REVIEW ARTICLE

Democratization, post-industrialization, and East Asian welfare capitalism:
The politics of welfare state reform in Japan, South Korea, and Taiwan

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Abstract

This review article provides an overview of the scholarship on the establishment and reform of East Asian welfare capitalism. The developmental welfare state theory and the related productivist welfare regime approach have dominated the study of welfare states in the region. This essay, however, shows that a growing body of research challenges the dominant literature. We identify two key driving factors of welfare reform in East Asia, namely democratization and post-industrialization; and discuss how these two drivers have undermined the political and functional underpinnings of the post-war equilibrium of the East Asian welfare/production regime. Its unfolding transformation and the new politics of social policy in the region challenge the notion of “East Asian exceptionalism”, and we suggest that recent welfare reforms call for a better integration of the region into the literature of advanced political economies to allow for cross-fertilization between Eastern and Western literatures.

Keywords: Democratization, Post-Industrialization, Welfare Capitalism, Developmentalism, Japan, South Korea, Taiwan.

East Asian welfare states have experienced comprehensive reforms in the last two decades. Following the regional “pioneer” of Japan, the neighbouring South Korea and Taiwan have introduced unemployment protection schemes, and have universalized health-care provision and old-age security. Also observed has been increased state intervention in child and long-term care in the region, including Japan. Welfare state expansion in the three countries, with the rise of social citizenship, challenges perceived wisdom in the literature. According to de-
velopmental welfare state theory, and the related productivist welfare regime approach, social policy (driven by technocrats) is strictly subordinated to the primary policy goal of economic development, and therefore social welfare provision is confined to “productive” parts of the population (in particular, regular workers in key industries). However, recent policy expansion benefited presumably “non-productive” parts of the population as well (such as the unemployed, women, children, and the elderly), whilst the deregulation of employment protection undermined the developmentalist “welfare-through-work” system.

This article reviews the literature on the establishment and reform of East Asian welfare capitalism. In so doing, we focus on the research examining the political and socio-economic drivers of the unfolding transformation of East Asian welfare capitalism; with a focus on Japan, Korea, and Taiwan. We show how democratization (that is, the end of authoritarianism in Korea and Taiwan, and the end of one-party dominance in Japan) and post-industrialization (that is, both labour market and family changes, such as the rise in female employment and the decline of traditional families) have undermined the post-war equilibrium of the East Asian welfare/production regime. Democratization has allowed the rise of political parties and societal actors in social policy-making, challenging the dominance of economic bureaucrats. We also identify limitations of the reform literature, notably paying insufficient attention to the role of political parties; and suggest that political parties, facing fierce electoral competition, are now claiming the “driving seat” in social policy. Political agency operates in a context of post-industrialization, which has driven new social risks calling for social policy intervention (notably, child and long-term care expansion). We, thus, highlight that a powerful interaction between democratization and post-industrialization, which calls for further exploration.

The observed welfare state reforms and the new politics of social policy in the region call into question the notion of “East Asian exceptionalism” and the associated theories of the developmental and Confucian welfare state. Instead of the adhering to “regional” approaches
in the study of social policy, we suggest that recent East Asian welfare reforms in the wake of democratization and post-industrialization call for a better integration of the region into the literature of advanced political economies, where established tools of welfare state analysis (especially, those looking at partisanship and party competition) help us better understand the transformation of East Asian welfare capitalism. This also allows for cross-fertilization between “Western” and “East Asian” literatures for more robust theory development in comparative political economy and welfare state research.

The Developmental Welfare State in East Asia

Rapid economic development in post-war Japan and newly industrialized economies in East Asia (especially, Korea and Taiwan) between the 1960s and late 1990s attracted great interest in the region. Building on developmental state theory and its highlighting of the steering role of the state (C. A. Johnson, 1982; Wade, 1990), social policy analysis in the region has been dominated by the developmental welfare state perspective and the related productivist welfare regime approach (Holliday, 2000; Kwon, 1997; Deyo, 1992). According to this body of literature, social policy is subordinated to the key policy objectives of economic growth and industrialization; and policy-makers forcefully pursued the state-led “modernization” of their economies, which was essentially understood as catching up with advanced economies in the West.

At the early stages of industrialization, social policy was considered largely incompatible with economic development. Developmental strategies at first focused on light, labour-intensive manufacturing for the world market, which put great pressure on labour costs leaving little room for social innovations. However, the economic success of this developmental strategy created labour shortages and corresponding pressure on wages, which in turn made light-industry-based development increasingly unfeasible. In this context, a change of strategy towards higher value-added manufacturing was undertaken. This type of industrialization re-
quired human capital investments for greater productivity and labour force stability, which provided the socio-economic underpinnings for increased expenditure on education and training but also on health and enterprise welfare. Thus, the objective of up-skilling workforces made economic development and social policy compatible (Deyo, 1992).

