



Social Policy and Economic Development in Late Industrializers

A Synthesis

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Rethinking Social Policy in a Developmental Context

- Intrinsic Goals of Social Policy
 - Social protection and social justice
- Social Policy as Instrument
 - National building, national security, political legitimacy, etc.
- Can social policy be used for economic development while fulfilling intrinsic goals in the development context?
- Comparative studies of the late Industrializers
 - East Asia, Latin America, Middle East and North Africa, sub-Saharan Africa, and Nordic countries

Rethinking Social Policy in a Developmental Context

- Huck-ju Kwon, Thandika Mkandawire and Joakim Palme, Social Policy and Economic Development in Late Industrializers: A Synthesis.
- Huck-ju Kwon, The Reform of the Developmental Welfare State in East Asia
- Manuel Riesco, Latin America: A New Developmental Welfare State Model in the Making?
- Massoud Karshenas and Valentine Moghadam, Bringing Social Policy Back In: A Look at the Middle East and North Africa
- Jim Adesina, Social Policy in Sub-Saharan Africa: a glance in the rear view mirror
- Joakim Palme and Olli Kangas, Making Social Policy Work for Economic Development: the Nordic Experience.



Rethinking Social Policy in a Developmental Context

- Trade-off?
 - Social protection v.s. economic efficiency
 - Micro level: work disincentive
 - Macro level: undermining the capacity of economic development
- Perspective of social investment
 - Lisbon Strategy (2000)
- Social protection and Economic development
 - Structural adjustment Policy: human cost and decline in state capacity
 - Millennium Development Goals (2000)



Rethinking Social Policy in a Developmental Context

- Developmental trajectories:
 - Socially inclusive and economically developmental?
- Rethinking social policy
 - in a historical setting of the policy regimes
- Why some have made success while others failed?



Developmental Welfarism

Integrate social policy in the broad context of economic and social development

- Two Strands of Developmental Welfarism
 - Selective form
 - productivism, selective orientation and authoritarian political background
 - Inclusive form
 - Productivism, universal social investment and democratic governance



Developmental Welfarism

- In the context of the late industrializers:
 - The Developmental State
 - The state plays a strategic role in economic development.
 - Early adoption of social policy
- The developmental welfare state
 - East Asia & Latin America (selective form)
 - Nordic Countries (inclusive form)
 - ex. Finish Pension Fund



Developmental Welfarism

- Sub-Saharan Africa:
 - Only in the 1960s, and short-lived
 - Structural adjustment programmes
- Middle East and North Africa
 - High spending on education and health
 - State clientelism
 - Resorted Neo-liberalism in the 1980s

The Developmental State and Social Solidarity

- The Developmental State and social policy
 - Logic of industrialism vs. strategic choice
 - Social policy as an instrument to achieve economic development
- The developmental welfare states
 - Korea and Brazil: selective form
 - Nordic countries: inclusive
- Ensuing results diverged between:
 - Ex. Between Korea and Brazil
 - Different outcomes of social development
 - Initial difference in income inequality

The Developmental State and Social Solidarity

- Development policy (Kholi, 2004)
 - Export orient strategy (Korea)
 - Import substitute strategy (Brazil)
- Income inequality (Rodrik, 1995)
 - Relative equality vs. high inequality
- Human Resource Development (Yi & Lee, 2005)
 - Public education and training (Korea)

The Developmental State and Social Solidarity

- The developmental welfare state in East Asia
 - Standing on the open social structure
 - Without strong vested interest (land reform)
 - High social mobility -> public education
 - Social policy can be used in a strategic way with aspiration of universalism.



The Developmental State and Social Solidarity

- The developmental welfare state in Latin America
 - Standing on narrow social base.
 - Strong vested interest
 - Social mobility limited
 - Vulnerable to external shock
 - State bureaucrats and professionals turned their back.

The Developmental State and Social Solidarity

- Middle East and North Africa (MENA)
 - Socially policy not effectively exploited as a policy instrument for development
 - As a political measure.
 - Main beneficiaries: state employees
- Some tried developmental welfare strategy
 - not able to sustain such strategies long enough.
- Tunisia: notable exception

The Developmental State and Social Solidarity

- Sub-Saharan Africa
 - Independence and the development decade
 - State capacity: not built properly
 - Structural adjustment in the 1980s
 - Further undermined the role of state
 - Social policy reduced to a very residual role.
- Poor and vulnerable left without social protection
- Possibility of the developmental welfare state in sub-Saharan Africa?

Toward a Social Policy that is Developmental and Inclusive?

- Developmental state strategy tried with varying degrees of success
 - East Asia and Latin America: with strong state capacity
 - MENA, sub-Saharan Africa
- The developmental welfare state and economic development
 - selective at the initial stage
 - Effective administrative capability and institutional framework
 - Social solidarity
- Nordic Countries: Couched in Universalism

Toward a Social Policy that is Developmental and Inclusive?

- sub-Saharan Africa:
 - Political support for the state building and good governance.
- Secular MENA:
 - strengthening the welfare state
- Latin America:
 - a new developmental strategy integrating social policy to economic policy
- East Asian countries:
 - strengthened their welfare states
- Nordic welfare states
 - maintained their economic competitiveness



Conclusion

- The state needs to play a strategic role in the development context
 - to facilitate economic and social development
 - to weather social challenges arising from intense global competition and
 - to provide social protection
- Social Solidarity
 - Open Structure
 - Upward Mobility
 - Broad participation to social change
- Globalization would not render social policy less significant