WELFARE CONFIGURATION:

THE EAST ASIAN NICS AND OECD COUNTRIES COMPARED

by

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DECLARATION

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ABSTRACT

This thesis examines, comparatively, patterns of welfare provisions in the East Asian NICs (newly industrialising countries) and the OECD (the Organisation for Economic Co-operation and Development) countries. It is based on the analysis of secondary data. The concept of 'the welfare state' is historically and culturally specific. It has been used for a half century, but such usage is inconsistent. Most analytical approaches to the development of 'the welfare state' do not capture the dynamics of the relationship between the state and civil society because the concept of 'the welfare state' is used in a static manner. If we wish to understand the development of welfare in the East Asian NICs a better analytic concept is that of 'welfare configuration'. It covers both the services provided by the state, and by various sectors of civil society. The study compares welfare configurations in the East Asian NICs and selected OECD countries with specific reference to education and child care provisions. Particular attention is paid to historical developments and changing social, economic and cultural forces. Four models of welfare configurations are suggested, taking into consideration: (a) type of welfare (education, child care etc.); (b) changes in welfare provision over time; and (c) government policy. It is argued that different welfare configurations are a result of different relationships between the state and civil society. The low involvement of the state in welfare in the East Asian NICs in comparison with the OECD countries is a function of a weaker civil society and stronger state power in those countries. This differential strength of civil society is related to the historical development of these nations and their geopolitical location.

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ABBREVIATIONS

CCP	Chinese Community Party
CPF	Central Provident Fund
DP	Democratic Party
EOI	Export Oriented Industrialisation
ESEA	Elementary and Secondary Education Act
GDP	Gross Domestic Product
GNP	Gross National Product
ISI	Import Substitution Industrialisation
KMT	Kuomintang, ie. Nationalist Party
MCD	Ministry of Community Development
NASDC	New American Schools Development Corporation
NICs	Newly Industrialising Countries
NWC	National Wages Council
OBRA	Omnibus Budget Reconciliation Act
OECD	Organization for Economic Cooperation and Development
PAP	People's Action Party
PRC	People's Republic of China
ROC	Republic of China
UNICEF	United Nations International Children's Emergency Fund

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INTRODUCTION

This thesis investigates the question of why the development of welfare is different in the East Asian newly industrialising countries (NICs)[1] when compared to the Organisation for Economic Co-operation and Development (OECD) countries. The welfare 'configurations' of the East Asian NICs and the OECD countries are analysed over the past two decades. It is argued that different welfare configurations are a result of different relationships between the state and civil society in different countries. In particular the low involvement of the state in welfare in the East Asian NICs in comparison with the OECD countries is a function of a weaker civil society and stronger state power in those countries. This differential strength of civil society is related to the historical development of these nations and their geopolitical location.

Research Problem

'The Welfare State' arose in a rather *ad hoc* fashion to deal with the advanced western countries' social problems. The expansion of 'the welfare state', however, was increasingly challenged after the mid-1970s, after which an anti-welfare state upsurge appeared in the 1980s. The crisis in 'the welfare state' not only caused many countries to adopt some defensive or reconstructive steps, but also paved the way for discourses that attempted to find a way out for 'the welfare state' (Alber 1988b; Culpitt 1992; Gordon and Katznelson 1988; Johnson 1987, 1989, 1990a, 1990b; Kamerman and Kahn 1989; Mishra 1984; OECD 1981; Offe 1984; Rosanvallon 1988b; Sachs 1982; Shiratori 1986).

In recent years, at least a dozen concepts have been constructed and discussed as possible substitutes for the traditional concept of 'the welfare state' (Abrahamson 1991; Berger 1990; Gilbert and Gilbert 1989; Glazer 1984; Gronbjerg 1982; Halsey 1981; Heclo 1981; Himmelstrand et. al 1981; Jones 1985a, 1985b; Johnson 1987, 1989, 1990a, 1990b; Kamerman 1983; Kamerman and Kahn 1989; Kramer 1985; Le Grand and Estrin

[1]South Korea will become a member of the OECD in 1996. Singapore has just been reclassified by the OECD as a 'developed' country. See OECD 1994a: 9, and *The Economist*, January 13th 1996: 27.

1989; Le Grand and Robinson 1984; Mishra 1984, 1990; Papadakis and Taylor-Gooby 1987; Pinker 1992; Poole 1985; Quadagno 1984; Robson 1976; Taylor-Gooby 1986). A common feature in all these discussions is that the role of government in welfare provision could be supplemented, or even replaced, by non-government agencies.

The concept of 'the welfare state' has been used for a half century, but usage is inconsistent (Alber 1988a: 451; Alber, Esping-Andersen and Rainwater 1987: 461; Graycar and Jamrozik 1993: 1-9). This inconsistency is caused by the inadequate consideration of the relationship between the state and civil society. There are two prominent limitations of the models/typologies of welfare state regimes so far provided. One is that they stress state welfare; the other is that they focus on advanced capitalist societies, especially on OECD countries. This also leads to what Jones (1993: 214) has called 'very much a Western welfare capitalist typology'.

Further, current theories of welfare development have been formulated by Western scholars to account for the expansion of 'the welfare state'. Such theories are almost exclusively based on the experiences of developed Western countries and on state welfare provision (eg. Collier and Messick 1975; Korpi 1978, 1983; Gough 1979; Mishra 1981; O'Connor 1973; Offe 1984; Skocpol 1985a, 1988, 1992, 1993; Wilensky 1975). They ignore the experiences of the developing countries.

The origins of the East Asian NICs' social welfare institutions are similar to those of developing countries. While some differences between the East Asian NICs exist, the similarities in welfare development in these countries outweigh the differences. They share the same level of development, they entered the rank of NICs in the 1970s, and they posses a strong state and weak civil society. These social forces together have shaped the development of welfare in the East Asian NICs since the post war era. In these societies the family or kinship system plays a larger or more important role in welfare provision, albeit it is more difficult to measure. This role is likely to continue, perhaps with state supplementation.

Both the state and civil society in the East Asian NICs have been undergoing dramatic political, economic, and social changes in the past 40 years. Recently, the changing relationship between the state and

civil society has become increasingly apparent. Since the 1980s, with the development of civil society and democratisation the state cannot but introduce more welfare measures to maintain its political legitimacy and economic growth. In this sense, the different experiences of welfare development in the East Asian NICs challenge not only current theories of welfare development but also the models/typologies of 'the welfare state'.

In economic terms the development of the East Asian NICs has been described as a 'miracle'. Economic policies in these four NICs have been widely discussed, but their social welfare policies have been given little attention during this process. The development experienced by these countries cannot be understood without considering social welfare. The analysis of the East Asian NICs' welfare development, undertaken in this thesis, will fill this research gap.

The thesis argues that the concept of 'the welfare state' is historically and culturally specific. Different welfare development in different countries is best understood by examining the relationship between the state and civil society in relation to welfare provision. Neglecting the welfare provisions of various sectors of civil society creates an exaggerated picture of the divergence between countries in the extent of their welfare provision. If we wish to understand the development of welfare in the East Asian NICs, the concept of 'the welfare state' is not relevant and not useful. A more useful analytic concept is that of 'welfare configuration'. That is a description of the differing involvement of the state and various sectors of civil society in welfare provision. If we talk, from the welfare provision perspective, about different 'types' of societies, then we will find different models of welfare configurations existing in different societies.

Plan of the Thesis

This thesis illustrates the centrality of an understanding of the relationship between the state and civil society for the welfare configurations that emerge in both the East Asian NICs and OECD countries. A welfare configuration is the outcome of interaction between the state and civil society in welfare provision. Particular attention is paid to changing social, economic and cultural forces in

different historical contexts. Taking state welfare intervention, type of welfare, and changes in welfare provision over the last two decades into account, four models of welfare configurations are suggested.

By reviewing recent literature on existing typologies of welfare state regimes, it is argued in Chapter One that focusing on the OECD countries and emphasising the welfare provision of the state sector, rather than of various sectors of civil society, produces limited typologies of 'the welfare state'. A more comprehensive perspective is needed if we are to compare welfare provision in different countries, and the concept of welfare configuration is introduced and defined to analyse welfare provision in the East Asian NICs and OECD countries.

The relationship between the state and civil society is important to understanding welfare development in different countries. Chapter Two focuses on the roles of the state and civil society and their relationship by exploring classical and contemporary debates on the state and civil society.

Chapter Three elucidates and presents an analytical framework of the relationship between the state and civil society in welfare provision. By drawing attention to the welfare state-society relation, this chapter develops and uses the notion of 'welfare configuration'. This notion provides a better approach for understanding different welfare developments in different countries.

Chapter Four describes state development and the place of welfare in the East Asian NICs, and compares welfare expenditures and structure in the East Asian NICs and OECD countries. It shows that in any cross-national comparison it is impossible to neglect the historical processes of interplay between the state and civil society. Analyses of state welfare (public expenditures) alone tend to produce a distorted picture of policy outcomes. A fuller understanding can only be provided by examining the welfare configurations produced by the interaction of the state and various sectors of civil society.

Chapters Five and Six demonstrate that in the East Asian NICs and OECD countries there are different welfare configurations, using as examples the provision of education and child care. Chapter Five explores welfare configurations by examining education in Australia, Sweden, the USA, Singapore and Taiwan. Chapter Six examines and explains welfare configurations of child care provision in the East

Asian NICs (Hong Kong, Singapore, South Korea and Taiwan) and the five OECD countries (Australia, Japan, Sweden, the UK and the USA). In both Chapter Five and Chapter Six the countries used in the comparisons are from the OECD countries and the East Asian NICs. However some different countries are used in each chapters. The decision on which countries to compare was made on the basis of an assessment of both the availability and reliability of the data sources. The family as a provider of child care in the East Asian countries is stronger than in the Western OECD counterparts. A comparison of welfare configurations of education and child care provision in these countries shows that the state and various sectors of civil society share the responsibility of welfare to varying degrees.

Chapter Seven focuses on the differences demonstrated in Chapters 4, 5 and 6 by analysing the history of welfare development in these countries in order to explain why welfare development is different in the East Asian NICs compared to the OECD countries. The different articulation between the state and civil society among these countries is, to an important extent, a key to account for these differences. More specifically, the East Asian NICs and the OECD countries exhibit their differences along five dimensions. They include the construction of civil society, the role of trade unions, the extent of the development of social citizenship, the direction of development strategy and the influence of the external environment.

In the concluding chapter, the thesis returns to the key question of why welfare development is different in the East Asian NICs compared to the OECD countries, and addresses changes and challenges of welfare development, in particular in the East Asian NICs.

CHAPTER ONE

'THE WELFARE STATE'

There have recently been several works which seek to classify welfare states into different types. These models and typologies are mostly generated from 'ideal-type' classifications derived from empirical cross-national or comparative studies on advanced welfare states (eg. Flora 1986; Esping-Andersen 1990; Mishra 1990; Pfaller et al. 1991; Ginsburg 1992). They are based on the historical outcomes of the developmental experiences of advanced welfare state regimes, OECD countries in particular.

The main purpose of this chapter is to review this recent literature on the typologies of welfare state regimes and point to a new typology. First, Bismarck and Beveridge's two models of the welfare state before 1945 are described. Second, the typologies of welfare state regimes from the early post-war era to the mid-1970s (the welfare state in crisis) are explored. Third, I discuss the typologies of the 'post-crisis' welfare state, particularly after the 1980s. Finally, a more comprehensive perspective for comparing welfare provision in different countries is presented.

Models of the Welfare State Before 1945: From Bismarck to Beveridge

Bismarck: The Original Model of the Welfare State

Widely seen as the starting-point of the welfare state is the German social insurance arrangement developed at the end of the 19th century. In 1881, the German Emperor proclaimed that he wanted to create something valuable for the workers but also their masters. His strategy was to maintain social order by granting social insurance against the risks of occupational injury, invalidity and illness and old age. His Chancellor, Pince Otto von Bismarck, implemented these policies (Olsson et al. 1993: 17).

Essentially, this model was based on the nation-building ideals of the Second Reich, in which social insurance was used to strengthen the then independent states into a single administration, boost its

international industrial and military status, and dissolve the threat to the regime from industrial workers. The Bismarckian social insurance schemes were highly political, a typical feature of them being their selectivity or corporatism, with the aim of covering industrial workers as a social category with a common interest. Therefore, it is difficult to say that the Bismarckian social insurance schemes regarded industrial workers as a collective, and sought to bring employees and employers together with the state as a third partner. Rather, 'the proposal,... grew out of practical experience of voluntary, and to some extent, company sponsored insurance schemes, supplemented with analytical work by, in particular, German state theorists' (Olsson et al. 1993: 17).

Beveridge: The Paradigm Model of the Welfare State

The 'Beveridge Report', *Social Insurance and Allied Services*, was published in Britain in 1942 and became the paradigm model for the post-war welfare state. However, as a system of truly national insurance which provided a safety-net for all, it was only one step towards the alleviation of poverty and other social ills (Riley 1992: 197). As its author claimed:

> Social insurance fully developed may provide income security: it is an attack upon Want. But Want is one only of five giants on the road of reconstruction and in some ways the easiest to attack. The others are Disease, Ignorance, Squalor, and Idleness. ... The State should offer security for service and contribution. The State in organising security should not stifle incentive, opportunity, responsibility: in establishing a national minimum, it should leave room and encouragement for voluntary action by each individual to provide more than that minimum for himself and his family. (Beveridge 1942: 6)

Beveridge's claim to be regarded as one of the founding fathers of the British welfare state rests on much more than his Report of 1942 (Lynes 1984: 90). In *Full Employment in a Free Society*, which constructed the second part of his national plan for citizenship and outlined a detailed illustration of the policies needed to prevent unemployment in postwar Britain, Beveridge (1944: 36) was so convinced of the necessity of government action that he asserted, 'Full employment cannot be won and held without a great extension of the responsibilities and

powers of the State exercised through organs of the central Government.' Basically, the responsibilities of the state were vast and the notion of the welfare state was that of a social service, ensured via insurance (Riley 1992: 197). More importantly, the state was regarded as existing for all the citizens, as he alleged, 'acceptance by the state of responsibility for full employment is the final necessary demonstration that the state exists for the citizens— for all its citizens— and not for itself or for a privileged class' (Beveridge 1944: 252).

Broadly, the Beveridge plan has four main features: (1) universal participation, (2) flat-rate benefits, (3) benefits financed from contributions, and (4) a national minimum. That is, it turned its attention from selectivity to universality whereby the individual members of the community as a whole should be covered by social insurance or security; benefits should be supplied at a flat rate; contributions should be flat rate; and in the form of a national minimum. This idea was regarded as a key step away from the previous system of limited public assistance (Olsson et al. 1993: 20-21).

Beveridge's idea of universality in social security was linked to a subsistence level of provision. The national minimum was regarded as a safety net that would stimulate citizens to pursue the virtues of thrift[1]. Briefly, his goal was 'a national minimum— a minimum income for subsistence; a minimum of provision for children; a minimum of health, of housing, of education.' As Beveridge (1943: 143, quoted in Pinker 1992: 275) argued, 'Being a minimum only it leaves room and incentive to individuals to add to it themselves according to their personal capacities and desires.'

In his view, state intervention and self-help were not incompatible; rather they were complementary welfare principles. Beveridge contemplated and supported the future growth of occupational and private pension schemes. Beveridge was convinced of the moral and practical value of the voluntary sector, and he suggested that statutory assurances of subsistence would foster not only self-help in the private sphere, but also altruism in the voluntary sector.

According to Pinker (1992: 275), 'Beveridge's insurance principle expressed par excellence the values of welfare pluralism insofar as it

[1]ie. Beveridge was obviously opposed to the idea of welfare as charity.

combined statutory intervention with direct personal responsibility.' As far as all the other vital service sectors were concerned, Beveridge left broad room for the development of the private and voluntary sectors. Pinker (1992: 276) further argues, 'Beveridge should be remembered as a welfare pluralist who put forward a model of service provision that was neither institutional nor residual. The model outlined in his Report is best described as a horizontally layered, mixed economy of welfare, in which the state guarantees a basic level of provision.'

Recently, with the critique of the welfare state by the New Right, it is clear that 'the optimistic assumptions which underpinned the Beveridge Report have been under siege' (Riley 1992: 197). In fact, Beveridge's hopes had already tripped with the publication of the 1953 edition of his Report. As Riley (1992: 199) comments: 'National Insurance benefits had already become rather inadequate, and increasingly they were being means-tested, rather than being given as of right. Within a very few years of the generally warm reception of the Beveridge Report, it was widely observed that the welfare state had huge shortcomings.' Generally speaking, many criticisms were aimed at Beveridge's proposals in the post-war period, since his plan did not recognise or provide for the needs of women, of one-parent families, nor for the costs of disablement. Yet, 'he deserves [credit] for transforming the rickety structure of prewar social security into a building whose foundations have proved remarkably solid' (Lynes 1984: 97).

Typologies of the Welfare State: From the Post-war to the Mid-1970s

T. H. Marshall: The Idea of Social Citizenship

Marshall's analysis of citizenship mainly focused on the inner logic of the growth of citizenship and its implications for social inequality, social justice and economic dynamism. For him, social citizenship constitutes the main idea of the welfare state. In his book *Citizenship and Social Class*, written just after the Second World War, Marshall's main idea was that modern universal citizenship is incompatible with the principle of social class, albeit that some citizen rights weaken class hierarchies more than others (Pixley 1992: 218).

Using British experience, Marshall marks the process of modernisation over the last three centuries as one of the general expansion of citizenship and identifies three kinds of rights— civil, political and social. He suggested that in the medieval period all rights depended on a person's status in the local community. As differentiation causes these local communities to decline, each right becomes governed by specialised national institutions such as the royal law courts (civil rights), parliament (political rights) and the poor law (social rights). The law, parliament and the welfare state become the three vital institutions in his tripartite analysis of citizenship. However, different rights developed in different ways and at different speeds. The first to emerge was civil rights, which become the basis for collective bargaining in the eighteenth century and in turn made possible the evolution of political rights, which upheld public opinion and national consciousness in the nineteenth century. Ultimately, increasing pressure to win civil and political rights made it possible for most people to get social rights in the twentieth century. (Marshall 1950; Pierson 1991: 22-24; Smith 1991: 29-30)

From historical analyses, Marshall argued that the growth of citizenship should give rise to a more comprehensive equality, but the continuities of social class would also sustain systematic inequalities. In the words of Marshall (1950: 31), 'it is true that class still functions. Social inequality is regarded as necessary and purposeful'. So, before the end of the nineteenth century, the growth of citizenship had little direct effect on social equality:

> Civil rights gave legal powers whose use was drastically curtailed by class prejudice and lack of economic opportunity. Political rights gave potential power whose exercise demanded experience, organisation, and a change of ideas as to the proper functions of government. All these took time to develop. Social rights were at a minimum and were not woven into the fabric of citizenship. (Marshall 1950: 46)

Then, with the advance of citizenship, social rights made absolute class-abatement possible:

> Class-abatement is still the aim of social rights, but it has acquired a new meaning. It is no longer merely an attempt to abate the obvious nuisance of destitution in the lowest ranks of society. It

> has assumed the guise of action modifying the whole pattern of social inequality. It is no longer content to raise the floor-level in the basement of the social edifice, leaving the superstructure as it was. It has begun to remodel the whole building, and it might even end by converting a sky-scraper into a bungalow. (Marshall 1950: 47)

Social rights are about the quality of life and contain education, health and welfare services so as to offer what Marshall (1963: 74) describes as 'the whole range from the right to a modicum of economic welfare and security to the right to share to the full in the social heritage and to live the life of a civilized being according to the standards prevailing in the society.' In Marshall's view, the emergence of the welfare state is not only an historical process, but is also part of a broader progressive history of expanding citizenship (Pierson 1991: 23). In this account, civil, political and social rights build the base for full membership in the community or the social solidarity of modern societies (Olsson et al. 1993: 22).

As individuals vary in their dominating resources, Marshall was aware of the pressures between the legal equality of citizenship and the real inequalities of the capitalist market. For him, a mixed economy was still the best guarantor of a welfare system which would aid citizenship rights. Yet he seriously queried whether citizenship rights within the welfare state would foster social equality. He was not overly concerned that the state power involved in securing social rights would lead to the instability of the socio-economic system. Marshall was thus in favour of state welfare and overlooked the role of non-statutory benefits.