The developmental state concentrated its welfare efforts on the presumably productive parts of the population, especially skilled workers in large companies but also civil servants and the military. And indeed, the coverage of early social insurance schemes (health care and old-age security) was rather selective with the majority of the population being excluded (Kwon, 1997). By contrast, social care was not considered a good “investment,” and also social security for weaker members of society was typically viewed as a burden on the economy (Holliday & Wilding, 2003a, p. 166). Overall, we observed the reluctance of the developmental state to engage in the provision of social welfare; and East Asian welfare states are generally considered “low spenders”, where the state prioritizes the investment into industrial rather than social development (White & Goodman, 1998, p. 13; Kwon, 1997, p. 471).

Whilst public social policy provision is poorly developed, some scholars point out that so-called “surrogate social policies” enjoy great prominence in the region, such as mandatory enterprise welfare and subsidies for farmers and small- and medium-sized companies. The former, especially in Japan and Korea, was pushed by policy-makers in order to pre-empt popular demands for universal social welfare. With respect to the latter, it is acknowledged that these subsidies cannot easily be defined as social policy. However, this state support, as a measure of trade protectionism, was granted in order to shield the agricultural sector and small employers from international competition and thereby to protect employment. Critically, in the developmental welfare state, employment is crucial for access to benefits, and the East Asian welfare model presents a system of “welfare through work”, where economic growth and corresponding high levels of employment were thought to substitute for generous social welfare provision in the first place (Estévez-Abe, 2008; Kim, 2010; Miura, 2012).
addition to trade protectionism, high levels of employment were achieved through strict em-
ployment regulation and the (de-facto) lifetime employment practice [E.-H. Jung & Cheon,
2006, pp. 458-460; Woo-Cumings, 2007 p. 18]. The regulation of employment in the region
created “profound core-periphery distinctions” [Goodman & Peng, 1996, p. 197] with well-
protected insiders (who have access to relatively generous benefits), whereas labour market
outsiders enjoyed little social protection.

The developmentalist logic is reinforced by Confucian ethos, which attaches great im-
portance to the family. Welfare, particularly social care for children and the elderly but also
social protection, is believed to be best provided by families, within which Confucianism en-
courages a rigid traditional division of gender roles – the man being perceived as the “natural”
head of the family and its breadwinner, whereas the woman’s role is primarily seen as the
provider of care. From this perspective, state intervention into family affairs is considered un-
desirable, putting an immense burden on women, who are expected to provide unpaid care
work within their families across generations. Hence, a strong male breadwinner ideology can
be ascribed great weight in East Asian societies [Won & Pascall, 2004; see also Lewis, 1992
on the male breadwinner model]. However, the role of families goes beyond their function in
care provision. Traditionally, based upon the Confucian ideals of filial piety and family obli-
gations, East Asian families were furthermore characterized by considerable intergenerational
monetary transfers (especially, from sons to parents in the absence of old-age security) [Jones,
1993]. Thus, social welfare provision by families (as promoted by Confucianism) allowed the
state to prioritize economic development, whilst largely ignoring social policy.

The Politics of the Developmental Welfare State

The East Asian developmental welfare state was built by conservative elites in the absence of
competitive politics. Admittedly, after World War II, Japan was democratized, but the con-
servative Liberal Democratic Party (LDP) monopolized political power for most of the post-
war period. It was not before 1993 that the party found itself on the opposition benches. Thus, despite the country’s democratization, “soft authoritarianism” was widely ascribed to the Japanese political system. In Korea, the 1961 military coup created a single-party regime, where elections were no more than an instrument of the dictatorship to formally legitimize its rule. Lastly, Taiwan, also with a single-party regime, did not even attempt to appear democratic. Instead, the external threat from mainland China was used by the ruling Kuomintang (KMT) to justify the authoritarian system (Holliday, 2000, p. 715; C. Johnson, 1987, pp. 143-44; White & Goodman, 1998, p. 15).

An important common feature of the scholarship on the building of East Asian welfare states is the emphasis put on the role of bureaucrats. Whilst politicians set broad policy goals, technocrats (in a supposedly depoliticized manner) engaged in policy planning, the development of new policy, and their implementation. Highly centralized bureaucracies are considered key to the coordination of different policies for economic growth, and the developmental (welfare) state is typically associated with bureaucratic dominance in policy-making (Goodman & Peng, 1996, p. 196; Holliday, 2000, p. 715). Conservative elites, in politics and bureaucracies, shared the key objective of industrialization and economic development – both were driven by the “imperative” of modernization (Kwon, 1997, pp. 497-80). It was also thought that economic growth and the associated prosperity would legitimize authoritarian rule, which made the developmental state a strategy of “stability through growth” (Holliday, 2000, p. 715). In this context, the developmental welfare state contributed to regime stability by granting favourable treatment to those who were considered particularly important to the government. In addition to core workers (for productivist reasons), civil servants and the military were among the first to benefit from public social welfare provision in order to ensure the loyalty of these groups (Goodman & Peng, 1996; White & Goodman, 1998). By contrast, social citizenship and redistribution received very little political support, and we find a “clear hostility to the European welfare state” (Holliday & Wilding, 2003a, p. 167) among conserva-
tive elites, who believed that European-style social policy provision would undermine the traditional Confucian family.

