occupational figures, until it was extended in 1989 to cover independent small business owners in urban areas, bringing virtually all Koreans within the system (Yang, 1997). However, the system still retained a deep inegalitarian “trademark,” since it was originally launched by Park Chung Hee who basically protected those groups considered vital to the legitimization and stability of the authoritarian regime. The system essentially classified, on an occupational basis or area of residence, the Korean working population—industrial workers (36 percent of the population), civil servants and school teachers (10.4 percent), and the self-employed (50.1 percent)—and provided each of these groups with a different health insurance program. With more than 400 funds, at its highest point, the organizational and the financial situation continued to be highly intricate. Public employees’ and teachers’ funds worked well since levies were deducted directly from their salaries; self-employed workers and older persons, on the

contrary, had difficulties in collecting levies, which in turn made their financial situations more precarious (Kwon, 2002).

The attempt in 1988 by the opposition parties to unify all health funds into a global national fund was destined to failure because of the veto expressed by the President. At that time the will to “protect” the interests of the industrial workers and public employees triumphed. However, the situation was completely reversed after the election of Kim Dae Jung. The proposal of merging all health funds into a National Health Insurance had always been part of the political program of Kim Dae Jung when he was in the opposition. For this reason, in 2000 the merger of all health funds was finally implemented.

The merger of all health funds constitutes a brilliant example of civil society mobilization. After various attempts toward the integration reform were frustrated by Roh Tae Woo’s veto in 1989 (for a detailed account, see Wong, 2004; Fiori, 2005), eighty movements groups joined together in 1994 to form the National Solidarity Alliance for the Integration of Health Insurance and the Expansion of Health Insurance Benefits, the precursor to the Health Solidarity Coalition (Wong, 2004). Having been a strong ally of the National Congress for New Politics (NCNP), the opposition party led by Kim Dae Jung, the Health Solidarity Coalition became in late 1990s a key ally of the reform coalition assembled by Kim Dae Jung aimed at the merger reform. The Health Solidarity Coalition succeeded in mobilizing a broad alliance of social movements, both of radical and moderate civic groups. Reformers formed an alliance with the Citizens’ Coalition for Economic Justice (CCEJ) and the PSPD, and in so doing they made the integration issue assume a more political characteristic. The principal characteristic of the Health Solidarity Coalition, as underlined by Wong (2004: 101), was its being a coalition of societal groups that sought the integration of health insurance and nothing else. In addition, the Health Solidarity Coalition could count on a reputable team of policy experts and advisors who could readily propose efficacious policy alternatives. These experts’ cooperation allowed civil society groups to have access to decision-making bodies of the state, historically closed to them. In addition, these experts cooperated actively with various committees of the Kim Dae Jung government, which confirmed and strengthened the connection between civil society and the new President.

### *National Pension Reform*

Since its establishment in 1988, the National Pension System has gradually expanded to become almost universal coverage. Originally it covered only workplaces with more than ten employees, but it was extended in 1992 to cover all workplaces with five to nine workers. Three years later the coverage was extended to include farmers and fishermen, workers in small firms less than five employees and the self-employed in rural areas. In April 1999 the urban self-employed—the last group still excluded from the pension program mainly because of the difficulties in ascertaining incomes—began to be covered. With the Kim Dae Jung’s election, in fact, the criteria to set the amount of individual contribution to join the pension program—for the urban self-employed—became the housing and/or automobile ownership. Using the ownership of such goods as a means to calculate the amount of contribution provoked discontent within the urban self-employed, but Kim Dae Jung did not back down and incorporated this last group into the national pension, making it a universal program covering the entire population.