What a welfare state could reach in terms of meeting human needs, for Marshall, was still a vital issue. By the end of his career, Marshall was giving his attention to the endless tensions between human needs and the dictates of a market economy (Marshall 1981; Riley 1992: 204). Turner argues that (1993: viii) although 'Marshall's research provided at best a description of the historical development of citizenship rights without explaining their growth', his work not only 'provided a definition of the three dimensions of citizenship', but also 'was influential and stimulated a significant growth of empirical research and conceptual elaboration.'

Richard Titmuss: Social Division of Welfare

Richard Titmuss was another key post-war welfare theorist whose ideas have had an important influence in Britain as well as in Scandinavia. Unlike Marshall, who believed that the expansion of citizenship is made possible by the achievement of social rights enshrined in the welfare state, Titmuss embraced increasing collectivism as a necessary and desirable means of reinforcing social integration.

In 1958 Titmuss agreed to the phrase 'Welfare State' showing up in his book title after considerable persuasion from his publisher, but he required the quotation marks to reveal that this was not his own description of Britain's social services. He objected to the phrase for three reasons — because it implied state patronage, the ultimate in welfare had truly been realised, and state social services were only one source of welfare provision to meet social needs. Titmuss (1968: 124) later put it, 'I did not choose this title. It was chosen for me. ... I am no more enamoured today of the indefinable abstraction 'The Welfare State' than I was some twenty years ago when ... the term acquired an international as well as a national popularity.'

In an essay from his book on *The Social Division of Welfare* (1958), Titmuss argued that social welfare is not the only form of institutionalised commitment to human well-being. With regard to state welfare or statutory social provisions, there are at least three forms of welfare:

First, fiscal welfare; fiscal policies through tax credits or tax deduction as an alternative to cash benefits;

Second, occupational welfare; occupational benefits, from fringe benefits at business level to provisions via national contracts made through bargaining by the organisations of employees and employers;

Third, social services, such as different kinds of voluntary assistance, charitable and mutual aid (Olsson et al. 1993: 23).

Titmuss classified organised welfare into four forms: social, fiscal, occupational and private. For him, social welfare refers to state welfare or statutory services, and it has certainly been the central platform of the modern welfare system. This does not mean that the significance of occupational and private welfare should be underrated, however. In other words, non-statutory forms of social service serve ends

corresponding to those of the statutory services, but there is still a normative distinction between them. Indeed, we can find these four forms of welfare, in diverse forms and to a greater or lesser extent, in different welfare states, though the welfare mix differs.

In Titmuss's view (1958: 52), the different welfare sectors bring about different political and moral outcomes though they may meet similar needs. While statutory welfare encourages unity and social cohesion, the whole tendency of occupational welfare is 'to divide loyalties, to nourish privilege and to narrow the social conscience.' As for the question of equity raised by occupational and fiscal welfare, Titmuss asks 'whether and to what extent social service dependency benefits should be proportionately related to occupational and income achievement' (1958: 52-3).

Titmuss indicted occupational welfare, root and branch, but did not discuss the voluntary sector in either *The Social Division of Welfare* or *The Irresponsible Society*. Unconditional altruism is presented in the discussion of the voluntary sector and can be found in *The Gift Relationship*. Commenting on this account, Pinker (1992: 276) points out that

> Titmuss ... was not a welfare pluralist, and his hostility to the mixed economy of welfare was uncompromising. He thought that any significant expansion in the role of the private and voluntary sectors would undermine the principle of equity, increase inequalities and weaken social solidarity. The tenacity with which the principle of a unitary and institutionally dominant statutory welfare system has been defended within the discipline of social administration in Britain owes much to the influence of Titmuss. Indeed the issues that he raised are still relevant to the current debate about welfare pluralism.

It is worth noting that Titmuss' three models of social policy come from a series of lectures published posthumously in 1974. He described the three models as: residual, industrial achievement-performance and institutional (1974: 30-32). All three models embrace 'consideration of the work ethic and the institution of the family in modern society'; but they also 'represent different criteria for making choices'[2] (1974: 32).

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[2] These three models can be indirectly attributed to both Bismarck and Beveridge, as well as American experience in this field of social action (Olsson et al. 1993: 24). The

The industrial achievement-performance model means that social welfare institutions are adjuncts of the economy, and 'social needs should be met on the basis of merit, work performance and productivity' (1974: 31). This model is closest to a modern version of the Bismarckian model and is also the cornerstone of the persistent development of social security on the European content. Yet if compared to the institutional welfare model, it is still a 'segmented' or 'fragmented' welfare system (Olsson et al. 1993: 25). As a classification, Titmuss's three models of social policy are useful, but as a typology for describing the welfare state it has been criticised for two basic reasons: first, 'most actual welfare states embrace elements of all three models', and secondly, 'in practice it has been used to underpin *evolutionary* accounts of the development of the welfare state from a residual through an industrial achievement-performance towards an institutional basis' (Pierson 1991: 185).

Wilensky and Lebeaux: Residual vs Institutional Welfare

According to Wilensky and Lebeaux (1965: 138), the residual and the institutional are two dominant conceptions of social welfare in America. The residual (or marginal) view of the role of welfare deems that state provisions 'should come into play only when the normal structures of supply, the family and the market, break down'. This formulation is based on the premise that an individual's needs can properly be met via two 'natural' (or in Titmuss' words, 'socially given') channels: the family and the market economy (Wilenskey and Lebeaux 1965: 139; Titmuss 1974: 30).

Wilensky and Lebeaux argued that while the residual concept has changed since the Great Depression of 1929, it may still, and often does, mean a minimalist and only formalised residualist view of welfare (Bryson 1992: 56). As Wilensky and Lebeaux (1965: 139) argue, 'it does not reflect the radical social changes accompanying advanced industrialisation, or fully account for various aspects of contemporary social welfare activity.'

An institutional view considers welfare provisions as 'normal, "first line" functions of modern industrial society' and 'implies no

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trichotomy derived from a dichotomy: residual vs. institutional welfare , developed by Wilensky and Lebeaux (1965).

stigma, no emergency, no "abnormalcy" (Wilensky and Lebeaux 1965: 138-40). According to Titmuss (1974: 31), 'this model sees social welfare as a major integrated institution in society, providing universalist services outside the market on the principle of need'. In Wilensky and Lebeaux's words (1965: 140), social welfare was 'a proper, legitimate function of modern industrial society in helping individuals achieve self-fulfillment.' In this sense, Sweden is a perfect example of this model in the world (Mishra 1981; Johnson 1987).

Typologies of the 'Post-crisis' Welfare State

Esping-Andersen: The Three Worlds of Welfare Capitalism

The welfare state has been approached both narrowly and broadly. According to Esping-Andersen (1990: 1-2), those following the 'narrow' approach sees it as 'the traditional terrain of social amelioration: income transfers and social services, with perhaps some token mention of the housing question.' Those who take a broader view see it in terms of political economy, and in their view 'issues of employment, wages, and overall macro-economic steering are considered integral components in the welfare-state complex.' In his book, *The Three Worlds of Welfare Capitalism,* Esping-Andersen (1990) follows the broad approach, since his aim is to grasp the 'big picture' rather than dwell on the detailed characteristics of varied social programs.

Esping-Andersen views the welfare state as a major institution in the construction of different models of post-war capitalism. As he puts it, 'to study the welfare state is... a means to understand a novel phenomenon in the history of capitalist societies' (Esping-Andersen, 1990: 1) and 'to talk of "a regime" is to denote the fact that in the relation between state and economy a complex of legal and organizational features are systematically interwoven' (Esping-Andersen, 1990: 2). This is also why he prefers to use terms such as 'welfare capitalism' and 'welfare-state regimes'.

According to Esping-Adersen, first, 'existing theoretical models of the welfare state are deficient', and second, 'only comparative empirical research will adequately disclose the fundamental properties that unite or divide modern welfare states' (Esping-Andersen, 1990: 2-3). He attempts to reveal how varied policy instruments lead to the

shaping of different welfare state regimes. The regimes which cluster around three ideal regime types are identified as liberal, conservative (or corporatist) and social democratic. In terms of their main characteristics and expressed according to Titmuss' typology of welfare models, one can summarise these three regime types from typical exemplars as follows (see Table 1.1).

Table 1.1 Esping-Andersen's Three Worlds of Welfare Capitalism

	Liberal	**Conservative**	**Socialist**
Titmuss' typology of welfare models	Residual	Industrial performance	Institutional
Typical exemplars	Australia, Canada, United States	Austria, France, Germany, Italy.	Scandinavian countries like Norway & Sweden
Main characteristics	1. Assistance is afforded chiefly via means-tested and modest universal transfers or social-insurance plans; 2. Entitlement rules are strict, benefits are modest, recipients are mainly clientele of low-income, and seemingly easily stigmatised; 3. Social reform has been bound by traditional, liberal work-ethic norms; 4. The state encourages the market via insuring only a minimum or subsidising private welfare schemes.	1. The state fully ready to replace the market as a provider of welfare private insurance and occupational welfare is minimal; 2. The state plays a key role not only in admitting the legitimacy of social rights but also in keeping class and status differences, so its redistributive effect is minor; 3. In many case the corporatist regimes are shaped by the Church; 4. Greatly stresses the role of family support. The state should support and deliver only when the family's capacity is unable to provide.	1. Main aim is to promote equality of the highest standards via the principles of universalism and de-commodification of social rights; 2. Benefits are graduated according to earnings but all strata are unified in a universal insurance system; 3. The state is seen as the chief means of realising the social rights of all its citizens; 4. The fusion of welfare and work means it is committed to the principle of full employment, and fully relying on its attainment.

Source: Esping-Andersen 1990: 26-29.

Esping-Andersen (1990: 28) also recognises that 'there is no single pure case' in any of the three welfare state regimes. Yet, throughout the book, his main endeavours are focused on describing the regime types. It is worth noting that Esping-Andersen adds two new dimensions, de-commodification and stratification, to the debate about welfare models or policy regimes. By 'de-commodification' he means the degree to which 'citizens can freely, and without potential loss of job, income, or general welfare, opt out of work when they themselves consider it necessary' (Esping-Andersen 1990: 23). In brief, it 'refers to the degree to which individuals, families, can uphold a socially acceptable standard of living independently of market participation' (Esping-Andersen, 1990: 37). Stratification has a more sociological usage, but it is also important when considering how the welfare state impacts on the distribution of life-chances. In Esping-Andersen's words (1990: 58), 'welfare states may be equally large or comprehensive, but with entirely different effects on social structure. One may cultivate hierarchy and status, another dualism, and a third universalism. Each case will produce its own unique fabric of social solidarity.'

Esping-Andersen not only makes an effort to construct a typology of three regimes of welfare capitalism, but also tries to create three further measures of stratification. On the basis of the index of de-commodification and measures of stratification, which are seen as being mutually upholding, he divides 18 nations into three clusters which correspond closely to the groups of stratification. These classifications are shown in Table 1.2.

Esping-Andersen's comparative study of welfare capitalism drew both praise and criticism. The advantages are:

1 He has made an important contribution to understanding the structure and the development of the welfare state and of its influence on social and political life (Papadakis 1991: 98).
2 His study has status as a milestone that all future research on the welfare state will have to take as a point of reference (Huber 1992: 555).
3 There are many useful insights into the mechanisms peculiar to each country that have led to particular outcomes (Papadakis 1991: 98).

4 His model is the most successful attempt thus far to develop a quantitative approach to a class analysis of comparative social policy. (Ginsburg 1992: 23)

5 His classifications provide a more interesting and differentiated picture of welfare provision than any relying on aggregate expenditure alone (Castles and Mitchell 1992: 9).

Table 1.2 Esping-Andersen's Three Worlds of Welfare Capitalism in Terms of De-commodification and Stratification

	De-commodification	
Low	Medium	High
Australia	Italy	Austria
United States	Japan	Belgium
New Zealand	France	Netherlands
Canada	Germany	Denmark
Ireland	Finland	Norway
United Kingdom	Switzerland	Sweden
	Stratification	
Liberal	Conservative	Socialist
Australia	Austria	Denmark
Canada	Belgium	Finland
Japan	France	Netherlands
Switzerland	Germany	Norway
United States	Italy	Sweden
United Kingdom*	Ireland*	New Zealand*

Source: Esping-Andersen 1990: Tables 2.2 and 3.3

Note: All nations scored 'strong' on their own stratification label, while nations marked by '*' scored 'medium'.

The disadvantages are as follows:

1 The interpretation and the indices used to measure the regime types are open to dispute (Papadakis 1991: 97).

2 His quantitative analysis of welfare states make less of issues such as race and gender (Ginsburg 1992: 23).

3 His quantitative analysis which still relies on linear models and cross-sectional data provides an inadequate basis for understanding the phenomenon of conjunctural causation and the possibility of multiple paths to the same outcome (Huber 1992: 555).

4 His model has not been applied to the policy areas of health care, family benefits and services, education and housing. It also cannot account for fiscal welfare (Ginsburg 1992: 23).

Castles and Mitchell: Three Worlds of Welfare Capitalism or Four?

Researchers in this field, frequently motivated by the positioning of their country in the 'wrong' box, have expanded this approach. It is worth noting that, among others, Castles and Mitchell (1992) take Esping-Andersen's study as a starting point and question his conclusions. Using their empirical analysis of the linkages between politics (welfare effort), instruments and outcomes, Castles and Mitchell (1992: 2) suggest that there is 'a fourth "radical" world' to which several nations belong (see Tables 1.3 and 1.4).

Table 1.3 Welfare Expenditure, Benefit Equality and Taxes

	Household Transfers as a Percentage of GDP	
	Low	High
Average Benefit Equality		
Low	Canada Japan Switzerland United States	Austria France Germany Italy Netherlands
High	Australia Finland Ireland New Zealand United Kingdom	Belgium Denmark Norway Sweden
Income & Profit Taxes as a Percentage of GDP		
Low	Ireland Japan Switzerland United States	Austria France Germany Italy Netherlands
High	Australia Canada Finland New Zealand United Kingdom	Belgium Denmark Norway Sweden

Source: Castles & Mitchell 1992, Table 2 and 3

Table 1.4 Political Configurations and Worlds of Welfare

		Non-Right Incumbency			
		Low		High	
Low		**Canada** (Rad) **France** (Con) Ireland Switzerland USA	**LIBERAL**	Germany Italy Netherlands	**CONSERVATIVE**
Trade Union Density					
High		Australia New Zealand United Kingdom	**RADICAL**	**Austria** (Con) Belgium Denmark **Finland** (Rad) Norway Sweden	**N-RH**

Source: Castles & Mitchell 1992: Table 4.
Note: N-RH refers to non-right hegemony.

They believe that 'the four worlds model is a better predictor of redistributive outcomes than either a conventional welfare effort "leaders and laggards" model or Esping-Andersen's typology based on social policy instruments' (Castles and Mitchell 1992: 24). Nonetheless there are a variety of problems. The model has to await the expansion of the Luxembourg Income Study Project (LIS) dataset to test the degree of fit of both models against complete data from all 18 OECD countries included in the typologies of Esping-Andersen, and Castles and Mitchell. Like Esping-Andersen, state welfare remains the focus of Castles and Mitchell's typology, and the non-statutory welfare sector seems to be neglected in their study. More importantly, their study of 18 OECD countries is restricted to Western advanced countries alone and little attention is paid to the East Asian NICs. It would be useful to incorporate countries beyond OECD into their typology of welfare state regimes; this would also be conducive to testing its validity.

Johnson: Welfare Pluralism and the Mixed Economy of Welfare

According to Pinker (1992: 283), 'the nature of the British social services since the Second World War has been predominantly pluralist rather than institutional or residual', yet the welfare mix established in the post-war period has been under threat since the mid-1970s. In recent years, with a response to the alleged crisis of the welfare state, concepts of 'welfare pluralism' and 'the mixed economy of welfare' have been much discussed in the social policy or social welfare field. As Johnson (1987: 54) has stated:

> In most ... welfare states... policies of retrenchment have been introduced, and although the rhetoric of retrenchment has exceeded its practical application, a change of emphasis has undoubtedly occurred. This change in emphasis finds its expression in welfare pluralism: a reduction or reversal of the state's dominance in welfare provision and an increase in the role of the informal, voluntary and commercial sectors.

Gould (1993: 7) insists that these moves towards welfare pluralism in the West 'were a response to a logic of events which in an important way was linked with the success and structure of the Japanese economy.' Morris and his colleagues (Morris 1988: 6) also have described how during the 1980s, there were a series of fundamental changes:

(1) The rate of increase in public expenditure was curtailed.
(2) Costs for public services were consistently increased.
(3) Entitlement or eligibility for some benefits was tightened minimally.
(4) Privatisation of welfare occurred in many public services.
(5) The state shifted from welfare provider to welfare producer in the movement to a mixed welfare economy.
(6) There was an increase in means testing.
(7) Social programs were increasingly evaluated in terms of their impact on economic development.

Why has 'welfare pluralism' or the 'mixed economy of welfare' become a widely popular concept, open to many different interpretations? According to Pinker (1992: 282), there are two reasons: 'first, as a concept it provides more accurate descriptions of the British welfare state, past and present, than do the concepts of "institutional"

and "residual" welfare; secondly, the differences in our interpretation of it relate to inferences about future intentions as to present realities.'

What then is 'welfare pluralism'? Welfare pluralists Hatch and Mocroft (1983: 2) have described it as follows:

> In one sense welfare pluralism can be used to convey the fact that social and health care may be obtained from four different sectors— the statutory, the voluntary, the commercial and the informal. More prescriptively, welfare pluralism implies a less dominant role for the state, seeing it as not the only possible instrument for the collective provision of welfare services.

Under welfare pluralism, there are two major themes: decentralisation and participation. The former refers to 'a movement of power from central government to local authorities and from local authorities to the neighbourhood or "patch".' The latter means that 'welfare pluralists favour citizen, consumer and employee participation not simply in service provision, but also in decision-making' (Johnson 1989: 21).

What is 'the mixed economy of welfare'? In Johnson's words (1990b: 145), it refers to 'the provision of health and welfare services by a variety of suppliers. Four sectors are usually identified as being concerned with welfare: the state sector, the commercial sector, the voluntary sector and the informal sector of families, friends and neighbours.'

Clearly, the two terms decentralisation and participation are used to depict a reduced role for state intervention in welfare and a correspondingly increased role for the other three non-statutory sectors; the state's role has been a central issue in the debate. Yet Le Grand and Robinson (1984) show that the state does not have only one role in welfare. There are three broad areas of state intervention: provision, finance and regulation. The New Right would wish to see a reduction of the state's role in all three areas. Welfare pluralists Hadley and Hatch (1981), who may be taken as leading proponents of welfare pluralism, argue for the retention of the state's role in finance and regulation, along with a diminution of its role in direct welfare provision.

Johnson insists (1989: 17), however, that 'some doubt is cast on the capacity and the desirability of the informal and voluntary sectors

substituting for the state in social service provision,' as the number of dependants is rising and the family is undergoing social changes (declining family size, the increasing participation of women in the labour market and rising divorce rates) these may reduce the state's capacity to provide care. The voluntary sector bothers about problems of uneven and incomplete coverage, equity, fragmentation and accountability. As for the commercial sector, there are also serious difficulties in securing effective control and regulation. Particularly when a large proportion of private concerns are subsidised from public funds.

Johnson thus doubts whether the informal, voluntary and commercial sectors are able to substitute effectively for the state without adverse consequences for welfare provision. Johnson (1990b: 161) warns that if they 'cannot respond in the ways and to the extent expected of them, then any reduction of statutory activity will merely serve to legitimate cuts in public expenditure and the development of market provision.' 'Welfare pluralism is as much the outcome of a failure of political nerve as that of a resurgence of ideological confidence', Pinker (1992: 282) suggests two factors causing this: 'a loss of public confidence in both major political parties and the deteriorating state of the British economy.' Johnson thus argues that the debate about the welfare mix should pay attention to the main task of reforming state service rather than the transfer of welfare responsibilities from the state to the non-statutory sector. In Johnson's words (1990b: 162), 'a debate about how to achieve greater decentralization and participation is likely to prove more fruitful than debates about how to change the welfare mix.'

Johnson concludes that there appears to be very little possibility of the state's major role in welfare provision being successfully transferred to the informal and voluntary sectors, but this should not be used an excuse for maintaining the status quo. New ways of organising, providing and financing welfare must be sought in order to keep the statutory services much more responsive to social needs.