Although the developmental state approach highlights the leading role of the state in economic development, it also recognizes a critical alliance between the state and business, the so-called “developmental alliance”, behind the formation of specific sets of economic and social policy (Hundt, 2009; Wade, 1990). However, even though the developmental state largely promoted business interests (and granted employers incomparably greater policy influence than other societal actors), the state had the “upper hand” and kept business “at a distance” (Holliday & Wilding, 2003b, p. 35) allowing the government to pursue its interests when in conflict with employers.

Unlike business, organized labour was effectively excluded from the political decision-making process, which provided ruling elites with a remarkable degree of political autonomy from societal forces. Disciplined (and low-cost) labour was considered a precondition for fast and export-oriented industrialization, and this was thought to require the exclusion of trade unions from the political process (Buchanan & Nicholls, 2003; Pempel & Tsunekawa, 1979). Critically, the predominance of enterprise unionism in the region undermined institutionally the forming of strong working-class interests and solidarity, and therefore contributed to regime stability and the insignificance of organized labour and social democracy (Deyo, 1987; C. Johnson, 1987). Holliday highlights that “benevolent authoritarianism was for many years accepted rather than challenged by workers” (Holliday, 2000, p. 719). Importantly, we cannot account for the welfare state’s “post-war development in terms of right-left political movements” (Goodman & Peng, 1996, p. 208; see also White & Goodman, 1998; Yang, 2013) and, accordingly, the literature argues for the insignificance of political parties in East Asian welfare politics. This stands in sharp contrast to the historical experience of West European welfare states, where (left) party political agency is ascribed great importance (Esping-Andersen, 1985; Huber & Stephens, 2001).
The developmentalist approach and the argument of “East Asian exceptionalism” (cf. Peng & Wong, 2010) have been challenged by recent welfare state expansions in the face of democratization and post-industrialization. Welfare state provision has been expanded to “non-productive” parts of the population, which could be interpreted as the emergence of a notion of social citizenship in the Far East (Y.-M. Kim, 2008; H.-K. Lee, 1999). In the next sections, we discuss the scholarship on the impact of democratization and post-industrialization on welfare state development in the region.

**Following the Japanese Pioneer? The Rise of Social Protection in Democratic Korea and Taiwan**

Entering the late 1980s, the political landscape in Korea and Taiwan experienced massive changes with the transition to democracy. In 1987, martial law was lifted in Taiwan, and the first presidential election was held in Korea (Haggard & Kaufman, 2008). With the cessation of repression of opposition parties and extension of elections to all levels of government, competitive politics became the norm in Korea and Taiwan. In tandem with democratization, the two countries underwent a process of “welfare state deepening”. Most notably, the fragmented social insurance system, a key characteristic of East Asian welfare capitalism, turned into a universalistic one (Peng & Wong, 2010). Pension and health-care schemes were universalized as compulsory coverage was extended to less productive workers (i.e. employees of small- and medium-sized firms, farmers, and the self-employed). The two countries furthermore introduced unemployment protection schemes in the 1990s, though benefit levels and coverage were somewhat modest, in addition to strict eligibility criteria (Peng & Wong, 2008; Ringen, Kwon, Yi, Kim, & Lee, 2011). Intriguingly, these developments in democratizing Korea and Taiwan resemble the Japanese post-war experience. During American occupation (1945-52), Japan saw the introduction of unemployment insurance, though with rather limited coverage. Whilst benefit generosity stayed modest during LDP rule (from 1955), benefit cov-
verage was extended to all regular workers and some active labour market policy measures were introduced in the mid-1970s. Despite these developments, unemployment insurance remained geared towards the protection of core workforces [Seeleib-Kaiser, 1995]. By contrast, during the era of high-speed growth until the mid-1970s, the LDP universalized health insurance and old-age protection. The latter though provided only modest benefits, and this translated into high saving rates. Also, surrogate social policies played an important role throughout LDP hegemony [Kasza, 2006].

Despite substantial welfare state expansion in Korea and Taiwan, the developmental welfare state approach “defended” its corner, arguing that the rise of social policy did not pose a fundamental challenge to developmentalism in the region. Whilst Kwon [2009] acknowledges that the developmental welfare state was transformed from a “selective” variant to an “inclusive” one, Holliday [2005] assertively contends that welfare reforms in Korea and Taiwan were still largely informed by “productivist concerns” regardless of the emergence of competitive politics (see also Ahn & Lee, 2012; Aspalter, 2006). This literature has been criticized for downplaying the scope of the welfare state change that the region experienced; and, in terms of the politics of social policy, it has been argued that the development of East Asian social welfare provision in the democratic era was underpinned by a qualitatively different political logic; that is, electoral competition.