The most difficult problem Kim Dae Jung had to face was the disproportionately generous nature of the pension program. Until that moment, in fact, the program was based on an evident contradiction given by a low contribution rate (6 percent of wage) and a high pension (70 percent income replacement; the framework was completed by the fact that the pension age of 60 (for males) was particularly convenient. Such conditions simply could not be financially sustainable—first of all because of the increasingly ageing Korean society, which could rapidly drain the reserve fund accumulated, and second because of the mismanagement of the reserve fund (Shin, 2000). Mainly for these reasons, the advent of Kim Dae Jung marked a restructuring of the pension program. The level of income replacement was reduced from 70 to 60 percent; the pension age would be gradually increased from 2013 (one year every five years); contribution rates of both employers and employees have each risen to 4.5 percent of the monthly wage. However, in order to cope with soaring unemployment, the requirements for pension entitlement have been made more accessible. The minimum contributing period for old-age pension was cut from 15 to ten years (Shin, 2000).

Towards the end of the last century Korea became one of the victims of the Asian financial crisis. In spite of this, or precisely because of it, policymakers resolved that one of the ways to ameliorate the effects of the economic downturn was to consolidate and expand welfare policies. In this sense, the economic crisis provided a window of opportunity for the reform of social policy across a large number of sectors. The result, in fact, was a significant transformation of the welfare state in Korea (Kwon, 2002; Ramesh, 2003; Lee, 1999). This transformation was enabled by the combination of several factors that made the capitalization of the opportunity possible. First of all, the outburst of the economic crisis chronologically almost coincided with the presidential elections in Korea. The election of Kim Dae Jung meant a deep rupture with the previous administrations with regard to social policy since the new president was highly interested in these issues and considered them to be of central importance in his presidential election campaign. In addition, the new president was convinced of the necessity of pursuing a comprehensive instead of an incremental reform. One of the reasons for this could be found in the single presidential term (five years), that possibly convinced the president to accomplish many comprehensive reforms while in office (Kwon and Reich, 2005). All in all, the magnitude and speed of change in social policy were far greater during the 1998-2000 period than during the previous four decades of developmentalism (Song, 2003).

Another consequence brought about by the economic crisis was the heightened public awareness of the Korean society about the relevance of social safety nets. The economic crisis and, above all, the large increase in unemployment—an unprecedented situation for Korea—made the general public become more interested in endowing the country with policies that could represent a “warranty.” The change in the public policy of the new government subsequent to the economic crisis allowed civic movements to participate in and become central to the policy process itself, assuming their new role as policy entrepreneurs.

The result of the combination of these multiple factors was a series of social policy reforms that found enactment right in the wake of the economic crisis, with a broad and complex reform package.

## Concluding Remarks

In this paper we have analyzed the role of social movements as policy entrepreneurs in the process of welfare policy-making in the wake of democratization in Korea. In doing this, we have surveyed the evolution of social movements in Korea since the establishment of authoritarian developmental regimes in the 1960s. In the developmental period, authoritarian regimes prevented social movements from becoming a relevant political actor, while pursuing—and mobilizing the efforts and resources of the whole country—the only objective encapsulated by economic growth. Authoritarian regimes established a few central bureaucratic institutions that obstructed the development of welfare provisions. Economic growth represented the hegemonic paradigm of the period.

However, with the beginning of the transition to democracy—at the end of the 80s—the paradigm changed, and social movements—central actors in the demise of authoritarian regimes—changed their intrinsic characteristics, assuming new functions and objectives. Through such transformation, social movements became—thanks to the “opening of the institutional terrain” caused by the process of democratization—agents of change in the field of welfare policy. In playing the role of policy entrepreneurs, however, social movements often had to confront with several institutional veto players, those characters opposing any reform of the *status quo*, since a change could undermine their vested interests. In this regard, especially before the outburst of the 1997 economic crisis, the institutional opposition to change (and to agents of change) was dictated by the lingering influence of the hegemonic paradigm of the previous period, a kind of ideological legacy.

With the opening of the second window of opportunity (the first being furnished by democratization in 1987), social movements as agents of change—especially in the field of welfare policy-making—became of central importance, overpowering veto points. In doing this they effectively took advantage of the election of Kim Dae Jung as the new president of the country. The new administration, in fact, for a number of internal and external reasons, reinforced the role of social movements as agents of change in introducing new welfare provisions and reforming the existing welfare regimes.

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