Rose: The Welfare Mix

The term 'welfare mix' was first coined by Richard Rose (1985a) and comes from the reflection that ordinary people meet their needs of everyday life in three different social institutions: the household, the market and the state. For him, 'the welfare state is a familiar phrase, but it is also misleading.' (Rose 1989: 130) Though important, the state's role in producing welfare is not a monopoly. Consequently, comparing societies merely regarding the state's provision of welfare can be misleading, and 'a crisis of the welfare state is not a crisis of welfare in society.' (Rose 1986: 36) Welfare is the conjoint product of the whole of society, which is produced by what Rose calls the welfare mix. Such a mix has five crucial features:

(1) It amounts to total welfare in society (TWS), which can be set out by a simple formula: TWS = H + M+ S, in which H equals the household production of welfare, M equals welfare bought and sold in the market, and S equals welfare produced by the state.

(2) The mix is logically independent of total welfare in society and can take many different forms, ranging from monopoly provision to the provision by each source of one-third of a given welfare service.

(3) Substitution and growth in welfare has the potential to alter the mix totally; the growth of total welfare in society reflects a net increase, yet if one sector expands by substituting for another, then it does not necessarily produce a net increase.

(4) It stresses interdependences between the three sources, which are imperfect providers of welfare, but the strengths of each sector often compensate for the limitations of the others.

(5) In mixed societies, families have many ways to sustain their welfare by changing the mix of resources.

Following the five welfare products identified as central by Wilensky (1975: 1), Rose adds two items to construct his seven major welfare concerns: income, food, housing, personal social services, education, health, and transportation. Depending upon whether or not the service is monetised at the point of production or at the point of consumption, Rose (1986: 17) identifies four different ways of providing a given welfare service:

(1) The market: production and consumption of services monetised, eg. private education.

(2) The state: production monetised, but consumption on a non-market condition, eg. public education.
(3) The household: neither production nor consumption monetised, eg. a father teaching his son how to use a saw.
(4) Barter: a market exchange without money, eg. a teacher giving tuition to a plumber's child in return for household repairs.

Unlike welfare pluralists, Rose neglects the voluntary sector in his analysis of the welfare mix. In his view (1989: 134), American non-profit institutions are only a derived form of market provision: 'since profit is a small portion of the total cost of producing a service, the cost per beneficiary is virtually the same in these organisations as elsewhere.'

The state's provision of welfare has crowded out neither the market nor the household. Rose (1989: 135) argues that to understand welfare in society, one must understand what the state does and does not contribute to the welfare mix. Monetisation, industrialisation and economic growth have caused an expansion in total welfare in society. In order to understand changes in total welfare one must thus understand 'the decline of the traditional role of the household; the monetisation of welfare production by the Industrial Revolution; and the fiscalization of welfare production by the state.'

Historically, the family system has been the most fundamental unit of support. Until recent times it was not only the key source of social support for individuals, but also the crucial method of distributing essential goods and services for everyday life. With industrialisation, urbanisation modernisation and most importantly the development of capitalism, the role of the market gradually extended. Obviously, market mechanisms do not ensure an adequate income for everyone. Only government can meet the non-labour market income maintenance needs in industrial societies (Graycar and Jamrozik 1993: 2). State intervention thus was not only seen as an inevitable means to supplement the family's role of social support where the market falls short of provision, but also regarded as 'an outcome of this contradiction between the survival needs of workers and their household and family members, and the drive for profitability inherent in the structure of capitalism' (Bryson 1992: 71).

Prior to 1945 the provision of welfare by the state was frequently of less importance in ordinary people's lives than the role of the market and household systems. Yet, social policy in the post-war era tended to be made either without much reference to the non-statutory sectors, or around unfounded, ideological images of them. In recent years, this has changed. Governments are cautiously looking for a more explicit welfare mix to integrate and balance the sectors, and particularly, to reduce the state's role in both the funding and the production of welfare services (Baldock 1993: 29).

In comparisons of welfare states, the United States was always regarded as 'reluctant' or 'laggard' (Wilensky 1965: xii; Bryson 1992: 99). Yet, Rose insists, such an analysis ignores the conjoint importance of the welfare mix. Insofar as state and market are added together, then the United States spends a higher proportion of the national product on health than many European countries. This is most evident in international comparisons, particularly in comparison of First and Third World societies, 'for a characteristic of the Third World is that most production and consumption is *not* monetized; the household is of primary importance' (Rose 1986: 15). In East Asia, for example, the primary responsibilities for welfare will not be carried out without family (Rose 1985b). Rose's simple model of the welfare mix provides a new comparative base of social welfare configurations in different societies, particularly in comparisons of the East Asian NICs and the OECD countries.

Abrahamson: The Welfare Triangle

Similarly, Abrahamson (1991: 238) has represented the welfare mix in Europe as the 'welfare triangle'— market, state, and community. It is worth noting that community not only replaces household in Rose's welfare mix model, but is also often equal to civil society in his context (see Figure 1.1). Abrahamson shows that the three areas of the 'welfare triangle' have their corresponding media: money, power and solidarity. In the market arena, the accessibility of welfare is by means of buying goods and services. In the state arena, distribution is the product of political power. In the civil society arena, allocation is an expression of formation of solidarity, and the family, among others, is the most important.

Using the welfare triangle to describe European countries in the post-war period, Abrahamson (1991: 239) argues that:

> Traditionally, Western Europe has emphasized market solutions, while Eastern Europe has favored state solutions. In both the East and the West, the Southern countries— the Mediterranean region— have emphasized family, household, and community assistance over both market and state programs, while such community forces have diminished in the North.

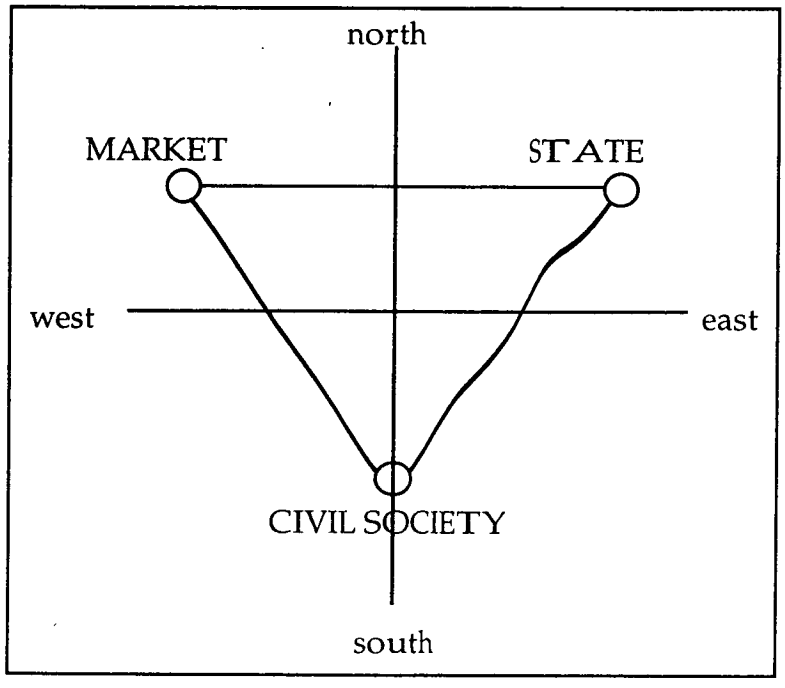

Figure 1.1 The 'Welfare Triangle' in Post-World War II Europe
Source: Abrahamson 1991, Figure 2.

Since the mid-1980s, the triangle seems to be altering rapidly. The East is expanding the role of the market (Westernised). The West is moving towards a larger role for civil society solutions (modernised 'Southern' forms). The South is modernising and initiating both state and market forms of welfare provision.

Regarding the organisation of social policy in a future Europe, Abrahamson identifies the three tendencies: 'privatization means commodification, decentralization means "communization" and debureaucratization means deprofessionalization' (Abrahamson 1991: 239). Yet by examining welfare state types within clusters of countries, that is, by combining Leibfried's typology and Bislev and Hansen's four 'idea-types' of European social policy (see Tables 1.5 and 1.6),

Abrahamson concludes that there will be three distinct political approaches to welfare provision by the year 2000. These three scenarios are: the dual welfare society, the corporate welfare state and community welfare or welfare socialism. He suggests that 'the first two scenarios: the dual society, or the "two-third" society, could well be the reality in 1990s Europe.' (Abrahamson 1991: 261) In other words, the overall development of European welfare systems in the 1990s will likely move towards 'Americanization', with a move away from the modern or Scandinavian model to a corporatist model for welfare policy.

Table 1.5 Leibfried's Four Types of European Welfare States

	Scandinavian	Bismarck	Anglo-Saxon	Latin Rim
Type of welfare regime	Modern	Institutional	Residual	Rudimentary
Characteristic	Full employment	Full growth	Full growth	—
Welfare state as	Employer of first resort	Compensator of first resort	Compensator of last resort	A half-institutionalized promise
Right to	Work; backed up by an institutionalized concept of social citizenship	Social security; backed up by an institutionalized concept of social citizenship	Benefits; no such back up	Work and welfare proclaimed; only implemented partially
Basic income debate	Marginal, but may improve income packaging	May radicalize somewhat the decoupling of work and income	May support development of "normal" welfare system	May support development of "normal" welfare system

Source: Leibfried 1990, quoted in Abrahamson 1991: Table 9.

Table 1.6 Bislev and Hansen's Four 'Ideal-Types' of European Social Policy

	Catholic	Corporatist	Liberalist	Social democratic
Countries	Latin Rim	Federal Republic of Germany	Anglo-Saxon	Scandinavian
Main features	Residuality; leans on and urges paternalistic family patterns, individual thrift and responsibility, and private charity	Accents workers' social insurance, organized and mainly financed by contributions from employers and employees, but supported by the state	Highlights universal, mandatory social insurance, with low flat-rate benefits; welfare system is financed by taxation	Stress universality, prevention, and the protection of living standards and work abilities; services are superior to transfers

Source: Bislev & Hansen 1989, adapted from Abrahamson 1991: 257.

As a model of welfare change, the welfare triangle is likely to underscore demographic, economic and social factors rather than the political factors shared by many European countries. Though the comparative effect of these pressures differs from country to country, the direction of welfare change is the same everywhere, as governments are obliged to balance the responsibility between state, market and household. In fact, the welfare triangle is an imperfect model, for welfare systems everywhere seem to be altering into the left-hand half of the triangle. The evidence also reveals western countries are more and more stressing market mechanisms.

Yet we must recognise that reality does not often follow the ideal-type of a simple model. By and large, the welfare triangle still provides 'a useful summary of the potential variety of welfare mix arrangements and a framework for describing and explaining the direction of change' (Baldock 1993: 30-31). However, the validity of the model of welfare triangle needs to be further examined. Apart from European countries, insofar as other societies are incorporated as comparative cases such as America, Australia and the East Asian countries, including Japan and NICs, then the model of welfare triangle might be well examined.

Summary

Drawing on the work of Rose, who develops the concept of the 'welfare mix', and Abrahamson who develops the concept of the 'welfare triangle' I propose to use the concept of a welfare configuration.

A welfare configuration is the empirical outcome of the relationship between the state and various sectors of civil society with respect to particular fields of welfare. A particular welfare configuration will therefore describe (a) the differential impact of the state and various sectors of civil society on welfare provision and, importantly, will do so in respect to (b) a particular welfare area e.g. education, health and child care.

However, before examining specific welfare configurations it is necessary to first examine sociological writings on the state and civil society to clarify the concepts (the purpose of the next chapter, Chapter Two), second, to explore the welfare state-society relation (Chapter Three), and finally, to examine in general terms the differential impact of the state in welfare provision in OECD countries and the East Asian NICs (Chapter Four).

CHAPTER TWO

THE STATE AND CIVIL SOCIETY

The state and civil society constitute separate and distinct institutional spheres constituted through different but interrelated processes. The state is deeply involved in the institutions and processes of civil society through its powers to make law as well as its various policies. Civil society also influences the structure and process of state apparatus via its social and economic resources. Civil society is analytically separate from the state but empirically the relationship is dynamic and symbiotic. It is argued that a fuller understanding of the relationship between the state and civil society should include the family in civil society.

The objective of this chapter is to explore how classical and contemporary social scientists, in particular sociologists, have understood the relationship between the state and civil society. Three questions are central: What is the state? What is civil society? What is the relationship between the state and civil society?

Classical Debates

The State/Society Dichotomy

Although there is some theoretical dispute about the relationship between the state and society, we can divide diverse viewpoints into two main schools: 'society over state' and 'state over society'. There are two representatives on the perspective of state vs. society: Locke held that civil society was prior to and outside of the state; Hegel argued that the state was superior to civil society. The former regarded society as a reality prior to the state, which for him was a political organisation set up by people to defend their interests and provide for their security. In other words, the state can and should be seen as an 'instrument' for its citizens to defend their 'life, liberty and estate' (Held 1989: 19). Upon this account, the state is a 'necessary evil' and nothing more than an apparatus of real social welfare for its citizens. In contrast, Hegel highlighted the role of state in dominating and shaping society, and

considered society as inferior to the state in respect of their interrelations (Pelczynski 1984: 2; Riley 1992: 184).

In the eighteenth century, 'civil society' was regarded as a state of civility and as the product of civilisation. In the nineteenth century the concept of civil society was closely examined by Hegel in his *Philosophy of Right* (Pelczynski 1984: 1). It is likely that Hegel was the first to organically elaborate the distinction between 'civil society' and the 'state'. In the long run, the term appeared in sociology through the analyses of Hegel and of Marx (Abercrombie et al. 1994: 56).

In Hegel's view, the state is positive. The state is not only the creation of humanity but also the expression of its collective will on the basis of rational decisions. So it is possible as a means of realising the common good and fulfilling individual self-expression (Waters and Crook 1993: 216). Civil society, Hegel argued, was an intermediate institution between the state and the family. In his schema the state was the final stage in the development of a series of 'ethical communities' in the rise of social evolution, but it alone had the ability for the type of 'universality' required to constitute citizenship (Riley 1992: 184). For Hegel, 'civil society cannot exist without the state, and in virtue of its nature cannot achieve "universal freedom". The modern state embodies reason, not by absorbing civil society but by guarding certain of the universal qualities upon which it is predicated' (Giddens 1985: 20-21).

Sociologists and anthropologists usually see the state as a way of organising society. Marx, Durkheim and Weber viewed the state as one form in which humans have organised their social existence (Vincent 1992: 46-47). Though these founding fathers of sociology often used the broader study of society to account for the state, there exist some divergences between them on state and society and/or civil society. Here, I will explore how they have understood the relationship between state and society and/or civil society.

Marx on 'state' and 'society'

For Marx, the state is an instrument for the restriction and alienation of human nature rather than a means for individual self-expression. So unlike Hegel, who viewed the state as a representation of the collective will, Marx saw the state as a creation of the ruling class and

an instrument of class domination. He suggested the state fosters and supports the interests of the bourgeoisie.

Following Hegel's usage of 'bürgerliche Gesellschaft', the term as used by Marx referred not merely to a part of society but to all of society. It is evident for Marx that civil society is equal to bourgeois capitalist society. However, this vision obviously emphasised the economic aspect of civil society. Thus the division of labour, exchange, private ownership of the modes of production and the society divided into the property-owners and propertyless were 'the heart of the civil society' anticipated by Marx. For him, the relationships of production, and the division of society into the propertied classes and propertyless classes were the clarifying traits of civil society (Shils 1991: 6).

Durkheim on 'state' and 'society'

In *The Division of Labour in Society* (1984), Durkheim viewed society as an interdependent social whole which was a moral reality embodying what he called 'social facts'. Such facts had a reality above and beyond the individuals who formed a society. Most of Durkheim's work was committed to the study of social order. He argued that social order arose out of moral relationships since individuals needed a consensus which limited their behaviours in accordance with the benefits of a social whole.

The shift from 'mechanical solidarity' to 'organic solidarity' is not only related to an increasing division of labour but also to the rise of modern society. More importantly, the division of labour is seen as a process of moral change, that is, change in the nature of the consensus maintaining the social order. Yet unlike Marx who saw the problems of the modern world as inherent in society and argued for social revolution, Durkheim's argument was that 'social disorders were *not* a necessary part of the modern world and could be reduced by social reforms' (Ritzer 1983: 14).

Modern society is characterised by the weakness of collective consciousness and the decline of morality. Accordingly, Durkheim insisted on a key role for consensus and implied the importance of function and interdependence (Forder et al. 1984: 112). It is important for modern society to strengthen the state, the family and education as this will provide the engine to drive moral commitment. Moreover,

the growth of community-oriented feelings and solidarities could rely on the development of occupational corporations (Waters and Crook 1993: 534).

Unlike Weber, Durkheim argued that a 'political society' can be detected in the degree of complexity in social organisation. He contended that the state refers to an administrative staff or officialdom which is formally assigned to the functions of government; a political society does not inevitably dominate a state (Giddens 1986b: 2). In *The Division of Labour*, Durkheim claimed that the state did not exist until the rise of an organic solidary society. The increasing division of labour articulates with larger individual freedom, however, the power of the state also extends in order to realise and foster individual rights.

According to Giddens (1986b: 28), 'Durkheim nowhere undertook to show what determines the degree to which the State is able to "separate itself" from society', but regarding the state-society relation, Durkheim emphasised that 'every form of State, weak or strong, is rooted in civil society, and nourished from it.' To a large extent, this typically sociological perspective implies that the state within society is based on civil society, and analytically it is separate from civil society.

Weber on 'state' and 'society'

Weber was more of a conservative than Marx on the issue of the role of the state. Ritzer (1983: 22) argues that 'while he was a severe critic of many aspects of modern capitalist society, and came to many of the same critical conclusions as did Marx, he was not one to propose radical solutions to problems'. So unlike many Marxists and socialists, Weber disagreed with radical reforms, for they would bring more harm than good. In his view, the notion that state institutions in modern society should be 'smashed' in a revolutionary process of radical change was 'at best a foolhardy view' (Held 1989: 39).

According to Weber, a modern state is a compulsory political association which has power and a legitimate use for that power. Thereby Weber presented a definition of the state: 'a state is a human community that (successfully) claims the *monopoly of the legitimate use of physical force* within a given territory' (Gerth and Mills 1948: 78). In this sense he obviously associated the concept of the state with the notion of legitimacy. Like Marshall's analysis of citizenship and

social class, Weber's discussion of state legitimacy is also an investigation of 'state mediation' which is 'the state's involvement in the relations between groups and classes in society' (Barbalet 1986: 13). For Weber, the legitimacy of a social order or system of domination is verified by social actors within society.

In modern society, he contended, when economic life becomes more differentiated and complex, both private and public administration become more and more bureaucratized. Although his analysis of the trends in bureaucratization contributes to an understanding of the state, Weber's view also has some limitations. For instance, his argument that the expansion of bureaucracy gives rise to an enlarged view of the power of political elites causes him to ignore the fact that the subordinate social actors may enhance their power and thus affect state structures (Barbalet 1986: 17; Held 1989: 43).

Contemporary Debates

The State

The state in contemporary society has a significant effect on ordinary people's everyday life. The activities of the state permeate almost every single aspect of everyday life such that 'few of us may claim that our lives are entirely "untouched" by the state' (McGrew 1992: 66). The state formed in history as the formal or legal apparatus or instrument for maintaining social order and resolving social conflict within and between societies. The modern state as the primary institution of public power is responsible for social 'stability and control as well as the mobilization, integration, and distribution of social and economic resources' (Braungart and Braungart 1990: iv).

Mann asserts the historically unique feature of the advanced capitalist state, in particular its prevalent influence within modern society. He claims that:

> The state can assess and tax our income and wealth at source, without our consent or that of our neighbours or kin (which states before about 1850 were *never* able to do); it stores and can recall immediately a massive amount of information about all of us; it can enforce its will within the day almost anywhere in its domains: its influence on the overall economy is enormous; it even directly provides the subsistence of most of us (in state

> employment, in pensions, in family allowances, etc.). The state penetrates everyday life more than did any historical state. Its infrastructural power has increased enormously. (Mann 1988: 6)

The expanding role of the state in social life is one of the most important changes to occur over the past century. As Giddens (1986a: 45) argues one evident characteristic of Western societies over the past hundred years is the increasing intrusion of the state into economic life, as well as into other spheres of social activity:

> States have ... attempted more and more to 'intervene' in economic activity by seeking to influence the supply of and demand for goods, engaging in economic planning, prices and incomes policies, and so on. But the state also intrudes into a variety of other aspects of social life; participating in the foundation and organisation of prisons, asylums, hospitals, and in the provision of that array of services included under the general rubric of "welfare'. (Giddens 1986a: 71)

Clearly, what is distinctive about the modern state is the depth and scope of its intervention. It is difficult to understand the nature of modern societies without understanding the modern state. In many ways '[s]tates are central to our understanding of what a society is' (Mann 1988: 30).