A number of scholars contend that if the ruling conservatives advanced (modest) social policy for economic growth and legitimization prior to democratization, they did so for electoral calculation in the democratic era [Haggard & Kaufman, 2008; Peng & Wong, 2010; Wong, 2004]. During the immediate years following the democratic transition, conservative governments instigated welfare reforms whenever necessary to secure electoral success. In Korea, coinciding with elections, conservatives gradually extended health insurance coverage, and a national pension scheme was introduced immediately before the first presidential election. In Taiwan, the conservative KMT swiftly implemented a national healthcare program in
1995, facing legislative and presidential elections. Moreover, the healthcare program took the form of the universal insurance that had been promoted by the opposition party, the Democratic Progressive Party (DPP). Both countries also saw the introduction of selective unemployment protection under conservative governments in the second half of the 1990s. The main rationale of the Korean Kim Young-Sam government was to pre-empt opposition from organized labour to proposed labour market deregulation (S. C. Lee, 2012), whereas the Taiwanese case underscored the opportunistic political behaviour of the ruling KMT in the wake of elections; unemployment protection was first proposed by the DPP (Zhu, 2005, p. 94). We find that democratization brought greater pluralism into social policy-making, as electoral competition incentivized politicians to be more sensitive to broader societal demands. Popular calls for redistribution through the welfare state were channelled through social movements and policy experts, creating pro-welfare advocacy coalitions and constraining the dominance of the developmental alliance in social-policy making (Y. -M. Kim, 2008; Peng & Wong, 2010; Ringen, et al., 2011).

This “democratization” literature made critical contributions to improving our understanding of social policy developments in Korea and Taiwan. It showed the “responsiveness” of conservative political elites to electoral demands, in their efforts to overcome association with the authoritarian regimes. In fact, conservatives, who had displayed a firm anti-welfare stance in the past, made opportunistic “concessions” to the electorate and civil society to stay in power – with reasonable success. Insofar, it can indeed be argued that the political right remained in the “driving seat” of welfare state development in the early period of democratic transition.

Importantly, the opportunistic electoral strategies of the conservatives in Korea and Taiwan appear to follow the earlier example of Japan, where the LDP routinely took an opportunistic approach to welfare in its post-war rule. While the LDP dominated the political arena, Kasza (2006) argues that social policy was critical for party to establish its hegemonic
status in electoral competition with the Japanese Socialist Party in particular, and to win support for its developmental program of economic growth first. Calder (1989) describes social welfare as a popular measure of compensation to “dissidents” in situations of political crisis. Thus, whilst Japan’s previous electoral system of multi-member districts and single non-transferable vote is widely viewed as having prevented the emergence of a generous “European-style” welfare state (Estévez-Abe, 2008), social policy was nonetheless an important tool of the ruling elite of LDP, big business, and bureaucrats (Kasza, 2006). In the light of the Japanese experience, one might therefore want to argue that Korea and Taiwan in democratic transition caught up with their already democratized neighbour; and that the developmental alliance remained unchallenged in social welfare policy.

**The Rise of Political Parties in East Asian Welfare Politics**

Despite highlighting the importance of electoral competition (though in somewhat vague terms), the democratization literature failed to recognize the rise of party-political agency, which continued to be downplayed (as in the developmental welfare state approach). We also contend that empirical observations suggest that this literature struggled to fully acknowledge the rise of the political left in particular, the subsequent conservative loss of control over the welfare state, and the implications of these developments for East Asian welfare politics. Welfare state deepening was advanced by the electoral victories of left political parties. In Korea and Taiwan, the political left and long-time opposition parties won presidential elections in the aftermath of the East Asian Financial Crisis of 1997/8, and they were confirmed in government in both countries. We find that left parties, in alliances with organized labour (Fleckenstein & Lee, 2017b; Kamimura, 2010; Zhu 2005), promoted the expansion of welfare benefits for workers (see Hong, 2014 on the importance of economic crisis). It appears that the political left emerged as a champion of the welfare state. In terms of social policy platform, it has been argued left parties in East Asia demonstrated some affinity with the social-
democratic welfare model, as they articulated some enthusiasm for universal coverage of social protection and tax-funded welfare benefits (Fell, 2004; Y.-M. Kim, 2008; Kuhnle, 2004).

In Korea, the centre-left Kim Dae-Jung government implemented a series of comprehensive welfare reforms improving old-age security and health care provision, in addition to expanding the selective unemployment protection scheme to all full-time workers and some atypical workers and improving benefit generosity and duration. Also, the government deployed public work schemes and employment promotion subsidies to reduce the burden of unemployment caused by the East Asian financial crisis, as it introduced non-contributory public assistance for those who still fell outside the unemployment insurance scheme. The thrust of these reforms was to improve social protection for non-productive and less-productive populations, and to strengthen the redistributive capacity of social policy (D. Jung & Park, 2011; Fleckenstein & Lee, 2017b).