Yet it is also startling that the increase of state intervention in advanced industrialised societies 'has been accompanied until recently by a curious neglect on the part of social scientists of the role of the state and its relationship to groups and individuals' (Ham and Hill 1993: 22). According to Giddens (1986a: 71-72), this neglect is caused by two factors: first, it arose as a result of a distorted division of labour in the social sciences; second, the sociological roots of this neglect emanate from nineteenth-century classical economic theory in which the state is assigned a minimal role.

Historically, the objective of sociology was the study of 'society', more specifically, it refers to 'what nineteenth-century thinkers used to call "civil society": the economy, family, and other institutions outside the state' (Giddens 1986a: 72). The discussion of the state became the specific area of the discipline of 'political science' or 'politics'.

While 'the state is undeniably a messy concept', it can be defined in terms of what it looks, or what it does (Mann 1988: 4). What, then, is the state? Ham and Hill (1993: 23) suggest that:

> The state can be defined both in terms of the institutions which make it up and the functions these institutions perform. State institutions comprise legislative bodies, including parliamentary assemblies and subordinate law-making institutions; executive bodies, including governmental bureaux and departments of state; and judicial bodies— principally courts of law— with responsibility for enforcing and, through their decisions, developing the law.

Mann (1988: 4) proposes a neo-Weberian definition of the state as:

1 A *differentiated* set of institutions and personnel embodying
2 *centrality* in the sense that political relations radiate outwards from a centre to cover
3 a *territorially demarcated area,* over which it exercises
4 a monopoly of *authoritative binding rule-making,* backed up by a monopoly of the means of physical violence.

Mann's definition of the state gives emphasis to three key points. First, it stresses that the notion of government refers to the whole political apparatus of rule within society, but that the notion of the state encompasses much more than the notion of government. Second, the state defines the sphere of supreme authority within society. Essentially, the state as the sphere of public power is to be differentiated from the agencies or institutions (such as the police, courts etc.) within society. Third, and more importantly, the state is the primary law-making body within a given society. The state thus can formulate, implement and adjudicate the laws and legal framework which exercise control over civil society (McGrew 1992: 68-69). In this sense, the state has influence on, or even some control over, institutions which might be seen as elements of civil society.

Traditional sociologists always paid attention to the effects of state activities, rather than the nature of the state itself. Recently, there has been much sociological writing about 'bringing the state back in'; 'state-centred' theory, 'theories of the state' and' theories of the welfare state' (eg. Amsden 1985; Ashford 1991, 1993; Baren and Parikh 1991; Bendix et al. 1990; Blau 1989; Evans, Rueschemeyer and Skocpol 1985;

Jessop 1990; Quadagno 1984, 1987; Skocpol 1985a, 1985b, 1987, 1988, 1992, 1993; Skocpol and Amenta 1985, 1986; Weir et al. 1988).

The traditions of state theory pay attention to different facets of state-society relations and defend rather contradictory positions. But the different state theories contribute to an understanding of how the state operates in contemporary society. The concept of the state is drawn from philosophical and political theory. Although the state and society (or the public and private) dichotomy is commonly understood, 'state theories often rely on a much less clear distinction between the state and civil society' (Davis et al. 1988: 16).

The society-centred approach has been dominant in social science until recently, but it is surely an inadequate tool with which to investigate social change in the East Asian NICs (Skocpol 1985). Neither the pluralist theory of politics nor the elitist theory of social change is able to identify the most important mechanism of social change. Likewise, Marxist theory is more or less limited by its view of the state as a tool of class domination or as a reflection of class relations embedded in the mode of production. Clearly, only employing internal social dynamics to explain social changes in any given society is an inadequate method.

The current popularity of the state-centred approach has led to its adoption as a perspective for analysing East Asian economic development (eg. Amsden 1989; Deyo 1987; Haggard 1990; Wade 1990). Yet, the limits of the state-centred approach lie in its neglect of the fact that the state is rooted in society and obtains its principal features from society. In order to stress the key role of the state in economic and social development and correct the limitations of the former society-centred approach, the state-centred approach is inclined to overstress the state as an autonomous actor at the expense of social forces.

Both state autonomy and state strength are outcomes of the changing state-society relation, and even a weak society has it own ways of affecting the state structure. To keep control over the ordinary people and their actions the state has to constantly struggle with social classes and civil society groups; its control may also change critically from one issue to another and from one sector to another.

Civil Society

There are some writers in contemporary social science who insist that civil society does not exist as a reality discrete from the state and the market. Anthony Giddens, for example, stresses the extensive administrative reach of the modern state apparatus and resists the use of the notion of civil society. He argues that:

> ... with the formation of the modern state, 'civil society' is no longer that which co-existed with previous state forms. In class-divided societies there are large spheres of society which retain their independent character in spite of the rise of the state apparatus. ... With the rise of the modern state, and its culmination in the nation-state, 'civil society' in this sense simply disappears. What is 'outside' the scope of the administrative reach of the state apparatus cannot be understood as institutions which remain unabsorbed by the state. (Giddens 1985: 21-22)

Despite Giddens' assertions the notion of civil society has remained a general analytical tool in social science in recent years (eg. Arato and Cohen 1988; Bell 1989; Bryant 1993; Cohen and Arato 1992; Devine 1991; Gold 1991a; He 1993, 1995; Hsiao 1990; Jacob 1991; Keane 1988a, 1988b; Kumar 1993, 1994; Roniger 1994; Rosenblum 1994; Schmidt 1995; Shils 1991; Shotter 1989; Tamas 1994; Taylor 1990; Tester 1992; Turner 1990).

In *The Structural Transformation of the Public Sphere* (1989), Habermas has interlaced the notion of civil society with his earlier idea of public sphere. The discourse of individuals, either by themselves or in groups and organisations, takes place in the public sphere. In this sense, these individuals not only form public opinion but also are able to exert pressure on the political system without being fixedly part of it. In civil society, 'new social movements', which are unforced associations and movements and outside the range of the state, bring new problems and perspectives to political attention (Olsson et al. 1993: 29).

According to Abercrombie et al. (1994: 55), 'in the social sciences, there is no consensus as to the theoretical and empirical separation of political, economic and social relations.' The changing meaning of the concept of 'civil society' reveals shifting theoretical attitudes regarding

the relationship between economy, society and state. The term 'civil society' refers to different things for different people, and often declines into a muddled political slogan. It is used in a range of ways for different purposes, functioning as a pragmatic concept (White 1994: 376-377). What, then, is civil society? Taylor (1990: 120-121) distinguishes three senses of civil society that can be identified from within the European political tradition:

1 In a minimal sense, civil society exists where there are free associations, not under the tutelage of state power.
2 In a stronger sense, civil society exists only where society as a whole can structure itself and coordinate its actions through associations free of state tutelage.
3 As an alternative or supplement to the second sense, we can speak of civil society wherever the ensemble of associations can significantly determine or inflect the course of state policy.

Turner (1990, 1994) argues that the concept of civil society is not only fundamental to the definition of political life in European societies, but it is also a point of contrast between the West and the East. He thus defines civil society as:

> [A] prolific network of institutions— church, family, club, guild, association and community— [which] lies between the state and the individual, and which simultaneously connects the individual to authority and protects the individual from total political control (Turner, 1994: 23).

In the most abstract sense, Keane (1988a: 14) defines civil society as :

> [A]n aggregate of institutions whose members are engaged primarily in a complex of non-state activities— economic and cultural production, household life and voluntary associations— and who in this way preserve and transform their identity by exercising all sorts of pressures or controls upon state institutions.

Held (1989) sees civil society as a segment of society. As he puts it:

> Civil society connotes those areas of social life— the domestic world, the economic sphere, cultural activities and political interaction— which are organised by private or voluntary arrangements between individuals and groups outside the *direct* control of the state. (Held 1989: 6)

In contrast, Shils' idea of civil society is more complex than Held's. According to Shils (1991: 4), civil society consists of three main components. First, it is a part of society containing a complex of autonomous institutions (i.e. economic, religious, intellectual and political). Second, it is a network of relationships between the state and a part of society, and is a set of institutions which not only keep efficient ties between the state and civil society but also preserve their division. Third, it is 'a widespread pattern of refined or civil manners'.

However, Shils (1991: 4) also recognises that 'the first has been called civil society; sometimes the entire inclusive society which has those specific properties is called civil society'. He argues that civil society has a life of its own, which is markedly different from the state, and which 'is largely in autonomy from it. Civil society lies beyond the boundaries of the family and the clan and beyond the locality; it lies short of the state' (Shils 1991: 3).

In the same vein Diamond (1994: 6) argues that civil society is not synonymous with 'society' or with everything that is not the state or the formal political system. In terms of what civil society is and is not he defines civil society as:

> [T]he realm of organized social life that is voluntary, self-generating, (largely) self-supporting, autonomous from the state, and bound by a legal order or set of shared rules. It is distinct from "society" in general in that it involves citizens acting collectively in a public sphere to express their interests, passions, and ideas, exchange information, achieve mutual goals, make demands on the state, and hold state officials accountable. Civil society is an intermediary entity, standing between the private sphere and the state. Thus it excludes individual and family life, inward-looking group activity (e.g., for recreation, entertainment, or spirituality), the profit-making enterprise of individual business firms, and political efforts to take control of the state. (Diamond 1994: 5)

The debate on whether the family is included in civil society remains an open question. While Shils' and Diamond's definitions of civil society exclude the family, some scholars argue for including the family in civil society (eg. Abercrombie et. al 1994; Held 1989; Keane 1988a; Taylor 1990; Turner 1994; White 1994). For example, White (1994: 377) argues that civil society is often used loosely to mean an

intermediate sphere of social organisation or association between the basic units of society and the state. Such a conventional usage usually excludes firms and families, and he suggests that 'economic institutions, as key matrices of social organization, should also be included within the definition' (White 1994: 389).

Although they do not use the term 'civil society', the family is seen by Berger and Neuhaus (1977: 2-3) to be one of four 'mediating structures'[1]. Nisbet (1982: 111) views history partly as a war between the state and the family, each of which struggles for the individual's loyalties. The state, in seeking to be proactive, may formulate social policy which directly or indirectly affects the private interests of individuals and their families (Hill and Lian 1995: 142). The state now provides most of the services formerly provided within families. The diminishing role of the family is the most significant long-term social changes that produce more dependence on 'the welfare state' (Jones 1990: 77).

The family in most developing countries, in particular the East Asian NICs, plays a crucial role in welfare provision. If the family is excluded in the conceptualisation of civil society, welfare development in these societies can be hardly understood. A notion of civil society which includes the family is important for understanding the character of developing countries and better captures the different welfare configurations in different countries. It also gives us a fuller picture of the social forces which influence welfare development in these countries.

Conclusion

The thesis uses a notion of civil society which includes the family, because the family as a provider of welfare is directly relevant to the central enquiry of this thesis. Civil society is analytically separate from the state, but empirically both the state and civil society are tied together 'by the constitution and by traditions which stress the obligations of each to the other as well as their rights vis-a-vis each other' (Shils 1991: 4).

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[1] Neighbourhood, church and voluntary association are the other three elements included in the 'mediating structure'.

'Society against the state' is a neoconservative slogan, and it is based on a model in which civil society is equated with the market or bourgeois society. However, from a welfare provision perspective, the market is not the only source of welfare. The family, voluntary sector and church are also part of civil society and can be seen as key components of welfare provision. Examining the relationship between the state and various sectors of civil society in welfare provision will explicate the role of the collectivity and provide an analytical framework to understand the place of welfare in the state-society relationship. This is the focus of the next chapter.

CHAPTER THREE

WELFARE CONFIGURATION: THE WELFARE STATE-SOCIETY RELATION

The concept of 'the welfare state' is used in a static manner and it is not relevant and not useful to understand the development of welfare in the East Asian NICs. A better concept is that of 'welfare configuration'. That is a description of the differential involvement of the state and various sectors of civil society in welfare provision. By drawing attention to the relationship between the state and civil society in welfare provision, the concept of welfare configuration provides a better approach for understanding different welfare developments in different countries.

Different welfare developments in different countries can be explored through examining state-society relations as different state-society relations lead to different welfare configurations. Two issues will be discussed in this chapter: making sense of the role of the collectivity and the relationship between the state and civil society in welfare provision.

Making Sense of the Role of the Collectivity

State welfare, is a narrow view of welfare provision which excludes the non-statutory sectors (Gould 1993: 3). According to Pierson (1991: 7), at its simplest, state welfare refers to 'state-provided forms of welfare' or 'social welfare provision through the agency of the state'. The use of the word 'state' implies an acknowledgment of the active role played by the state in the social sphere.

Historically, the state apparatus, offering a wide range of public services such as health, education, housing, income support and pensions, has come under the title of 'the welfare state'. Yet, the welfare that we know today goes beyond the scope of services the state provides. Because state welfare is set alongside the non-statutory sectors of market, family and voluntary welfare, as a source of different welfare provisions, these various sectors should not be neglected.

In fact, welfare provision involves not only the decisions of the state sector, but also the actions of, and the interactions with, the other

sectors as well. Pierson (1991: 7) stresses that 'the ways in which welfare is delivered *outside* of the state or the formal economy, through the church, through voluntary organisations and, above all, through the family, is just as important.'

During the 1980s the 'welfare mix' or the 'mixed economy of welfare' emerged and became a paradigm of welfare provision. That is, there is an increasing trend to privitisation. To some extent, this paradigm stresses that welfare deriving from both the state and non-state sources is a response to 'the welfare state in crisis' and attempts to make sense of the role of the collectivity (Baldock 1994; Bryson 1992; Gilbert and Gilbert 1989; Johnson 1987, 1989; Rose 1986, 1989; Yeatman 1990).

Alber (1988a: 467) argues that the increasing financial capacity of private households is one reason for 'the acceptance of the austerity policy of western governments in recent years. However, private means are sufficient only to supplement public provisions, not to substitute for them.' Tilton (1986: 34) also suggests that the aim of 'the welfare state' 'is not to abolish markets, but to make them function efficiently and in a more equitable social setting.' It is the interaction between markets and non-markets and the division of responsibility between them for the delivery of welfare provisions that form a welfare configuration in modern society. As shown in Figure 3.1, this is an arrangement within the area of collective action for social welfare.

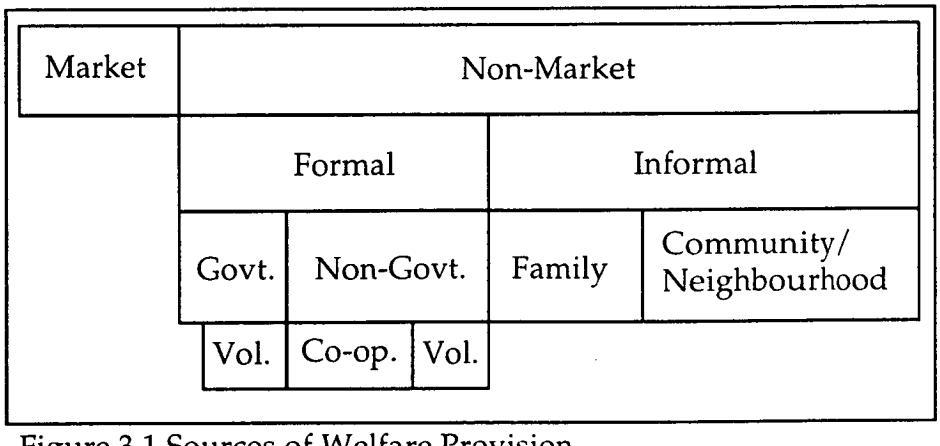

Figure 3.1 Sources of Welfare Provision
Note: Govt.= Government
Vol.= Voluntary Sector
Co-op.= Co-operative

In their book *To Empower People* (1977: 2), Berger and Neuhaus develop the concept of 'mediating structures' which refers to 'those institutions standing between the individual in his private life and the large institutions of public life.' They argue that mediating structures play a key role in transmitting meaning, value and identity from the private to public. Yet in the modern period governments have in effect eroded these mediating structures. The family, for example, has been stripped in key areas, religion has been marginalised, and voluntary social service has been undermined by the development of state welfare and professional power. Accordingly, Berger and Neuhaus suggest that minimally 'public policy should cease and desist from damaging mediating structures' (1977: 6), and this means allowing people to do things for themselves wherever possible (Saunders 1993: 79).

The renewal of a reconstituted civil society is seen as one of the initiatives to reduce the excessive powers of the interventionist state. John Keane, a leading proponent of this argument during the 1980s, claims that the reasons for the shrinking popularity of the Keynesian welfare state, or what he calls 'state-administered socialism', lies in the failure to perceive 'the desirable form and limits of state action in relation to civil society' (Keane 1988a: 3).

The state intervenes and even replaces the self-activity of its citizens because the model of state-administered socialism believes that 'state power could become the caretaker and moderniser of social existence' (Keane 1988a: 4). As long as 'the welfare state' has an ability to 'deliver the goods', this mix of citizen passivity and state interference could be acceptable. Thus the practical impact of 'the welfare state' on its citizens is 'to encourage the passive consumption of state provision and seriously to undermine citizens' confidence in their ability to direct their own lives. The passivity of the policytakers was assumed to be a necessary condition of the achievement of socialism by gradually extending networks of administrative state power into civil society' (Keane 1988a: 4). Under this circumstance, 'the actual experience of many citizens in daily contact with welfare state institutions ... [is] that socialism means bureaucracy, surveillance, red tape and state control' (Keane 1988a: 4).

In Keane's view, these questions about democracy and socialism can be posed fruitfully only by rethinking the relationship between the state and civil society. In other words, 'this relationship between the state and civil society must be rethought in a way that affirms the necessity and desirability of drawing stricter limits upon the scope of state action, while expanding the sphere of autonomous social life' (Keane 1988a: 3). To achieve the traditional socialist aspirations for liberty and equality, the only proper form is via a redefinition of the relationship between the state and a reconstituted civil society. Yet it is impossible to achieve the task of reform without substantial changes to 'actually-existing civil societies'. Thus reform is only possible by returning many welfare functions once performed by the state to the competence of individual and social actors in civil society (Keane 1988a, 1988b).

In the same vein, Rosanvallon (1988a: 213) contends that the Keynesian welfare state is not only too centralised, bureaucratized and impersonal, but also 'bursting at the seams'. Accordingly, it is appropriate to introduce the notion of 'civil society' to overcome the conventional dichotomy between state and market. It is necessary 'to bring into being a civil society of greater density and to develop its scope for exchange and mutual support, instead of "externalising" these needs and abandoning their satisfaction to the twin poles of market or state' (Rosanvallon 1988a: 204). 'The post-crisis welfare state' can achieve its goals of social welfare via three aspects: (1) reducing the requirement for state intervention, (2) reinstating mutual support as a function of society, and (3) creating greater visibility for the social (Rosanvallon 1988a: 202).

From an institutional perspective, Gilbert, Specht and Terrell (1993: 3) argue that there are five central social institutions: kinship, religion, economics, mutual assistance and politics in the main activities of everyday life. As they show (see Table 3.1), one or more of these social institutions organise all of society's leading activities of everyday life. More importantly, each of them, to some degree, also plays a key role in the functioning of social welfare.

Table 3.1 Institutions, Organisations and Functions

Social Institutions	Key Organisational form	Primary Functions	Social Welfare Functions
Kinship	Family	Procreation, socialisation, protection, intimacy, and emotional support	Care for dependent members, interfamilial financial support
Religion	Church	Spiritual development	Sectarian welfare, health, education, social services counselling
Economics	Business, union	Production, distribution, consumption	Employee benefits, delivery of commercially produced social welfare provisions
Mutual assistance	Support group, voluntary agency	Mutual aid, philanthropy	Self-help, volunteering, community social services
Politics	Government	Mobilisation and distribution of resources for collective goals	Antipoverty, economic security, health, education, housing services

Source: Quoted in Gilbert et al. 1993: Table 1-1, p.3.

According to Gilbert et al. (1993: 4-8), the family as an institution of welfare provision frequently provides private arrangements for income security and assists dependent members in noneconomic ways. Religious institutions exhibit the spiritual aspect of human society. Social welfare provided by the church ranges from informal support and counselling to education, health, and social service programs. While the primary economic institution in most OECD countries is the business firm, trade unions, nonprofit organisations and professional bodies also produce and distribute goods and services. Mutual assistance is the category perhaps the most distinctly focused on social welfare activities. Whether seen as a function of altruism or self-interest, they play a key role in community life.

The Welfare State-Society Relation

Taking these viewpoints into account, we can try to integrate them into an analytical framework of the state-civil society relation (see Figure 3.2). From the perspective of welfare provision, the focus will be placed on the state and various sectors of civil society, i.e. market, family, voluntary sector and church.

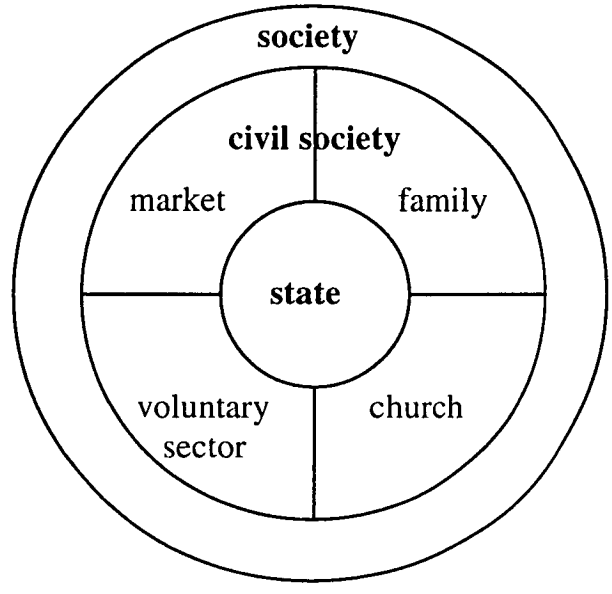

Figure 3.2 An analytical framework of the state-civil society relation

The relationship between the state and civil society is crucial to understanding the development of welfare in different countries. It can be summarised in the following ten points:

1 The relationship between the state and civil society is dynamic in that changes in civil society bring about changes in the state and vice versa. In Furniss' words, 'a key to understanding both determinants and possible futures is found in the dynamic interaction between the "state" and "civil society"' (1986: 388). The state and civil society have been formed via different but interrelated processes. Braungart and Braungart (1990: x) suggest that 'the structure of the state, its relation to civil society, and its ability to engender consensus and support from the citizenry affect the state's willingness and ability to address some of these problems. In turn, the consequences of state policies and practices and citizen interpretations and reactions have a feedback effect from the state to society.' There exists a symbiotic relationship between modern societies and modern states: 'the state

is embedded in social life, whilst social processes influence the form and activities of the state itself' (McGrew 1992: 67).

2 The state is a political group or specialised apparatus with an administrative staff possessing the legitimate use of power and authority within a given society. Civil society is more fragmented, comprised of various institutions which seek their interests or welfare. From the welfare provision perspective, civil society mainly consists of the four institutions of families, markets, voluntary sectors and churches (Bendix et al. 1990: 117-127; Braungart and Braungart 1990: ix).

3 In the sphere of the state individuals are regarded as citizens, while in the sphere of civil society individuals are seen as different members attached to various sectors of civil society. Additionally, the internal configuration of society is also shaped by 'the social' relations of class, gender, race and age (Squires 1990: 18). Thus in the sphere of civil society individuals are regarded diversely as entrepreneurs and workers, producers and consumers, men and women, white men and black men, and young men and old men. Conventional discourses are frequently confined both by a failure to define welfare sufficiently broadly and by a failure to pay attention to issues of race and gender (Bryson 1992). But the fact is that it is difficult to dissociate the development of welfare from the categories of class, race, gender and age.

4 Within the OECD countries state types vary dramatically in terms of institutional structures. Yet in concentrating upon the OECD countries, it is important to consider the existence of quite different state types in other industrial societies, such as the East Asian NICs. Although there are variations in state types in different societies, the role and function of the state are ultimately shaped by the nature of state-civil society relations. Bendix et al. (1990) conclude that the nature of state-civil society interaction led to the development of different types of welfare policies in the United States, the United Kingdom and Sweden. Jessop (1990: 276) also argues, 'an adequate theoretical account of the state and state power can only be developed as part of a more general account of social relations.'

5 'The welfare state', as a form of political economy, is shaped by its political and economic context. The influence of political and

economic relations within society could shape all levels of social formation (the state, markets, churches, voluntary sectors, families and so on); not only this, but the outgrowth of their relations is connected with ordinary people's everyday life and, ultimately, with their welfare. An exploration of the direct impact of states on societies would fail to grasp the relations between states and their citizens, and would miss key reasons why some states are more capable than others. Clearly, civil societies also affect states. It is important to explore how the structure of civil society affects state capabilities and how civil societies influence the nature and type of states (Migdal 1988: xiv).

6 'Welfare' refers to the condition of well-being of the individuals and civil society groups, and is defined in relation to some idea of needs. While needs are recognised to be historically variable, 'they typically include subsistence levels of necessaries such as food and housing, health, protection from risk, education, and sometimes opportunities for work' (Smelser 1994: 93-94). Welfare is like a mosaic, both in its sources and in the modes of its delivery. The state apparently is the most important single agency of welafre in most industrialised countries. Yet individual welfare derives not only from state institutions, but also from the various sectors of civil society. Johnson (1990b: 145) suggests that welfare is provided by a variety of suppliers. These four sectors of welfare provision are: 'the state sector, the commercial sector, the voluntary sector and the informal sector of families, friends and neighbours.' As Rose (1993: 221) puts it, 'any study of goods and services of primary importance to the majority of individuals must consider non-state as well as state sources of welfare.'

7 If we want to look at welfare provision in advanced capitalist states and in the East Asian NICs, then it would be useful to use the analytical concept of civil society in discussing their welfare development. The concept of 'the welfare state' is historically and culturally specific and is used in a static manner. A better concept is that of 'welfare configuration'. That is a description of the different welfare provision between the state and various sectors of civil society in different countries. Using this concept one can capture the

dynamics of the relationship between the state and civil society in welfare provision in different countries.

8 Welfare configuration is determined to varying degrees by both the state and various sectors of civil society in different countries and is a result of historical development and changing state-civil society relations. One of the state's distinct features is that 'it marked the *separation* of politics from social relations [and civil society groups] and thus set up the requirement for a bond of citizenship and claim to special loyalty on the part of individual citizens' (Smelser 1994: 61). Analytically, civil society is separate from the state, but empirically it is not completely separate from the state. In some areas, civil society and the state are overlapping. This also leads to the controversial issue of welfare provision: whether to increase or decrease the level of state intervention in civil society.

9 One argument is that the state has been extending its role, and permeating the sphere of civil society. In this process, the state has eroded or replaced some functions of civil society. Concerning the future development of advanced capitalist states, 'the "new right" advocate curtailing its power whilst the left, and social democratic forces, continue to promote a vital role for the state in reforming advanced capitalist society' (McGrew 1992: 66). To some extent, the trend towards the privatization of welfare in many OECD countries can seen as an attempt to shrink state intervention, and activate civil society to carry out those functions previously performed by the state.

10 When exploring the development of state and non-state sources of welfare in the developing countries, we should not neglect the political and economic context of those countries because their developmental dynamics have long been under the impact of the advanced capitalist world. Moreover, a full view of the state-civil society relation can not ignore their dynamic interaction with the world system, since no contemporary society is excluded from this system. The East Asian NICs, for example, have closely integrated into the global market and since the early 1970s have depended heavily on the capitalist world system. Their integration into the economies of the capitalist world system has also opened them up to the impact of Western democracy and welfare ideas.

CHAPTER FOUR

MODELS OF WELFARE CONFIGURATION: THE EAST ASIAN NICS AND OECD COUNTRIES COMPARED

Known variously as the 'Four Little Tigers' or 'Four Little Dragons', Hong Kong, Singapore, South Korea and Taiwan have rested on export-led manufacturing since the early 1970s and have moved into the ranks of the 'newly industrialising countries' (NICs). These four countries have achieved outstanding economic successes in the past three decades. Clearly, the salient economic features in the East Asian NICs are linked not only to their distinctive political and cultural features, but also to their different social welfare development.

This chapter has two aims: describing the development of East Asian states and the place of welfare in them; and comparing the East Asian NICs and OECD countries by examining welfare expenditures and structure.

The State Structure and the Social Structure in the East Asian NICs

The relationship between the state and civil society with respect to welfare provision is clearly shown in the East Asian development model. As Pye (1988: 90-91) argues:

> Government's ideal, of course, is to create a bonding sense of family between labour, industry, and government. In return for pressures on labour to keep wage demands low, governments have insisted that employers should provide paternalistic security for labour; therefore, in the early stages of East industrial development companies rather than governments have had to bear the burden of welfare costs. In Korea and Taiwan, social security is still primarily the province of private companies, or even more often it is left to the families themselves.

In the East Asian NICs, a strong and stable state was a key factor in facilitating past changes and creating the economic miracles. These four NICs have been 'development states' and sought to confirm political legitimacy via the pursuit of economic growth. Although

Hong Kong and Singapore appear to have accepted free market policies to a far greater degree than South Korea and Taiwan, Wade's (1990) 'governed market theory' of East Asian development shows that it is simply impossible to claim that free markets have been the leading determinants of economic growth. In fact, in Japan and the East Asian NICs which are so far the best examples of late industrialisation, the state performs a crucial role in directing and achieving the national goal of economic development. Indeed the governments in the East Asian NICs have been selectively interventionist, sometimes directing but more usually guiding the market, and always centring on the need for growth (Clark and Chan 1993: 1-18; Wade 1990).

Some scholars also argue that through public housing and different welfare expenditures, the state in the East Asian NICs has extensively affected both price and reproduction of labour power (Lim 1983; Castells et al. 1990; Schiffer 1991). In Hong Kong and Singapore, for example, the state provides the largest public housing systems in the world to subsidise wages and legitimate its political regimes. In the case of Singapore, by means of the Central Provident Fund the state has established a compulsory savings program of employer and employee contributions, while in Hong Kong using the monopoly of land ownership as a vital budgetary mechanism the state has also played a similar role in delivering a relatively extensive welfare provision by Asian standards.

Recently, the most critical changes taking place in these four NICs are situated in the state-society relation. In the past three decades, all of these societies were ruled by authoritarian systems whose bureaucratic elites were not subject to socio-political pressures. Under the rule of a strong state, civil society is weak. Yet the trends of social development reveal that such a state-society relation is now being critically challenged by a more demanding civil society. This is particularly evident in South Korea and Taiwan, where, with the erosion of political consensus and bureaucratic unity, the state was obliged to respond to the specific needs of various groups in civil society so as to restructure its political legitimacy (Pye 1990: 5; Tien 1992; 1995).

On the other hand, 'docile labour' is not an inherent feature but an interactive reflection between a strong state and a weak society. The state in the East Asian NICs frequently dealt repressively with internal

opposition, but such repression must be based on national ideology and be accepted by the populace. In recent years, both South Korea and Taiwan have experienced substantial worker mobilisation and the formation of new independent trade unions. This means that the state-society relation has changed and the state cannot neglect the rise of a demanding civil society (Henderson and Appelbaum 1992: 18).

In South Korea and Taiwan, a higher standard of living and of education has unquestionably resulted in the growth of a civil society which demands participation in decision-making on public issues and policies. Even the rulers of Singapore have recognised this 'social fact'. However, in these societies the state is inclined to pre-empt such demands by incorporating the highly talented while suppressing the demands of the mass of the population. As a result, the problem of meeting this demand is likely to continue rather than disappear. A high standard of living and education by no means deflects the demands of civil society, but rather raises them. More specifically, they become an intermediate step and a channel for demands where the perception of one's worth as an equal person begins to loom large in individual estimation (Somjee and Somjee 1995: 203).

The State-Society Relation in Hong Kong

After China's defeat in the Opium War in 1842, Hong Kong became a British Crown Colony. Aside from occasional labour unrest, it was little influenced by China's internal political conflicts during the early twentieth century. The Japanese army invaded Hong Kong in 1941 and essentially destroyed its economy during the Second World War. After 1945 the British government reinstated its rule in Hong Kong. Due to the approaching expiration of a ninety-nine-year lease on the New Territories, the 1984 Sino-British Joint Declaration stipulates that the People's Republic of China (PRC) will resume sovereignty over Hong Kong on July 1, 1997 as a 'Special Administrative Region'.

The Role of the State

As a British colony, Hong Kong had a highly centralised administrative machinery. Principal policies were formulated by the British government which appointed the colonial administration headed by a governor who in turn selected his advisers from local men of industry and finance. One of the main tasks of the governor was to

prevent Hong Kong becoming a financial burden on the British government. At the outset the colonial authorities made an effort to maintain law and order, and keep the port free and open to all. Such an effort was conducive to the later economic development of Hong Kong.

Since the late 1940s the state in Hong Kong has not played as strong a role in economic development as it has in the other three East Asian NICs, and this is reflected in the state structure. Hong Kong's economy seems to represent *laissez-faire* principles and it has retained a pattern of minimal state intervention which has included the provision of infrastructural services in the past three decades. Yet the role of the state in the economy has been wider than is commonly thought. The most outstanding example of state influence on the economy can be found in the management of land. Using its ownership of land the state assists priority industries by selling them land or by providing them especially favourable terms such as lower interest rates.

The colonial state has intervened directly from time to time to control perceived excesses in the market. In the 1970s, for instance, it checked rents for domestic premises, regulated rent rises and prohibited landlords from evicting sitting tenants (Burns 1991: 134). Like Singapore, the state in Hong Kong has been a main provider of public housing. After a disastrous Christmas Eve fire at Shek Kip Mei in 1953 that left 53,000 squatters homeless overnight, it was pressured to launch a housing program. By the mid-1990s about half of the colony's 6 million people were living in state-owned housing. It is hoped that 60% of Hong Kong families will own their own houses by the late 1990s (McLaughlin 1993).

The public tenets of state rule in Hong Kong are: to stimulate growth, to reflect colonial government policies and to 'rule in the interest of the people' (Salaff 1990: 101). Although apparently not as intrusive as the other three East Asian NICs, the state in Hong Kong has been a crucial and growing factor in its economic miracle. From the viewpoint of the state-society relation, three features have been important to Hong Kong's economic success: a stable political environment that appreciated free enterprise; a strong, flexible and

relatively unified local business elite; and a weakly organised but diligent and docile labour force.

Indeed, we should not underrate the key role of the state in Hong Kong in providing the necessary political stability for economic growth. It is particularly true that the role of the state has grown and become more important in recent years. Political stability in Hong Kong, most markedly during the 1970s, was a result of a stable state-society relation and contributed to its economic success. To a large extent, such a state-society relation has been strained by Hong Kong's rapid economic growth. To maintain its political legitimacy and popular support the colonial state not only established consultative institutions but also sought to improve social welfare. The state in Hong Kong started to play a more active role in advancing working conditions and providing social welfare for industrial workers throughout the 1970s. This included enlarging the public housing program, dramatically expanding compulsory education, and improving social services (including medical care) (Burns 1991: 136).

Widening Democracy and Emerging Civil Society

In the mid-1960s in response to the needs of the working class the colonial state carried out a series of administrative reforms to advance government's connections with local communities and to increase social welfare. However, two decades later the new middle class, the main beneficiaries of economic growth, claimed a larger role in state decision-making. The rising middle class have thus become the supporters of the democrats in their push for democratisation in Hong Kong since the 1980s. Hong Kong's future after 1997 is uncertain, however. Incorporation into China may erode its political stability, and threaten Hong Kong's future economic growth in turn (Grant 1993: 39).

The democratisation process in Hong Kong was launched in 1985 right after the 1984 Sino-British Joint Declaration came into force. In 1988 the democrats criticised indirect election as conservative and limited only to the professional elites who composed less than one per cent of the Hong Kong population. They thus advocated the introduction of direct elections based on universal franchise. But the conservative businessmen and Chinese leaders were strongly resistant

to direct elections. The main reason was that they saw mass electoral politics as inimical to the prosperity and stability of a society in transition. Yet the Tiananmen event of 4 June 1989 facilitated the momentum for democratisation and its effect dominated formation of Hong Kong's political spectrum, which took shape around the issue of more or less democracy.

The democrats have grasped the opportunities derived from the development of representative government to consolidate and extend since 1985. They used their position as elected legislators to criticise the colonial government and to articulate the discontent of the populace towards the government. These democrats won the support of the public, especially middle class professionals (Lam 1995: 57; Pepper 1995: 57). One of the main purposes of the democrats is to obtain and consolidate as much as political power as possible to balance Chinese pressure after 1997. Thus in 1994 the United Democrats and Meeting Point were combined and formed a bigger party: the Democratic Party (DP).

The emergence of the DP brought about a significant change in politics. The traditional elite bloc, coopted by the colonial government, was the rival of the new democrats. The traditional elites wished to maintain Hong Kong as a business city in favour of investment and production, while the new democrats encouraged a better social welfare system. During the 1994-95 legislative year, the colonial government proposed a list of unfinished business matters, in which approval for a proposed pension plan was an important issue.

State Welfare Expectations: Recent Development

With emigration, small flats and the lessening of the Chinese tradition of children's duty to care for their parents, more aged people are left to provide for themselves. Social trends in Hong Kong mean that the pension issue can not be postponed indefinitely and social change has intensified the arguments for state intervention. One striking factor is the growth of the ageing population. The other is its inadequate pension arrangements since only 30% of the workforce is covered by corporate pension funds, with another 5% protected by government pension schemes. The remainder of the workforce is unprotected and their conditions of employment are insecure. There is an existing

government social welfare assistance scheme for the elderly in Hong Kong, but its requirements are so austere that only a very small minority of the very poor qualify (*Far Eastern Economic Review* January 27, 1994: 24).

Therefore when the colonial state announced the Old-age Pension Scheme (OPS) in December 1993, the response was generally warm if a bit startled. The OPS would provide HK$2,100 a month to anyone aged 65 or above. Employees and employers would each pay into a fund 3% of the wage bill. Likewise, the state in Hong Kong would throw in the money it currently spends on the elderly (about HK$3.5 billion) in 1994. The bill would amount to HK$13 billion in the first year and cover 550,000 people (*The Economist* April 30th 1994: 28). However, this new scheme was contested. Some considered that it was an 'unHong Kong' plan: the kind of generous but expensive social program that was beggaring the West.

While they felt that the scheme was impressive in theory, they questioned whether Hong Kong ready for it. Some believed that with time running out before 1997 the British government would perhaps wash its hands of the problem, but beyond 1997 this scheme which involves extra government expenditure, seems to be unlikely to be given PRC approval. Others claimed it was purely a government manoeuvre to undermine the more popular idea of a central provident fund that has been urged forcefully by many interest groups in Hong Kong.

In the period leading up to the PRC takeover in 1997, widening democracy and an emerging civil society in Hong Kong has caused a greater willingness to voice dissent. Under the circumstances, unemployment, public housing in disrepair and inappropriate welfare assistance were highlighted as important political issues by candidates for the Legislative Council (Legco) during the 1995 electoral campaigns. It is striking that 5 out of 19 Democrats' councillors are social workers and 'more than half the new members of Legco will push in favour of more cash payments for the elderly, single mothers and the unemployed' (*Far Eastern Economic Review* November 9, 1995: 36).

Paradoxically, the colonial state itself may have produced the vigour for more entitlements. To some extent, the poor in Hong Kong have organised grassroots organisations as the state encouraged them

to do. According to the colonial government's Council of Social Services, there are about 370 social welfare groups in Hong Kong now and their number has almost tripled since 1970. On the one hand, these privately run groups can be seen as an expansion of the state welfare provision because they are subsidised with taxpayers' money and carry out about 85 % of the government's welfare work. On the other, they help people become more organised and vocal. This provides a means of social control for the state in that people's opinions can be expressed and social pressure can be reduced.