In Taiwan, the centre-left DPP government, elected on a social welfare platform (Haggard, 2005), endeavoured to strengthen the redistributive capacity of the welfare state by enhancing social protection for the unemployed and the elderly. In the wake of the 2001 recession, the DPP government replaced the modest unemployment protection with a more comprehensive new scheme: the coverage was expanded to employees of small firms as well as part-time workers, in addition to increasing benefit generosity. Like Korea, Taiwan also engaged in greater employment promotion and job creation schemes during the tenure of the DPP government (Chang, 2011; Chen, 2010). To improve old-age income security for those neglected by the KMT, the DPP introduced a basic old-age pension scheme and substantially increased the very modest benefits that less productive workers (e.g. farmers) received (Haggard, 2005, p. 29).

In the 1990s, we also observed the rise of party-political agency in Japan with the end of one-party dominance in the country. For the first time, the LDP failed to form a government in 1993; and instead a coalition of the political left formed a majority. Moreover, a major
electoral reform in 1994 undermined the LDP’s ability to harvest electoral majorities out of special interests (such as farmers and small businesses), and it is expected that changes in government become a regular feature in Japan [Rosenbluth & Thies, 2010]. The LDP’s failure to dominate the legislature signifies the end of Japanese “soft-authoritarianism” and that competitive politics has become the norm in the country, as it has become in Korea and Taiwan. In Japan, democratic consolidation challenged the conservative ownership of the welfare state, and we find remarkable activism in the domain of family policy in particular, where the political left performed a critical agenda-setting function, to which the LDP responded. Critically, the political left in Korea and Taiwan also discovered family policy, and we witness developments that display great similarities with the Japanese trajectory. In consideration of these empirical observations, we suggest greater attention should be paid to the role of political left in the future scholarship. We now discuss post-industrialization and the decline of the Confucian family as the socio-economic driver of recent family policy expansion in the region, which is followed by exploring the interaction between post-industrialization and democratic consolidation in the region.

**Post-Industrialization and the Decline of the Confucian Family**

As with Western welfare states [Daly & Rake, 2003; Lewis, 1992], the developmental welfare state of East Asia was built for the industrial age. As discussed earlier, it was geared in particular towards male workers in manufacturing industries to promote economic development and industrialization in societies that had greatly relied on agriculture, and this male breadwinner bias had been reinforced in the expansion of social protection in the early stages of democratization. By contrast, very little support was provided for those who were deemed “non-productive” (especially, women). This model of development was feasible in a context of fast economic growth (with low levels of unemployment) and stable Confucian families (providing a basic social safety net and social care). However, these assumptions, which had already
been discarded in advanced economies in the West, have also become untenable in East Asia, where post-industrialization has increasingly undermined the previous welfare settlement (S.-y. Lee, 2011; Peng, 2004; Peng & Wong, 2008). After rapid industrialization (with industrial employment peaking in Japan in the early 1970s, and in Korea and Taiwan in 1991 and 1987, respectively), all three countries experienced steady increases in service sector employment (see Figure 1). Post-industrialization was accompanied by a significant increase in women’s employment. Admittedly, female labour market participation in the region lags somewhat behind the development in Western countries, as with the shift towards service sector employment. Yet, this should not deflect from the rising number of East Asian women who have entered the labour market – especially in Japan, where female employment participation reached levels we can find in France (which has historically been classified as a modified male breadwinner country; Lewis, 1992 - see Figure 2).

(Insert Figures 1 and 2 here)

The growth of female labour market participation has far-reaching implications for East Asian societies, which were built upon Confucian ideas of a gendered division of paid and unpaid labour. This, however, as in Western societies, has become ever less feasible with rising female employment rates. The double burden of paid labour and unpaid care puts enormous pressure on women, who experience huge difficulties to reconcile their employment with their domestic “duties”. In strong male breadwinner countries in particular, women do not receive much public support in work/family reconciliation. The state does not conceive that it has responsibilities for public child and eldercare provision, leaving this to families and markets. Especially in conservative welfare states, great responsibility is ascribed to families, typically based on the Catholic principle of subsidiarity (Seeleib-Kaiser, Van Dyk, & Roggenkamp, 2008). Likewise in East Asian societies, the responsibility for care was left to families, so that
one might want to consider Confucianism as the functional equivalent to Catholicism in the Western world. Accordingly, family policies supporting work/family reconciliation were most poorly developed. Hence, in East Asia, as elsewhere in the developed world (Bonoli, 2005; Esping-Andersen, 1999), we have also been witnessing the emergence of the “new social risk” of work/family conflicts (related to both the care of children and frail elderly) (Abe, 2010; Peng, 2004; Tsai, 2011).

In such a context, Schoppa (2010) argues, with reference to the case of Japan, that women (with presumably little “voice” in politics) face a fundamental decision between career and family. It is observed that an increasing number of women “exit” from the family, and make a decision for career. The situation in Korea and Taiwan, with similar family policy trajectories, shows much resemblance. The societal consequences are enormous. Not only do we witness a significant decline in marriage rates challenging the traditional Confucian family, East Asian societies have furthermore experienced a dramatic decline in fertility rates; especially in Korea and Taiwan. Fertility rates in the region are now considerably below the average across the developed world (see Table 1), and much below the replacement fertility rate of 2.1.

(Insert Table 1 here)

The “fertility crisis” and the associated population ageing have important consequences not only for social security systems (especially, pensions and health) but also for labour markets. However, East Asian families, as well as getting much smaller, are also much more “unstable”, as expressed in divorce rates. In the 1970s, divorce was virtually unknown in Korea and Taiwan but has increased substantially over time. Eventually, both countries experienced divorce rates that exceeded the OECD average. Japan has also witnessed a significant increase in divorce rates over the last few decades but these have remained slightly below the OECD
average (see Table 2). Despite the somewhat different trajectory in Japan, it can be concluded that East Asian societies have lost their exceptional status of remarkable marital and family stability, which poses another challenge to the ideal of the Confucian family. In addition, the Confucian ideal of multi-generational families [Jones, 1993] has been withering away in “modern” East Asia, with only a small minority of families complying with this traditional ideal. Instead, the nuclear family has been becoming ever more predominant (see Table 3).

(Insert Tables 2 and 3 here)

Looking at labour market and family indicators, the overall picture appears to be that East Asia has “normalized”, and faces similar if not greater challenges than other OECD countries in the wake of post-industrialization (for instance, the challenge of very low fertility rates). In other words, as elsewhere in the developed world, families in East Asia are “under stress” and increasingly struggle to fulfil their assigned functions, which has fuelled calls for more public provision for families. One might want to argue that these developments have culminated in a functional “imperative” for a larger stake of the state in family affairs. This has considerable political-economic implications, as the developmental (welfare) state heavily relies on the care provided free of charge by families. The great role of families allowed the state to prioritize investments in infrastructure and “national champions” for rapid industrialization and “catching-up” with the West, whilst social policy could remain minimalistic, geared towards the productive parts of society. This division of labour between families and the state has become ever less feasible in the post-industrial age. It has become difficult to assume women’s unpaid provision of household and care work. This not only undermines the developmental state but also the male breadwinner model that lies at the heart of the Confucian welfare state.
Post-Industrialization, Democratization, and the Rise of Family Policy

Whilst the argument of a functional “imperative” against the background of increasing female employment participation and collapsing Confucian families might be attractive, it is puzzling that we find policy developments in Taiwan lagging behind policy innovations in Japan and especially Korea (An & Peng, 2016). Since Taiwan has experienced the most dramatic decline in fertility (not only across the region but also across the developed world), one might have expected, from a purely functionalist point of view, more ambitious policies to support families. This suggests the importance of politics in policy reform.

Distinguishing the period of democratic consolidation from the post-industrial era, Peng and Wong (2008) describe the end of the “progressive coalition” (with civil society organizations as important policy entrepreneurs) and instead emphasize the economic rationale of these new social policies, and accordingly present a case for cross-class support in their expansion (that is, neo-liberal economic reformers and social policy activists joining forces) (see also Seeleib-Kaiser & Toivonen, 2011 for the economic rationale in policy discourses); and in light of the identified economic rationale, Peng (2012) suggests the “readjustment rather than the replacement” of developmental state strategies. Although there might be good economic reasons for new social policies (especially because of their human capital dimension), it needs to be noted that employers (who should have the greatest interest in social policies supporting economic development) expressed the strongest opposition to family policy expansion (S. C. Lee, 2012; Seeleib-Kaiser & Toivonen, 2011; Tsai, 2011), making it difficult to observe genuine cross-class support. Thus, in family policy, employers in three countries (though widely considered coordinate market economies [CMEs]) displayed policy preferences we find in liberal market economies rather than CMEs, where businesses in Sweden and Germany, for instance, supported employment-oriented family policy expansion (Fleckenstein & Lee, 2014; Fleckenstein & Seeleib-Kaiser, 2011). Organized labour did not show much “enthusiasm” for family policy expansion either, but prioritized the interests of male workers in
accordance with the insider/outsider model. Even in the Korean case (where trade unions pur-
sued the interests of labour market outsiders in unemployment protection), family policy re-
ceived, at best, “lukewarm” support from organized labour.

In the face of these policy preferences of economic agency, we emphasize the interests
of political agency in the expansion of family policy. Looking at the political dynamics of
family policy expansion, we observe that the first wave of expansion to support for (working)
women with dependent children and the frail elderly in all three countries was driven by the
political left in power. In the 1990s, with the so-called “Angel Plan”, the Japanese left suc-
sessfully spearheaded the expansion of childcare provision during its five years of govern-
ment tenure (1993-8), in addition to the introduction of a parental leave scheme and long-term
care insurance ([Estévez-Abe, 2008; Peng, 2004]). Following the re-
regional pioneer, Korea – with the longest duration of left incumbency (that is, 10 years) – saw
the greatest rise of family policies helping with work/family reconciliation ([Peng, 2009]). In
Taiwan, the DPP also implemented a number of family policy measures to support mothers
([Tsai, 2011]). However, Taiwan failed to establish a long-term care insurance scheme, but with
the 10-Year Plan for Long-Term Care from 2007 the country appears to move towards a more
comprehensive system of elderly care ([Fu & Hughes, 2010]).