According to Hong Kong's director of social welfare, 'welfare payments have increased by 33% in real terms' (*Far Eastern Economic Review* November 9, 1995: 36) since Governor Chris Patten arrived in 1992. The colonial state also aims to increase some welfare payments. In the near future it will complete a review of all benefits, ranging from welfare to medical subsidies for the working poor. However, the rising tension in the state-society relation is hard to quantify. In a large measure, it depends on whether the state will respond fast enough to the demands of civil society. With respect to the future of welfare development in Hong Kong, it is unlikely that the government will deviate from its present position (McLaughlin 1993: 136). Chow (1995: 182) argues that:

> ... with the enlargement of democracy, and especially the establishment of political parties claiming to represent the interests of the people, it would no longer be possible for Hong Kong to return to residual-type welfare programmes. While it would be unlikely for Hong Kong to develop into a [Western style] " welfare state", the future development of social services in Hong Kong would probably command widest acceptance if policies keep in line with the prevalent welfare ideology which stresses, on the one hand, the self-reliance of the people and, on the other, the responsibility of government to look after weaker members.

The State-Society Relation in Singapore

Neo-classical economists argue that Singapore's remarkable economic success is the outcome of the 'free market' rather than state intervention. But the Singaporean development experience over the

past three decades reveals that the role of the state has been far from *laissez-faire* or non-interventionist. The state in Singapore aims to actively and flexibly respond to changing international markets and to intervene however or whenever necessary. Singapore's history since 1959 is frequently quoted as an example of successful modernisation. Yet, it could be argued that without state intervention in the labour market and in the areas of social infrastructure, Singapore's success would not exist. To a great extent, its success has been ascribed to the role of the state, its leadership skills rather than to the use of any particular techniques for economic development.

From the outset, the priority of state development in Singapore was to accumulate wealth via economic growth, rather than to redistribute the wealth through state welfare provisions (Siong 1994: 52). Yet, originally a massive investment in social infrastructure was necessary for economic development. The Singapore government provides the working class with appropriate education, health care and housing. It not only incorporates the working class into the industrialising process, but also creates a disciplined, motivated and skilled workforce to attract much needed foreign investments.

Social welfare provisions as a mechanism of social control have also been created for many purposes, including the goal of economic transformation. The state in Singapore is more systematic in incorporating social policy into its development strategy than the other East Asian NICs. Such a strategy relies upon state intervention in essential services, not only permitting the government to distribute the hardships of economic stabilisation more equally, but also allowing state officials to gain the cooperation of all main sectors of civil society with belt-tightening policies. In a large measure, this strategy has enabled Singapore to manage its national economy more effectively than Taiwan in response to the changing global economic environment which occurred in the 1970s and early 1980s (Chu 1989: 670).

Political stability is a near obsession for the leaders of the People 's Action Party (PAP). Singapore's rapid economic growth during the 1970s offered substantial improvements in social welfare which included near full employment, rising wages, expanded education, heavily subsidised public housing, upgraded health care, and the

elimination of poverty. All of these not only satisfy the basic needs of the working class and urban middle class, but also provide a significant base for constant electoral votes for the PAP (Deyo 1991: 79). In this sense, the state in Singapore by providing extensively essential services seems more 'socialist' than most states in developing countries (Lim 1983: 752-765); it 'has a significant "sui generis" welfare state' (Castells et al. 1990: 187).

From the perspective of the state-society relation, all major policy initiatives in the area of public housing, education, political institutions, and the legal regime have had the implicit objective of reinforcing the regime's capacity for social control. According to Tremewan (1994), the state in Singapore owned some 26 per cent of the land area of the city-state in 1968, but now it owns more than 75 per cent and is authorised to gain land without restriction. Consequently, until 1992 87% of the population were living in public housing (Government of Singapore 1992b: 152). This then provided the government a wide range of social controls by which it could intervene in everyday life in Singapore. Such political power has been particularly used to serve political purposes. For instance, in 1985 the Singapore government stated that 'it would give priority to the upgrading and improvement of housing estates which were in PAP constituencies' (Cotton 1995: 559).

The extent of state intervention in economic and social development varies in the East Asian NICs. While the state of the East Asian NICs strongly guides economic development, the level to which the state intervenes is different. Compared with South Korea and Taiwan, Singapore's state intervention in the area of the economic development is lesser, but in social development it is relatively greater. A comprehensive national pension scheme and an extensive public housing program are the best exemplars. However, they could not succeed without the adoption of the Central Provident Fund (CPF).

The CPF is at the centre of the web of social welfare provision in Singapore. It started in 1955 under the colonial government, but was vastly expanded and changed under the PAP. As the main income maintenance program for the elderly, its main purpose is to enable Singaporeans to save for their lives after retirement. Basically, the CPF is a pension fund managed by the government with compulsory

contributions provided by employees and employers, and earning a rate of interest decided by the government. The CPF has functioned at many levels and served many objectives apart from the functions of social security and economic growth *per se*, particularly the social and political purpose related to the public housing program.

Singapore's population is not homogeneous: 76% are Chinese, 15% Malays and 6% Indians, and even the Chinese consist of some different dialect groups. Consequently, the potential for ethnic tension within Singapore society is well understood by the government, who have so far been able to control it. In order to integrate the non-Chinese more entirely the state has adopted different strategies. The PAP has been adept at defusing ethnic as well as class issues. Its responsibility for some basic social welfare provisions has played a crucial role in dulling the divisions of ethnicity and class. Under its public housing policy, for example, the state regulates the percentage of Malays in its Housing Development Board flats to 25% to reduce ethnic segregation. Also, housing ownership is encouraged and subsidised by the state via low mortgage rates and by the provision of concessions for some low-income families. The aim of the state is to have all its public housing owned by the end of this century.

To some extent, the weakness of civil society can be demonstrated by the high degree of state control. To control the circulation of foreign publications which the government claimed were involved in domestic politics, the 1986 amendment of the Newspaper and Printing Press Act was passed. To control the National University the government has a direct say in the appointment of senior administrators and deans of faculties, the activities of the student union and the content of education (Paul 1993: 296). To keep wages low to aid economic development the trade unions were checked in the early 1970s and put under the control of a tripartite National Wages Commission, a grouping of employers, unions and government officials. Even in the housing area which is seen as one of the most important state welfare provisions, the government has created a wide network of grass-root organisations and committees to interact with the inhabitants.

In large measure, Singapore's political culture is inclined to justify its authoritarian regime by Confucianism. It is clear that

'Confucian' or 'Asian' values have been employed as the legitimating backbone of Singapore's development policy and this was specially evident in the 1980s as Singapore faced cultural impact from the West. Inevitably, when Singapore is integrated into the capitalist world system, it faces challenges from the Western democracies. The PAP government differs from the Taiwanese and South Korean government in its response to these challenges. The former is attempting to persuade its citizens that the introduction of the Western democracy to the East Asian countries is questionable while the latter two have been democratising since the late 1980s (Chua 1993, 1994, 1995; Mauzy 1995: 179-183).

Resistance to Western democracy is clearly embodied in a speech made by Senior Minister Lee Kuan Yew at the World Trade Centre, Singapore, August 12, 1995. He speaks about what he sees as an underlying sense of cultural superiority in the American media. He argues that from such a sense of cultural superiority the American media praises Taiwan, Korea, the Philippines or Thailand for becoming democratic and having a free press, but assaults Singapore as 'authoritarian, dictatorial, an over-ruled, over-restricted, stifling, sterile society' (*The Straits Times Weekly Edition* August 19 1995: 13). He defends the Singapore government arguing that it knows how it should govern its society and be responsible for Singapore's own survival. What Singapore needs is an open but not disordered society to compete internationally. If the Singapore government turns bad, its citizens can dismiss the government and change it at the next election. Also, he claims that the American media's ideas are theories not proven in East Asia, 'when it is proven that these countries have become better societies than Singapore, in five or 10 years' (ibid), Singapore will follow them and try to catch up.

However, a price was paid for a rapid social transformation in terms of the nature of its political development. Singapore created what Vogel (1989) called a 'meritocracy' in the area of public decision-making, which almost excluded from participation all except those in charge of policy-making. As Vogel (1989: 1064) notes, 'there is danger that overconfidence (critics might say arrogance) among the select elite may distance them from the populace, thereby reducing the feedback from the public to the leaders and eventually creating sufficient

alienation to limit the freedom of manoeuvre of the bureaucrats.' Under the circumstances, the state-society relation has become blurred rather than distinct and society in Singapore will be governed by a 'political elite' in the foreseeable future (Chan 1989). Undoubtedly, the challenge for this political elite is how to continue the ability of the state to make quick but effective decisions while becoming more sensitive in response to an increasingly better educated public and more demanding civil society.

The ideological welfare strategy that has worked well before the 1990s may now be challenged increasingly by the emergence of an affluent society and class differentiation. Similarly, ethnic tensions are at best temporarily concealed rather than permanently erased, and will affect the political stability and the economic growth of the state. The Malays are gradually becoming unhappy with their situation in Singapore: their low economic status, forced resettlement into high rise apartment blocks, and the government policy to keep them out of the armed forces. The recent campaign to advocate a national ideology based on Confucianism is also regarded as part of the PAP strategy to further exclude the Malays (Paul 1993: 300).

Inevitably, the ordinary people's expectations will increase in line with the wealth of the state. The PAP government's 'levelling up' policy announced just before the 1991 general election agrees that there are gaps in Singapore society. But how the goal of 'levelling up' can be achieved is not clear. Even though the government has introduced new schemes, such as Medifund to help the poor pay hospital bills and Edusave to help Singaporean children, the government's idea of welfare provisions 'to help people help themselves' remains basically unchanged (Siong 1994: 51-54).

The Singapore government is confronted with the problem of how to manage the welfare issues successfully, produce rapid economic growth and sustain social cohesion and stability. In some measure, the loss of three parliamentary seats and of a slipping popular vote in the 1991 general election not only can be seen as a signal of discontent from civil society, but also indicates that the current welfare strategy has become problematic (Mutalib 1993: 194-195; Siong 1994: 51). When class differentiation within Singapore society becomes more visible and less tolerable, it is difficult to see how the

government's communitarian welfare strategy can deal with the growth of class contradictions within a capitalist economic development. Inevitably, if Singapore's social cohesion and stability is at stake, then this will in turn influence its economic performance. Like the other NICs, the welfare issue will dominate the next stage of Singapore's development.

The State-Society Relation in South Korea

Many factors have fostered South Korea's rapid economic growth. Some cite South Korea's Confucian background as an advantage; its emphasis on education to promote the development of the technically trained personnel to design and achieve economic growth. Others cite South Korea's favourable international environment; the capitalist world system was booming just as the nation began its export expansion, and the United States aided its postwar economic recovery and provided a market to absorb south Korean exports. Some even cite the Korean War as a stimulant; it offered an 'international shock' to drive the people out of complacency and encouraged a strong sense of competition with North Korea. However, the functioning of these factors are due to South Korea's unique natural and historical environment which have shaped its development in a distinct way. It would be a distortion to cite the reasons for the country's economic success without giving adequate attention to the state-society relation in South Korea.

Historically, Korea has had a long history as a Confucian nation. Choson, a typically Confucian dynasty, lasted in Korea from 1392 until it became a Japanese colony in 1910, and it was not independent until 1945. Confucianism has left a legacy of the primacy of the centralised state and its bureaucracy. Though this legacy has served the basis of an interventionist state, it has left few means by which society can check abuses of political power (Lee 1991: 144-147).

Japanese colonialism has also left a legacy in Korea. Under the Japanese rule the state continued in its position of primacy, for the colonial government strengthened and modernised it. The state in the colony played a more active role in directing the economy and distributing resources to meet the needs of the Japanese empire. During Japan's involvement in the Second World War the colonial

government took total control of Korea's labour and resources. By 1948 two regimes were formed, the Democratic People's Republic of Korea and the Republic of Korea (ROK). Later, the Korean War (1950-53) broke out, and during this period the relationship between the ROK and US broadened. American aid and economic advisers were sent to help ROK set out an economic plan and start postwar reconstruction (Harland 1992: 19-20; Lee 1991: 149-150).

By 1958 South Korea's economy had lost its impetus. Political factors were probably responsible for the slowdown. The Rhee regime was more interested in political survival than in economic development, while in 1960 the government embraced a comprehensive seven year economic development plan for the first time in South Korean history. Rhee's regime was overthrown by a revolt in 1960 and a year or so later, Major General Park Chung Hee seized power in a military coup. In the postwar era, the stimulus for economic development in South Korea came from the state. Yet the leading energy for South Korean economic development started in 1960 and it was under the policies of the Park regime (1961-79) that South Korea created its remarkable economic growth.

Economic success did not prevent internal rivalries and factionalism, though it muted public resentment at the harshness of the Park regime. Park lost his strength in the face of criticism of his dictatorship as economic development lost its momentum in the late 1970s. In 1979 Park was assassinated by one of his military colleagues. Another general, Chun Doo Hwan, took control of the government by force. Chun's regime proved to be even harsher than Park's. Then students, encouraged by middle class parents, took to the streets to protest against repression. Ultimately, in 1987 Chun was forced to hand over to another general, Roh Tae Woo, who fast acceded to the protesters' demands. The election in 1992 of President Kim Young Sam, the first nonmilitary President in some three decades, has been seen as a turning point in the process of democratisation in South Korea by some scholars (Lee 1993; Lee and Sohn 1995: 30-31; McKay 1993: 68-69).

Democratisation and the Rise of Civil Society

From the perspective of the changing state-society relation, the democratic transition in South Korea since the late 1980s has contained three key elements: liberalization of the regime, activation of civil society and the relative weakening of the state (Lee 1993). Fundamentally, liberalization refers to the loosening of direct state control over civil society and is a necessary condition for democratisation. Indeed civil society is developing, and the relationship between the state and civil society is being reconstructed in South Korea. But what social group provided the significant push to ensure political change? According to Lee (1993: 359), it was the new urban middle class, together with students and blue-collar workers. The new middle class formed a central social force in leading social movements during the late 1980s and the early 1990s. This implies that an educated population and a large middle class are key forces militating against any deterioration into chaos.

The new types of social movements obtaining momentum in South Korean society can be seen as indicators for the activation of civil society. The distinct features of these 'civil society movements', such as antipollution, environmental protection and economic justice movements, are that they transcend class interests and their issues and areas are relevant to the society as a whole. In this sense civil society movements are not essentially against the capitalist system but rather stress distorted and unjust aspects of that system. The political model they seek is a social democratic model with an emphasis on the welfare state. To what extent the civil society movements will succeed is articulated with the future achievement of a regime rooted in the welfare state. As Lee (1993: 367) claims,

> If, indeed, civil society gets more activated and organised, if diverse movements within civil society become successful to the extent that they curtail the arbitrary exercise of power by the state, and if the "progressive coalition" by removing existing cleavages between labour and civil society actually emerges, then civil democracy with a certain degree of social welfare will be a viable model in Korea.

The state in South Korea is no longer insulated from the demands of civil society as it was in the earlier period. The various interest groups including business, students, labour, and farmers have attempted to exert influence on government policies in favour of their demands and interests. Whang (1991) thus predicts that South Korean social development toward the year 2000 will be reflected in broadened attempts to provide for all members of society. Whang (1991: 113) argues that:

> Despite the gradual introduction and expansion of the national welfare pension system, increasing welfare demands from senior citizens will be met by inducing the public to observe the responsibilities of an extended family based on traditional values and partly by providing tax incentives for families that support elderly parents. ... On the other hand, the livelihood of the helpless, such as the mentally and physically handicapped and the elderly without family support, will be protected by expanding the national public assistance programs, in spite of the limited financial resources of the government.

However, what seems most unlikely is that South Korea will attain the thriving level of Western democracies in the near future. As far as actual effects and policy outcomes are concerned, the civil society movements put only limited pressures on the state. At the same time the governmental strategy in South Korea is not to develop and maintain a social infrastructure or a 'Western-style welfare state' package of social services but to use Confucian virtues regarding informal caregiving in the three-generation family as the legitimation for its social policy (Palley 1992: 788-789). Like the other three East Asian NICs , welfare development in South Korea is likely to maintain a family-oriented welfare provision rather than to move toward a 'Western-style welfare state'. This orientation can be seen in its recent welfare development.

Recent Welfare Development

The government's rationale for promoting 'Confucianism' and family responsibility in the East Asian NICs and Japan seems to be taken for granted. South Korea's political leaders also tend to believe that government support of income and social services programs to aid

members of the family, particularly the elderly, would replace family care and thus weaken the cultural values of Confucianism. In addition, the Democratic Liberal Party (DLP), the dominant political party in South Korea, has pursued a development model that highlights industrial development and economic growth.

This political-economic orientation makes it difficult to reduce any social stress factors via the development of a social welfare infrastructure because of its emphasis on economic development. Due to the stimulation of industrialisation by government, for example, a high concentration of industries and population in main cities— particularly in Seoul and the Seoul region— housing and public-service insufficiency has been exacerbated. Such an orientation has ended in 'a policy of minimal social services and income maintenance; it particularly offers no social programs in-home and community-based services for intact Korean Families' (Palley 1992: 788).

The lack of an infrastructure of social welfare and income-maintenance policies in South Korea is bound up with its economic development strategy. Like its East Asian counterparts, human resource development in South Korea is seen a prerequisite for economic growth. Priority is placed on the area of education rather than public social service or housing, and the cost of the former is more than 10% of the GNP. In addition, only US$2,472,000 or 0.17% of the total national budget was spent on programs for the elderly in 1990, and public assistance and social service came to just 1% of the national budget (Palley 1992: 792). To a large extent, this can be seen as in conformity with Confucian values which emphasise the importance of education in maintaining social order and/or fostering essential development.

In 1988 South Korea enacted two noteworthy social insurance schemes— the National Pension and National Health Insurance. Like any other country which has a public pension program, South Korea's public pension system is at the heart of the retirement income security system. The sources of funds for the National Pension Scheme (NPS) are contributions from employees and employers, government subsidies for administrative costs, and interest accruing to the accumulated fund. Initially, the contribution rate was fixed at 3% for the five years between 1988 and 1992, then was increased to 6% for five

years between 1993 and 1997 and finally will be 9% after 1998 (Munnell 1993; Yoo 1993: 486).

Under the NPS there are four sorts of benefits: old-age pension, invalid pension, survivor pension and lump-sum refund. The basic old-age pension is to be paid to those who turn 60 and have been insured for at least 20 years. But coverage under the NPS itself is still limited. This plan aims to cover all employed persons between the ages of 18 and 60 who are not covered under one of the other public pension programs. At the outset, coverage was limited to work places with 10 or more employees because these firms had readily available wages statements. From 1992, coverage was expanded to workplaces with 5 to 9 employees, and coverage for self-employed, including farmers and fishermen, is optional. The ultimate goal of the NPS is to cover all work places and workers.

South Korea's health security consists of the National Health Insurance Scheme (NHIS) and the Medical Aid program. The NHIS is based on the health insurance program which was launched in 1977. It is a compulsory social insurance scheme to provide citizens with access to necessary health care and covers 93% of the population. The remaining 7% are the poor, who are covered by the Medical Aid program which was also initiated in 1977. It is a public assistance program for medical care supported by the government. Originally the health insurance program was compulsory for all firms having 500 or more employees. At the beginning of 1979, civil servants and private school teachers were contained under complementary legislation. In the early stages of 1988, the program was enlarged to include the self-employed in rural areas. Finally, the self-employed in urban areas became insured and universal coverage was realised in the middle of 1989 (Kwon 1993: 566).

The NHIS system is composed of three different types of insured:

1 All regular employees, employers, and their dependents of industrial enterprises employing 5 or more persons.
2 Civil servants, all private school teachers and support staff and their dependents, military personnel's dependents.
3 Self-employed, and pensioners in urban and rural areas.

Dependents of these three types include spouse, parents, grandparents, children, grandchildren, father-in-law, mother-in-law, brothers and

sisters of the insured excluding those who make their living independently of the insured.

The premium size is determined by membership, but has to fall within a range of 3-8 percent of the wage bills. Only the insured are asked to pay premiums while family dependents are free from payments. Contribution is equally shared by employees and employers. For example, if the rate set is 6%, then employees pay 3%, and employers match this. Contributions in the case of type 3 are paid fully by the insured at a flat rate on the basis of income, assets and number of dependents.

The schemes that normally make social spending large, pension and health insurance, 'have so far accounted for relatively little of government spending in Korea' (Friedman and Hausman 1993: 149). They have certainly improved the relative position of low income earners. However, they were initiated in a hurry, and unexpected problems arose. One notable example is the financial difficulties that both schemes will face in the future. As some scholars have pointed out, the health insurance system today in South Korea is in no way an outcome of systematic and planned efforts (Kwon 1993: 565; Yoo 1993: 483).

As in the case of Taiwan, the initiative of health insurance in South Korea was the by-product of abrupt decision-making by a political leader. Therefore, it does not sufficiently take into account the needs of the insured and the long-term goals of the health insurance system. To some extent, these measures have been implemented in response to the growth of a demanding civil society since the 1980s. This historical background probably illustrates why South Korea has embraced a health insurance system similar to Taiwan's with a lack of long-term perspective.

The State-Society Relation in Taiwan

Taiwan returned to China and became a province of the Republic of China again at the end of the Second World War. Yet due to the civil war between the KMT (Kuomintang, or Nationalist) and the CCP (Chinese Communist Party), economic catastrophe seemed unavoidable. A huge proportation of Taiwan's resources was still converted to mainland China by the KMT to support the war. Under the

circumstances, serious inflation became a source of worsening state-society relations. This in turn provoked the 2-28 Incident of 1947. In this incident, the struggle of Taiwanese people against the officials of the KMT spread rapidly over the whole island, and eventually the KMT used the army to suppress the protest. It is generally believed that some of the dead were the local elites. Even now the 2-28 Incident is still regarded as the root of the mainlanders-Taiwanese complex and the origin of the political opposition movement in Taiwan.

To adequately understand the Taiwanese developmental experience it is essential to examine the interaction of the state and civil society. Traditionally, the East Asian state has been seen as strong or active rather than weak or passive in seeking to affect civil society. Yet since the state-society relation in Taiwan is a dynamic one, civil society has also taken a flexible response to adjust to the potential changes deriving from the new form of the state-society relation. After the 2-28 Incident, the KMT built its authoritarian regime with strong control on the island when it was defeated in mainland China and retreated to Taiwan. Under the rule of the KMT, Taiwan's society has not only undergone impressive development towards industrialisation but has also experienced rapid economic growth. Essentially, economic development and the changing state-society relation can be divided into three periods in postwar Taiwan (Hsiao 1992):

- **The 'state over society' period, 1947-62.** All spheres of public life were totally dominated by the party-military state, and civil society unavoidably fell into the complete control of the KMT state apparatus. Political consideration was seen as the national primary goal, and economic rebuilding and solidity were given prime concern both for the political survival of the regime and for the developmental ground of Taiwan's society. Government policies focused on the development of industry for people's livelihood, such as fertilisers and textiles, so as to reduce imports and save foreign reserves.
- **The 'economic growth first' period, 1963-78.** Economic growth was incorporated into the KMT state priority agenda for ruling Taiwan. By so doing, it performed many measures to stimulate foreign investments, and set up the Export Processing Zones to boost exports and accumulate foreign reserves. The shift of developmental strategy from Import Substitution Industrialisation (ISI) to the Export Oriented

Industrialisation (EOI) has also led to a change in social structure: expanding small and medium-sized enterprises, the formation of private capitalists, the appearance of an urban middle class and an increased number of working class. Because of the energy crises and decreasing demands of the world market since the mid-1970s, the government started a bold commitment to infrastructural development with the Ten Major Construction Projects in the late 1970s to promote economic growth through public investments. By the late 1970s, political and economic forces combined to accelerate capitalist development. On the other hand, some 'root seeking' efforts to redefine the nature of Taiwan's society have been engendered by diverse sectors of civil society, but these efforts have been made by the intellectuals. In short, during this period the KMT regime still dominated most facets of the economy, albeit that economic considerations permitted the advance of new economic interests which affected the state. Clearly civil society was not yet mobilised sufficiently to question explicitly the power of the authoritarian regime, though the political opposition actually had already won support from the populace.

- **The 'struggling of the welfare state or welfare society' period, 1979-the present.** The 1980s were another starting point of industrial development for the KMT state, induced by forceful government promotion of strategic, technology-intensive industries. The first science-based industrial park for Taiwan was established in 1981 in Hsinchu. By 1990, technology-intensive, heavy industrial and chemical products made up 54 percent of the nation's total exports, while another 40 percent represented the output of information, electronic and machinery industries (ROC 1993: 201). Taiwan's economy is entirely integrated with the global economy, and the KMT state has set further internationalisation and liberalization as its leading economic goals of the 1990s. In the last decade, economic development also provided a precondition for the emergence of a civil society. A typical feature of the rise of civil society in Taiwan is an increased call for the readjustment of the existing relationship between the state and civil society (Hsiao 1992: 58-59). Consequently, the state has begun to respond more actively to the demands of civil society and has introduced some welfare measures, such as the

National Health Insurance Scheme and the Older Farmer Pension for its citizens.

The KMT party-state's control over Taiwan's civil society for the first three decades of its rule was hegemonic. In the 1980s, with economic development and rapid change, civil society in Taiwan was no longer passive and became more prosperous, more differentiated, and more fluid (Gold 1991a: 1; Hsiao 1991: 136). We can further examine Taiwan's welfare state development by reviewing the history of the eroding and restructuring of state legitimacy, the emergence of civil society, and the struggle of welfare state-society relations in Taiwan in the 50 years after World War II.

The Eroding and Restructuring of State legitimacy

State legitimacy has been serious challenged since the 1970s. Two significant events radically eroded the KMT state legitimacy. One occurred in 1971, when China's seat in the United Nations was lost by the Beijing government, forcing a withdrawal by the Taiwanese delegation. The other was in 1979, when the United States normalised diplomatic relations with Beijing. The KMT regime thus lost its powerful supporter which justified its monopoly of power. After this country after country moved its embassy from Taipei to Beijing, until by 1990 only about two dozen countries remain to uphold diplomatic relations with Taiwan. The ROC on Taiwan has seemingly lost its international identity, but it is a fact that many countries in the world still maintain economic ties with Taiwan, and in several cases both sides have started trade offices which play a quasi-consulate's role.

The KMT state not only faces international changes, but also meets currently continuous challenges from a demanding civil society. The KMT regime's state legitimacy has been eroded by the impact of the challenges from internal civil society and the loss of external international identity. In such circumstances, it must make efforts to restructure its state legitimacy along with adequate responses to the demands of civil society. The rise of civil society in Taiwan is one of the prominent features of social change over the last decade. More importantly, it can be said that the growth of civil society plays a crucial role in Taiwan's political transition and welfare development.

Social Movements and Civil Society

In the 1980s Taiwan presented a distinct and complex picture in which the rising of social movements and the erosion of the state regime combined, leading to a change in state-society relations. As Gold (1991a: 23) observes, 'Taiwan offers a singular laboratory to examine the rise of social movements within civil society'. In the transition from 'hard' to 'soft' authoritarianism (Winckler 1984), these new emerging social movements were a catalyst. Since the 1980s a demanding civil society in Taiwan has exhibited the following striking features.

First, the changing nature of Taiwan's civil society in 1980s was via the mobilisation of its members to form a new kind of 'participatory political culture' (Hsiao 1992: 70). Such a participatory political culture both encouraged ordinary people to participate in the existing system by way of collective actions and to learn from their actions, such as learning how to make claims on the state.

Second, social conflicts between various classes are not the main source of the organised mobilising movements; instead the state very often became the ultimate target of social movements. Civil society, by virtue of social movements, has made an effort to gain more autonomy from the state and in turn progressively to influence the direction of the state, including the diverse spheres of public policy.

Third, the KMT state has been compelled to adjust and re-adjust existing state-society relations so as to respond to challenges from the demanding civil society. The pressures from civil society could no longer be neglected, even though many responses from the state were not adequate to satisfy the demands of civil society.

Fourth, when ordinary people were aware that the state was both overlooking their demands and restricting their movements, the aims of struggle altered to become a force for political reform and this also led to a rapid politicization of civil society. One observer notes that 'the rapid politicization of social movements was enhanced by their interactions with the political movement... The involvement of the opposition movement had important impacts on the development of civic organisations and social movements' (Ngo 1993: 13).

Fifth, in restructuring state legitimacy, civil society via social movements also had a positive influence on future state-society relation. As long as the state could more effectively respond to the

demands of civil society, its legitimacy could be supported and consolidated by civil society. Both the state and civil society were looking for new chances to justify their positions, but how to create a prospect of 'double winner' will, it seems, become their common goal in the future.

From the Hegemonic (Warfare) State to State Involvement in Welfare

Economic growth in Taiwan is also accompanied by some social problems, such as an increase in numbers of dependent elderly people, increasing crime rates, growing environmental damage and calls for housing due to overcrowding in urban areas. All these have forced the KMT government to give more attention to social and cultural related programs. For example, the government invested a total of NT$6,707 million in public housing projects from 1956 to 1979, and public expenditures on education and culture as a percentage of the total government expenditure increased from 14.6% in 1961 to 17.2% in 1979 (Tsai and Chang 1985: 243). The government has increasingly recognised that non-economic development in the modernisation process has an important position. The new Ten-Year Economic Development Plan (1980-1989) can be seen as a striking response to these social problems, for improvements to the general welfare and livelihood of the people in Taiwan became one of its developmental goals.

In 1973 the first major social welfare program in Taiwan was passed, with financial assistance from the United Nations International Children's Emergency Fund (UNICEF). To a large extent, it was external pressure that drove the government to enact the 1973 Welfare Law for the Children. This factor seems to become more obvious after the Republic of China on Taiwan was forced to give up 'the seat of China' and left the United Nations. Undoubtedly, the withdrawal of UNICEF's programs, the mid-1970s oil crisis, and economic depression all combined to cause a negative impact on the development of social welfare in general and especially the enforcement of the Welfare Law for the Children. When the worldwide economic recession led a decline in export revenue, social welfare programs were seen as a particularly heavy burden on the nation's economy. Under the circumstances, it was not surprising that

the government focused on a rapid economic recovery, and no social welfare program was enacted from 1974 to 1979.

In 1980, the KMT government again enacted three social programs: Welfare Law for the Aged, Welfare Law for the Disabled and Social Assistance Law. Certainly the formal establishment of diplomatic relations between United States and the People's Republic of China (PRC) in 1979 was a significant challenge to the KMT regime, yet it is an exaggerated claim that these three social welfare programs were purely by-products of the crisis of the US—PRC normalisation declaration. This simplistic view neglects the influence of internal factors. From the viewpoint of state legitimacy, these enactments of social welfare legislation reflected the dynamic process of eroding and restructuring of state legitimacy under both external and internal pressures and the awakening of civil society.

Specifically, in addition to economic recovery, the internal pressures resulting from the Chung-li Incident of 1977 and the Kaohsing Incident of 1979, which can be seen as two key actions of political dissent by civil society, also challenged the KMT regime's hegemony. As Gold (1991a: 16) notes, 'intellectuals, with expanding popular support, began to challenge the KMT's political, social and cultural hegemony in civil society. It was not until the KMT confronted a barrage of unprecedented internal and external crises, however, that the societal challenge bore fruit'. In this sense the eroding and restructuring of state legitimacy and the awakening of civil society gave an important boost to social welfare development in Taiwan. When state legitimacy was challenged by the 'double pressures' of the loss of international identity and the discontent of civil society, the government was led to use social welfare programs as a defence mechanism and 'a stabilising measure in dealing with growing internal demands from the public for a larger share of national wealth and power' (Tsai and Chang 1985: 254).

We could be easily led to the conclusion, then, that Taiwan is shifting swiftly from a hegemonic (warfare) state to a state committed to extensive welfare provision. However, the lack of substance to welfare legislation and its poor rate of fulfilment all kept Taiwan far from committed to welfare. In a sense the enactment of these four social welfare programs prior to 1980 in Taiwan was more a result of

political considerations than of concern for the well-being of ordinary people. As Chan (1985: 351) argues:

> [T]he enactment of these laws occurred to relieve political pressure rather than to meet perceived social welfare needs. They function more as an expedient measure to avoid social unrest rather than as a genuine basis for the provision of welfare services.

It is not surprising that all of these four Welfare Laws have been amended since 1993 or are being amended. This more or less reflects the fact that the emergence of civil society and social movements has seen calls for the state to bear more welfare responsibilities for distinct population groups since the 1980s (Chan 1992: 128).

During the 1980s, Taiwan experienced a rapid change in its social structure which led to various social movements calling for more welfare responsibilities from the state for some groups of the population, such as the homeless, the disabled, the aged, and children. As Taiwan entered the 1990s, this pressure forced the Government to declare that the National Health Insurance Scheme would be fulfilled by 1995 from the original deadline of 2000.

To some extent, such changes are a product of the changing state-society relation and are also a reflection of the KMT's strategy to succeed in the General Elections. In this sense the eroding and restructuring of the KMT's state legitimacy and the rise and demands of civil society are an interlacing and interactive process. Clearly, the process of the development of civil society and of a new relationship between the state and society as a whole will go on through the next decade (Lin 1990: 174).

Yet there is no evidence to show that Taiwan will aspire to state-oriented welfare, particularly a Swedish-style welfare state in the foreseeable future. For several reasons it will probably move towards a welfare society rather than towards a welfare state in the narrow sense. First, the traditional Chinese culture that emphasises the key role of the family in welfare provision will continue to operate, and any radical change away from this seems unlikely in the immediate future.

Second, Taiwan heavily relies on export trade, and economic growth as a key means of maintaining state legitimacy. If Taiwan wants to maintain economic growth in a competitive world system, it

is likely the government will invest more capital in economic development rather than social welfare development.

Third, political democratisation and politicization of civil society might be conducive to social welfare development, but this does not mean that the state will easily adopt a form of the state-oriented welfare. There are other means to restructure state legitimacy, the development of welfare is not the only choice. The Old-age Pension Scheme, for example, was advocated first by the Democratic Progressive Party (DPP), but the KMT finally adopted the Elderly Farmers Pension Scheme to replace the Old-age Pension Scheme in 1995. This could be seen as the by-product of political negotiation. Economic growth, more importantly, has been seen as a main means by the state in Taiwan to ensure its political stability as ordinary people benefit from it.

Fourth, 'the welfare state in crisis' in Western societies will provide a good excuse for the government in Taiwan to maintain low involvement in welfare provision. It is likely the government will take this opportunity to warn its citizenry that the welfare state has faced a crisis; if Taiwan blindly embraces the welfare state, it will be confronted with the same problem.

Fifth, the trend of privatization of welfare in advanced countries also provokes a rethinking of welfare provision and leads the state to encourage welfare provision in civil society as a supplementary source of state welfare.

Sixth, Taiwan is closely integrated into a world system in which the United States and Japan occupy a key position (Chan 1988, 1990: 147). To some extent Taiwan's policy-making is inclined to look to the United States and Japan, learn from their experience, and perhaps even follow in their footsteps. More importantly, since both are reluctant or lagging in state welfare, it seems unlikely that Taiwan would go beyond these role models to institute a 'universal or institutional welfare state'.

Economic Miracle

The Four East Asian NICs were all poor countries in 1965, but within a decade many of their industries have enhanced their ability to join the competition of the capitalist world system. The 'Four Little Dragons' have increasingly matched the Japanese pace and have together increased their annual income per head by nearly 6% during the past three decades. Because 'never before has so broad and diverse a group of countries grown so fast for so long' (*The Economist* October 2nd 1993: 16), such an amazing achievement is usually called an 'economic miracle' (Brick 1992; Cheng 1992; Goldstein 1991; Hsiao 1988; Lie 1991; Payer 1987; World Bank 1993).

Table 4.1 Major Economic Indicators of the East Asian NICs

Item	Year	Hong Kong	Singapore	South Korea	Taiwan
Current GNP per capita (US$)	1970	900	950	270	389
	1975	2,180	2,550	580	964
	1980	5,210	4,550	1,620	2,344
	1985	6,900	7,120	2,320	3,297
	1990	11,490	11,160	5,400	8,111
	1992	15,380	15,750	6,790	10,470
	1993	18,060	19,850	7,660	10,852
Growth Rate of Real GDP	1980	10.4	9.7	-2.2	7.3
	1985	0.2	-1.6	6.9	4.9
	1990	3.2	8.8	9.5	4.9
	1993	5.5	9.9	5.5	6.2
Unemployment Rate	1976	5.6	4.4	3.9	1.8
	1980	3.9	3.5	5.2	1.2
	1985	3.1	4.1	4.0	2.9
	1990	1.3	2.0	2.4	1.7
	1994	1.9	2.6	2.4	1.6
Average Annual Rate of Inflation	1965-80	8.1	5.1	18.4	7.6
	1980-89	7.1	1.5	5.0	2.9
	1986-92	8.8	2.3	6.6	3.1

Sources: World Bank 1992, 1995a, 1995b: Table 1; ROC 1994a; Asian Development Bank 1994; Europa 1995: 4.

Table 4.1 shows that the per capita share of the Gross National Product (GNP) in Hong Kong was $900 in 1970 and $18,060 in 1993. Singapore rose from dismal poverty into a city state with a per capita GNP of $19,850 a year by 1993. South Korea's per capita GNP rose from $100 in 1960 to $7,660 in 1993 (Word Bank 1992; 1995a). Likewise,

Taiwan's per capita GNP was $145 in 1951, and it exceeded $10,800 in 1993. Its real per capita GNP during this period increased 74 times (McCord 1991: 13; ROC 1994a; Europa 1995).

This record of sustained rapid growth has been fuelled by a very successful export drive which has enabled Taiwan to become the second largest (after Japan) foreign reserve owner in the world (see Table 4.2).

Table 4.2 Foreign Reserves in the East Asian NICs and the Five OECD Countries

	Foreign Reserves, $bn		
	Latest		**Year Ago**
Australia	11.8	Jul	12.0
Japan	159.6	Jul	116.8
Sweden	28.5	Jul	21.6
UK	42.6	Mar	38.4
USA	80.5	Jul	64.4
Hong Kong	53.6	Jul	49.3*
Singapore	65.7	May	52.4
South Korea	30.9	Jul	21.5
Taiwan	100.3	May	87.8

Source: *The Economist* (1995), 9th September, pp. 115-116
Note: * Data for Dec 1994.

In the early 1980s the East Asian NICs' real Gross Domestic Product (GDP) was increasing at an average annual rate of 5.8% in Hong Kong, of 6.5% in Singapore, of 7.6% in South Korea, and of 6.2% in Taiwan. During the same period the Japanese economy grew at an average annual rate of 2.3%, the American economy at 2.4% (Goldstein 1991: 10). While there was an economic recession in 1985-86 in Singapore, its economy rapidly recovered in 1987 and in 1993 reached the highest rate among the four little dragons.

All these four NICs, as Johnson (1983: 718) notes, 'brought into existence an entirely new phenomenon: the Pacific free enterprise state, which by the early 1980s was perhaps the most encouraging aspect of human society.' They have achieved economic growth in an environment characterised by full employment, low inflation, export

expansion and a relatively egalitarian income distribution. But none of this was without problems. In the 1950s Hong Kong was an overcrowded British colony trying to absorb a flood of refugees escaping from mainland China. Simultaneously, the Republic of China on Taiwan was struggling to retake mainland China. In 1959 the leaders of a military coup in South Korea were confronting a legacy of war and political corruption. In 1965 Singapore was facing the unpredicted and unwanted independence that came after a failed union with Malaysia. McCord (1991: 13) rightly insists that at the outset of their move forward, these four NICs 'lacked resources and capital. All had been ravaged by war and were forced to accept millions of penniless refugees. All depended upon sharp, uncontrollable changes in the world's political and economic environment.'

What has all this prosperity done for ordinary people in these East Asian NICs? These four NICs managed their great advance in an unusually short period of time while impressively upgrading the income, health and welfare of their peoples. The benefits of economic growth have enhanced not just the minority elites, but the majority population. Near full employment exists and the social services also improve the living standards of the poorest sectors.

With respect to health, many social indicators show that the East Asian NICs enjoy a similar level to the five OECD countries (see Table 4.3). The East Asian NICs of the 1990s are characterised by a low infant mortality rate and a high life expectancy. It is impressive that the infant mortality rate has dramatically declined since 1970, although it is still high in South Korea. The ratio of physicians to total population of the East Asian NICs was far behind the five OECD countries in 1984. However, they had a similar proportion to that experienced by OECD counterparts in 1992. The numbers of acute hospital beds per 1,000 persons in the four East Asian NICs were also comparable to the four OECD countries except Japan in 1992.