To distinguish themselves from the conservative parties and to break their “hegemony”
in welfare politics, left parties in all three countries campaigned with ambitious welfare state
programs and were identified as pro-welfare parties by the electorate ([Estévez-Abe, 2008;
Fell, 2004; Fleckenstein & Lee, 2017a]). In government, the left accelerated social policy ex-
pansion, although it needs to be acknowledged that left parties (as with some of their Europe-
an counterparts in government) struggled to fully implement their social policy programs.
Nonetheless, social policy expansion in the region under left leadership shows the emerging
importance of party-political agency and provides some support for the parties matter thesis,
although one has to concede that the East Asian political left does not entirely comply with
the ideal of social-democratic parties in Scandinavia (Esping-Andersen, 1985; Huber & Stephens, 2001). However, the same applies to social democracy in Continental Europe, where conservative policy legacies have had an enormous impact on “social-democratic” social policy preferences and electoral strategies (Baldwin, 1990; Seeleib-Kaiser, et al., 2008). Family policy expansion though should not be reduced to left parties in government, as Peng (in earlier work) argues, who highlights the role of female agency in family policy-making (Peng, 2004; see also Peng & Wong, 2008). Thus, early family policy expansion in the region, we suggest, seems to resemble the “social democracy cum feminism” argument we know from the paradigmatic case of family policy expansion in Sweden (Huber & Stephens, 2001).

Surprisingly, one might argue, family policy expansion continued when the conservative parties in Japan, Korea, and Taiwan succeeded the left in government. However, the conservatives in the three countries, which had previously most strongly advocated male breadwinner policy rooted in their Confucian ideology, showed differences in their modernization efforts, leading to varying degrees of cross-party support for family policy expansion. At one end of the spectrum, we find the Korean Saenuri Party, which moved considerably away from its previous position in order to gain an electoral advantage. The policy U-turn of the conservatives triggered the left party to promise even more generous and universalist family policy expansion in order to outbid its conservative competitor (S. C. Lee, 2017). As its Korean counterpart, the Japanese LDP underwent a modernization and expansion of its family policy platform after losing its dominance in the legislature (Boling, 2015; Estévez-Abe & Kim, 2014). In comparison to the conservative parties in Korea and Japan, the Taiwanese KMT showed only rather limited modernization efforts. However, after 10 years in opposition, the KMT also adopted a more pro-active family policy (Tsai, 2011).

Apparenty, the conservative parties in all three countries responded to family policy expansion under left leadership with the modernization of their policy “portfolios”. One can, thus, observe some convergence on pro-family platforms across the political spectrum, alt-
hough with varying degrees. We suggest that the unexpected development was driven by party competition. Having been ousted from power, the conservatives (opportunistically as in the past) revised their electoral strategies. Specifically, to broaden their electoral appeal to those who turned towards left parties after the democratic transition became imperative. In Korea, it was young voters in their thirties in particular who were deemed critical for returning into government office (B.-K. Kim, 2008; S. C. Lee, 2017). In the Taiwanese case, it was women and middle-class voters that the DPP strove to win with their progressive family policy platform, and apparently the KMT learned its lesson (Fell, 2004). In Japan, the literature highlights the importance of the growing number of independent voters, especially in urban areas and young voters (Estévez-Abe, 2008; Noble, 2010; Pempel, 2008; Rosenbluth & Thies, 2010). Our analysis of ISSP data (see Figure 3) highlights the great appeal of family policy for young female voters in particular. To woo these critical voters, the political right jumped on the pro-family policy bandwagon, from which young, dual-earner families in urban areas could benefit the most. Looking at the scope of family policy expansion, the ISSP data is also informative. In Korea, where we witnessed the most comprehensive family policy expansion, we find the strongest support for childcare policy. Admittedly, the overall support in Japan and Taiwan is fairly similar, but it is important to note that strong support for these policies is by far the lowest in Taiwan, where family policies experienced the least expansion. Apparently, family policy is of less electoral importance in Taiwan, as compared to Korea and Japan; and unsurprisingly, this is reflected in relatively modest policy expansion and the limited policy U-turn of the KMT. The presented findings suggest some responsiveness of East Asian political parties to electoral demands. For both parties of the left and right, it has become no longer feasible to ignore policy preferences in electorates.

(Insert Figure 3 here)
Against this observation that political parties “discovered” the mobilizing capacity of family policies in the post-industrial age and responded (often in a somewhat opportunistic manner) to the public’s “appetite” for social welfare, we suggest a powerful interaction between democratization and post-industrialization, as the latter reshaped policy preferences to which political parties, as vote- and office-seekers (cf. Strøm, 1990), responded. Thus, in terms of the politics of social policy, party competition, rather than illusive cross-class support, appears at the core of family policy expansion in the region.

Putting these developments into a broader comparative context, it is important to acknowledge that we have been observing family policy expansion across the OECD. Certainly, there is considerable variation in speed (and progress in some countries has been slow), but the overall direction is remarkably similar, as we have been witnessing great challenges to the male breadwinner ideology (Lewis, 2009; OECD, 2011). And, as with East Asian parties, political parties in the West have experienced a decline of partisan difference, with conservative parties joining the parties of the left in the promotion of work/family reconciliation policies. We find left and right parties championing remarkably similar political discourses in their attempts to mobilize voters and especially female voters, who are most receptive to family policy expansion (Fleckenstein, 2010; Seeleib-Kaiser, et al., 2008). Thus, research into how party competition has shaped family policy reform in East Asia not only has potential to make important contributions to the East Asian welfare capitalism literature, but also allows cross-fertilization between the Eastern and Western scholarship in the field of welfare state research.

Conclusions

With the observed welfare state expansion and the rise of social citizenship in the region, East Asian welfare capitalism has been subject to comprehensive transformation; and democratization and post-industrialization have undermined both the political and functional underpinnings of the previous welfare/production regime. Hence, the developmental welfare state ap-
proach has experienced a substantial loss of explanatory capacity. Democratization introduced competitive politics, which challenged the dominance of bureaucrats in economic and social policy-making. It has been shown that the developmental alliance, which was at the heart of rapid industrialization and economic growth, collapsed; and that electoral victories of the political left challenged the conservative “ownership” of the welfare state. In the aftermath of democratization, conservative parties, in defence of their “hegemonic” status, engaged in limited welfare state expansion for rather opportunistic reasons in the face of competitive politics. However, electoral victories of the political left in all three countries challenged the conservative dominance and accelerated social policy expansion. These developments, at least temporarily, provided some support for partisan difference in the region.

In sum, in terms of both the substance and the politics of social policy, East Asian political economies have “normalized”, calling into question the notion of “East Asian exceptionalism.” East Asian welfare politics lost its exceptional feature of bureaucratic dominance as democratic transition gave rise to the “usual suspects” of Western welfare politics, especially political parties. The transformation of welfare politics was then translated into East Asian social policy losing its exceptional feature of productivism. The social policy expansion in post-democratization era went far beyond protecting productivist populations.

Whilst the early democratization literature focuses on “politics” (with an emphasis on “old” social policies, namely health insurance, old-age security, and unemployment protection; in addition to downplaying party-political agency), we suggest that the far-reaching implications of post-industrialization and its interaction with democratization deserve greater attention for advancing our understanding of transformation of East Asian welfare capitalism. The interaction between political dynamics and socio-economic changes is most important for the second wave of welfare reforms expanding “new” social policies (especially child and eldercare policy), with which the region addressed the emergence of new social risks. This second wave of social policy expansion after democratic transition is insufficiently addressed
in the existing democratization literature. We have shown that the political left responded first to new electoral needs (in particular, young and female voters’ demands for policies supporting work/family reconciliation), but conservative parties “caught up” with their competitors, and modernized their social policy platforms in an instrumentalist manner. We find both left and conservative parties, coping with intensified electoral competition, now claim the “driving seat” in social policy-making (especially, in the development of “new” social policies in the face of the ideal of the Confucian family becoming ever less viable). Without denying the persistence of considerable cross-national difference, it is important to acknowledge that East Asian social policies have started to show greater similarity to social welfare in Western political economies. Certainly, despite recent expansion, East Asian welfare states (as their Western counterparts) struggle in coping with both old and new social risks, but this should not deflect from the fact that welfare states have been subject to significant reform to address identified social problems.

Not only the substantive changes in social policy but also the new political dynamics pose a great problem to East Asian social policy analysis, where conventional wisdom seems exhausted. Here, we suggest the use of established tools of analysis in the “mainstream” political economy and welfare state literature (in particular those highlighting partisanship and party competition). This not only improves our understanding of East Asian welfare capitalism, it also allows us to better integrate the region into the wider comparative literature for important cross-fertilization and more robust theory development.
References


Figures and Tables

**FIGURE 1: EMPLOYMENT RATES BY ECONOMIC ACTIVITY, 1970-2012**

Source: OECD, Taiwanese Executive Yuan.

**FIGURE 2: FEMALE EMPLOYMENT RATES, 1980-2012**

Source: OECD, Taiwanese Executive Yuan.
Table 1: Fertility Rates in Japan, Korea, and Taiwan

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Source: OECD, Taiwanese Executive Yuan.

Table 2: Divorce Rates in Japan, Korea, and Taiwan

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* Taiwanese Data is from 1981 and 1991, respectively.
Source: OECD, Taiwanese Executive Yuan.

Table 3: Family Types in Japan, Korea and Taiwan

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* Taiwanese data is from 1995
Source: Japanese Statistical Bureau, Statistics Korea, Taiwanese Executive Yuan.