Table 4.3 Major Social Indicators of the East Asian NICs and the Five OECD Countries

Item	Year	H K	Sin	S K	Tai	Aus	Jap	Swe	UK	USA
Infant Mortality Rate	1970	19.4	19.7	51.0	16.9	17.9	13.1	11.0	18.5	20.0
	1975	14.9	13.9	39.8	12.6	14.2	10.0	8.6	16.0	16.1
	1980	11.2	11.7	32.0	9.8	10.7	7.5	6.9	12.1	12.6
	1985	8.3	8.4	28.8	6.8	9.9	5.5	6.8	9.3	10.5
	1990	6.6	6.6	17.1	5.3	7.2	4.6	5.6	8.4	9.5
	1994	6.0	5.0	15.0	6.0	7.0	4.0	5.0	6.8	8.6
Life Expectancy at Birth	1970	70.0	67.7	59.9	69.1	71.4	71.9	74.5	71.7	70.8
	1975	71.5	69.7	63.9	70.8	72.8	74.3	75.0	72.4	72.6
	1980	74.1	71.5	66.8	72.1	74.5	76.0	75.9	73.8	73.7
	1985	76.0	72.9	68.7	73.4	75.8	77.3	76.8	74.6	74.9
	1990	77.7	74.3	70.2	74.0	76.7	78.8	77.6	75.6	76.0
	1994	78.0	74.5	71.0	74.5	77.0	79.0	78.0	76.0	77.0
Life Expectancy at Birth, Estimates and Projections, 1990-95 to 2025-30	1990-95	77.8	74.6	70.9	75.0	76.7	79.1	77.9	76.2	76.6
	2010-15	80.5	78.0	75.7	78.6	79.6	81.8	80.8	79.7	80.6
	2025-30	81.7	79.7	77.7	80.1	81.0	82.8	81.9	81.0	81.8
Population per Physician	1984	1,070	1,310	1,160	1,252	440	660	390	700	470
Physicians per 1,000 persons	1992	1.6	1.4	1.1	1.2	2.3**	1.6*	2.9**	1.4*	2.3*
Acute hospital beds per 1,000 population	1992	4.5	3.5	2.6	4.6	4.5	15.8*	3.9*	6.4#	4.7*
Daily calorie supply per capita	1988	2,899	2,892	2,878	3,017	3,322	2,848	3,007	3,252	3,666

Sources: ROC 1990: 30, 1994a; Australian Bureau of Statistics 1995; World Bank 1992,1994; Europa 1995: 4; Mackay 1993.

Note: # data for 1989;* data for 1990; ** data for 1991.

Full primary schooling in Hong Kong was guaranteed by the late 1960s and three years of secondary education provided free in the late 1970s. In a span of less than three decades, Singapore changed from a British colony to a nation with the highest standard of living, second only to Japan in Asia, the largest public housing programs in the

world, a high rate of literacy, highly efficient social services, and some of the highest environmental standards (Somjee and Somjee 1995: 17). South Korea had only one university and a few colleges in 1945. Now it has more than one hundred universities which contributed to South Korea's reputation as one of the finest educational systems in the developing countries. In Taiwan, literacy and educational levels have improved speedily. In 1980 nearly all children finished primary school, and most then continued to junior high school. Three-fifths of junior high graduates entered senior high school.

More importantly, the East Asian NICs' income distribution is more equitable than their counterparts in Latin America or even some OECD countries (see Table 4.4). The performance of the four East Asian NICs as regards income distribution, physical quality of life and human development is remarkable (see Table 4.5).

Table 4.4 Percentage Share of Household Income by Quintiles in the East Asian NICs and the Five OECD countries

	Lowest 20% (A)	Second 20% (B)	Third 20 % (C)	Fourth 20 % (D)	Highest 20 % (E)	E/A
Australia						
1985	4.4	11.1	17.5	24.8	42.2	9.6
Japan						
1979	8.7	13.2	17.5	23.1	37.5	4.3
Sweden						
1981	8.0	13.2	17.4	24.5	36.9	4.6
UK						
1979	5.8	11.5	18.2	25.0	39.5	6.8
1988	4.6	10.0	16.8	24.3	44.3	9.6
USA						
1985	4.7	11.0	17.4	25.0	41.9	8.9
Hong Kong						
1980	5.4	10.8	15.2	21.6	47.0	8.7
Singapore						
1982-83	5.1	9.9	14.6	21.4	49.0	9.6
South Korea						
1985	7.0	12.0	16.3	22.1	42.7	6.1
1988	7.4	12.3	16.3	21.8	42.2	5.7
Taiwan						
1985	8.4	13.6	17.5	22.9	37.6	4.5
1992	7.4	13.2	17.5	23.2	38.7	5.2

Sources: World Bank 1991: 263, 1995b: 221; ROC 1994c: 56; Friedman and Hausman 1993: Table 3.

Table 4.5 Income Distribution and Quality of Life in the East Asian NICs

	Gini Coefficient	Percentage Share of Household Income Lowest 20%	Highest 20%	Income Distribution Rank out of 34 Countries	Physical Quality of Life Index (PQLI)
Hong Kong	0.470(57)	5.3(65)	57.7(65)	11	76(60)
	0.462(63)	5.4(80)	47.0(80)		86(71)
	0.467(66)				92(80)
	0.409(71)				95(85)
	0.409(76)				
	0.373(79)				
	0.453(81)				
Singapore	0.498(66)	5.1(82-83)	48.9(82-83)	5	83(70)
	0.448(75)				86(80)
	0.424(79)				91(85)
	0.465(82)				
	0.474(84)				
South Korea	0.334(65)	9.4(65)	35.8(65)	8	58(57)
	0.332(70)	5.7(75)	45.3(75)		76(65)
	0.391(76)				76(68)
	0.357(82)				82(70)
	0.360(84)				85(80)
					88(85)
Taiwan	0.558(53)	5.6(60)	50.9(60)	1	63(50)
	0.440(61)	8.8(80)	36.8(80)		77(60)
	0.323(66)				87(70)
	0.294(70)				90(75)
	0.280(76)				88(80)
	0.277(80)				94(85)
	0.283(82)				
	0.290(85)				
	0.312(90)				
	0.316(93)				

Sources: Chowdhury and Islam 1993: Table 1.16; Haggard 1990: Tables 9.1, 9.2 & 9.4; ROC 1994a: 61; World Bank 1991: 263.

In Taiwan, for instance, the richest 20 per cent enjoyed an income 15 times larger than that of the poorest 20 per cent in 1949, but by 1989 the ratio had fallen to 4.29: 1 (McCord 1989: 209). Indeed, Taiwan has outperformed the other three in reducing income inequality. The decline of Taiwan's Gini coefficient, from 0.56 in 1953 to 0.28 in 1980, 'is probably the largest decline in the Gini in any nonsocialist nation since 1900' (Barrett and Chin 1987: 29). Riedel (1988) has offered income distribution ranks of the East Asian NICs by ranking countries

according to their household income shares of successive cumulative quintile aggregates. The rankings of these four NICs among thirty-four developing countries are compatible with their Gini coefficients and Taiwan ranks first.

The achievement is more outstanding when one considers that the quality of life in the East Asian NICs has been realised in less than three decades. A basic needs approach to poverty, which highlights such social indicators as life expectancy, infant mortality and adult literacy, makes the East Asian NICs look even more remarkable. The Physical Quality of Life Index (PQLI) indicates that the quality of life in all four NICs is very close to that observed in developed countries (Chowdhury and Islam 1993: 26). Likewise, the East Asian NICs have done well in translating their economic growth into human development in a very short space of time. This reveals that the East Asian NICs have been successful in reducing income inequality for their societies and the range of choices open to their people is not far behind most of the OECD countries.

Compared with the West, Berger (1987, 1988) sees Japan and the 'Four Little Dragons' as a 'second case' of capitalist modernity and lists some of the salient economic features. They are:

> high growth rates, sustained over many years; ... high growth has been associated, ... with diminishing income inequality; an astounding improvement in the material standards of living of virtually the entire population; a highly active government role in shaping the development process... ; an underdeveloped welfare state (even in Japan); low tax rates and high savings rates... ; and an economy geared to exports. (Berger 1988: 5)

It is incorrect to call them 'an underdeveloped welfare state' because if we take the welfare provisions of various sectors of civil society into account, then in the precise sense the East Asian NICs can at best be called 'underdeveloped state welfare' rather than 'an underdeveloped welfare state' .

As regards social and labour policy, the state played a more vital role in Hong Kong and Singapore than it did in South Korea and Taiwan. In Castells' view (1992: 33-70), the East Asian developmental state depends on economic development to construct a national identity. Economic development is not only a goal but also a main

means for state leaders to secure political legitimacy. In this sense, the political legitimacy of these states was based on integrating their civil societies to underpin their development efforts. To a large extent, 'economic miracles' could not be achieved without such state integration of civil society into economic development. More importantly, in the process of economic growth various sectors of civil society also played a key part in welfare provisions to supplement the shortfall in state welfare (Tsai 1988). Many welfare problems do still exist, but are solved through a reliance on family values and duties. The traditional family, for example, can not only absorb its unemployed members but has also borne the problem of elderly care in past decades.

However, capitalist development in the East Asian NICs is accompanied by changes in social structures, particularly the formation of the new middle class which could destabilise society if the state can not properly respond to its demands. Indeed, the East Asian NICs have experienced rapid social changes. Demographical change, such as the advent of an aging society and the low fertility rate, has caused various sectors of civil society to call for the state to take more welfare responsibility. This pressure from civil society has forced the state to change its relationship with society and led it to introduce some welfare schemes, such as the National Health Insurance in South Korea and Taiwan, the National Pension in South Korea, the Old-age Pension in Hong Kong, and the Old Farmer Pension in Taiwan. Although Singapore has its CPF to provide health care and pensions for its citizens, the government is still using new policies which centre on the core values of obedence and the family as a developmental strategy to confirm the state welfare system.

The state in the East Asian NICs has taken on different strategies to respond to the demands of civil society and the changing state-society relation. To maintain its economic prosperity and political legitimacy the state can not but take more welfare responsibilities for its citizens. This situation reveals that the growth of civil society has changed the state-society relation in these four NICs, and has provided the opportunity for welfare issues to enter the political agenda. However, this transition does not mean that the state will move toward a Western-style state welfare provision. Instead, it is likely that

the state will become more involved in welfare provision than before by adjusting its welfare provision relationship with various sectors of civil society.

The Lessons from East Asian Development

Many analysts who are interested in understanding the East Asian success ask the question: can the East Asian experience provide crucial lessons for developing countries? Much less attention has been paid to the probability that the developed countries might also learn something from that experience. Since Western societies have been growing far more slowly than those of East Asia, the lessons should not be restricted to the Third World's poor countries. As Berger (1987: 141) rightly argues, 'one must try to understand East Asia in order to better understand the West and, for that matter, to understand and perhaps to predict the development of other non-Western societies in which industrial capitalism is emerging.'

Although there is no simple recipe for their success, the East Asian NICs do provide some lessons for other developed and developing countries. What is the true story of East Asia's success and what are the lessons for the rest of the world? What are the relationships between patterns of economic restructuring and social policies in social security, health, housing, education and personal social services? In order to maintain the rates of economic growth, are there any intolerable sacrifices in the quality of life? These issues are not unique to the East Asian NICs but common to every region in the contemporary global commotion of political, economic and social change.

Indeed, the spectacular economic success of the East Asian NICs has not only begun to dominate the development debate, but has also forced a rethinking of the relationship between global capitalism and Third World economic development (Henderson and Appelbaum 1992: 3; *The Economist* November 16th 1991: 3-22; Vogel 1991). As the motivation of economic growth has endured, in MacPherson's words, 'with more economies seeking to emulate the "Tigers of Asia", the pursuit of social policy goals into practice, will provide many examples of creativity and innovation in social policy and administration, as

well as great opportunities for the comparative study' (MacPherson 1992: 60).

The four NICs have achieved their rapid economic growth under authoritarian and often repressive regimes. Some observers thus argue that authoritarianism is a key element of the development process. Yet this does not imply a choice between development and democracy. As Castells et al. (1990: 6) suggests:

> [M]ost developing countries have authoritarian repressive regimes that are not able to engage in development, generally fail in improving the living conditions of the majority of the population, and they are hardly able to build any stable political legitimacy. ... the process of economic development, and the social change that goes along with it, may ultimately undermine the foundations of authoritarianism, opening the way for political democracy and social reform, as some of the current trends in South Korea, and to a lesser extent in Taiwan and Hong Kong, seem to indicate.

In reviewing the welfare of ordinary people, it is necessary to pay attention to the East Asian development experience. The experience of the East Asian NICs is a caution against the trend in many Western societies to depend almost exclusively upon state welfare. In Singapore, for instance, the government has presented its criticisms to western welfare statism while providing money for education, public housing and health care for its citizens. The further introduction of welfare schemes in the East Asian NICs is unlikely to promote the development of a Western-style welfare state. Instead, the East Asian NICs are concerned about the economic consequences of the large-scale schemes of state intervention experienced in Western societies and most East Asians simply want to avoid the situation of making everyone eligible for a number of state benefits.

As we have seen, the role of the state in sustaining welfare in modern societies is unstable rather than invariable, and the vital concerns of individuals, families and communities do not stem from political or economic values, but rather, progressively from extensive human values (Flora and Heidenheimer 1981; Rose 1984). Yet state institutions must be seen in the broad context of the state-society relation. In respect of the provision of welfare the state is not the only

way of allocating the burden, and other institutions are also involved. Neglecting the welfare provision of various sectors of civil society would cause a distorted picture of the extent of welfare provision. In the East Asian NICs, for example, as in many developing countries, the welfare role of the family and more generally the various sectors of civil society might be quite large and important, albeit more difficult to measure.

A comparative analysis of welfare configurations can challenge the simple assumption that there is one best way to humanise economic and social relationships between all members within society. Moreover, a comparison of welfare configurations including OECD and other developing countries can further examine whether and under what circumstances their social policies or welfare provisions, counting various sectors of civil society as well, are similar or dissimilar.

The issue of the state-society relation is thus crucial in discussing welfare configurations between different societies. This approach assists comparisons across countries since there are substantial differences in the ways that countries divide the responsibilities of social welfare provision among various sectors. From the perspective of welfare provision, institutional mechanisms as delivery systems for ordinary people's needs vary greatly, and different types of societies have different types of welfare configurations.

State Welfare: Is Expenditure Enough?

Conventional usage of state welfare is associated with government action in the areas of personal and family income, health care, housing, education and training, and personal care services. Government action includes direct welfare provision and services, and both the regulation and subsidisation of various sectors, such as child care, welfare payments and public assistance programs. State welfare here refers to education, health, social security and welfare, and housing and community amenities that consist of major categories of social expenditures. For two main reasons, these four categories are chosen to be the indicators of state welfare. First, many international agencies have treated these four categories as comparable indicators of social expenditures between countries since the mid 1970s. Second, a

useful measure of government policy priorities is offered by social expenditures as a percentage of total government expenditures.

Table 4.6 and 4.7 show changes in social expenditures as a percentage of GDP, and of total government expenditures, in the East Asian NICs and the five OECD countries in the last two decades. This percentage grew moderately in all four NICs, thus revealing greater attention to social development since the mid-1970s. In some measure, this reflects the changing state-society relation and the restructuring of the economy and polity in the past two decades.

Table 4.6 Social Expenditures in the East Asian NICs

	Hong Kong		Singapore		South Korea		Taiwan	
Year	As % of GDP	As % of TGE	As % of GDP	As % of TGE	As % of GDP	As % of TGE	As % of GDP	As % of TGE
1976	5.9	48.6	—	—	3.6	20.3	5.6	26.4
1977	5.8	45.6	6.3	31.8	3.8	24.3	5.8	25.1
1978	6.5	45.9	6.2	32.9	3.7	23.3	5.8	25.2
1979	7.0	50.0	5.9	31.5	4.0	23.6	5.5	25.7
1980	7.8	50.2	5.6	29.2	4.5	25.8	6.1	26.2
1981	7.8	45.6	7.9	34.9	4.4	26.0	6.5	26.5
1982	8.7	47.1	7.1	34.1	6.0	31.3	7.7	29.6
1983	9.0	49.4	7.4	33.5	4.9	28.0	7.5	31.7
1984	8.1	52.3	8.7	32.9	4.7	27.0	7.1	32.0
1985	8.3	52.2	9.2	33.8	4.3	26.6	6.8	32.5
1986	8.0	52.2	11.0	38.1	4.2	26.9	7.1	32.1
1987	7.4	53.3	10.0	29.0	4.2	27.9	6.6	32.0
1988	7.7	54.4	8.6	38.0	4.4	29.8	7.4	34.8
1989	8.2	52.6	7.6	34.4	4.9	30.5	9.3	29.6
1990	8.9	54.5	6.8	32.7	5.2	31.9	7.7	28.3
1991	8.8	54.1	7.8	36.3	4.8	29.1	8.5	28.8
1992	8.5	53.3	7.3	37.3	4.8	28.5	9.1	28.6
1993	9.0	52.0	—	—	4.9	29.0	9.2	29.1
1994	9.2	54.9	—	—	4.8	27.4	—	—

Sources: United Nations 1993; International Monetary Fund 1988, 1994; Asian Development Bank 1992, 1994, 1995.

Note: TGE refers to Total Government Expenditures.

Table 4.7 Social Expenditures in the Five OECD Countries

	Australia		Japan		Sweden		UK		USA	
Year	As % of GDP	As % of TGE	As % of GDP	As % of TGE	As % of GDP	As % of TGE	As % of GDP	As % of TGE	As % of GDP	As % of TGE
1977	13.1	49.2	—	—	—	—	—	—	—	—
1978	13.4	48.7	—	—	26.2	65.5	16.9	45.4	—	—
1979	12.7	47.7	5.8	32.8	27.1	64.8	16.7	45.1	10.5	49.8
1980	12.2	46.7	5.8	32.0	27.1	64.1	17.6	45.4	11.4	50.0
1981	12.1	46.2	5.8	31.7	27.7	62.0	18.8	46.2	11.7	50.1
1982	11.7	44.0	5.7	32.3	27.4	60.3	19.3	46.7	12.1	49.0
1983	12.8	44.7	5.5	30.3	26.9	55.8	18.6	46.2	12.6	48.9
1984	13.3	45.3	5.3	30.9	25.8	55.8	18.4	45.8	11.5	47.5
1985	13.8	45.8	5.1	30.3	25.9	55.4	19.5	49.3	11.1	45.2
1986	13.4	45.0	4.9	30.3	26.0	58.0	19.5	50.8	10.8	44.3
1987	13.1	44.8	4.7	28.6	26.1	60.6	18.9	51.3	10.6	44.8
1988	12.7	46.3	4.8	29.2	26.7	63.9	17.7	51.3	10.4	44.7
1989	12.4	49.3	4.9	29.4	27.1	65.7	17.3	51.2	10.2	44.0
1990	12.5	49.5	4.3	26.2	27.9	65.5	17.9	47.5	10.4	43.4
1991	13.7	51.1	4.2	27.0	29.2	66.9	19.9	50.0	11.2	44.2
1992	15.1	53.5	—	—	30.8	66.4	21.5	49.9	12.0	48.9
1993	—	—	—	—	32.0	61.1	—	—	12.1	50.8

Sources: United Nations 1988, 1990, 1994; International Monetary Fund 1988, 1994.

Note: TGE refers to Total Government Expenditures.

Social expenditures dominate many OECD countries' public finance and seem to be the least controllable outlays of government expenditures. Sweden has the highest proportion of social expenditures as a percentage of GDP among the five OECD countries. Compared with the five OECD countries, with the exception of Japan, all four NICs stand out in their relatively low social expenditures as a percentage of GDP. While social expenditures as a percentage of GDP in the East Asian NICs is still well below that in the OECD countries, the proportion has significantly increased in the past two decades. Compared with Sweden, the proportion in the East Asian NICs

decreased from five to eight times in the mid-1970s to three to six times in the early 1990s.

According to the latest data, social expenditures as a percentage of total government expenditures in OECD countries with the exception of Japan, are over 50% (see Table 4.7). Again excluding Japan, while social expenditures as a proportion of total government expenditures kept stable in OECD countries in the last two decades, social expenditure increased its share of GDP. It is noteworthy that both percentages in Japan reduced to a level close to that in South Korea in the last decade. However, social expenditures as a proportion of total government expenditures in Hong Kong is likely to be closer to the pattern of its OECD counterparts. Conversely, this proportion in Japan is parallel with its East Asian equals. 'The welfare state in crisis' (OECD 1981), it needs to be stressed, only slowed down rather than reduced the growth of social expenditures in these OECD countries.

While the four East Asian NICs show a similar trend in the growth of social expenditures, there are some differences between them. Overall social expenditures have made up a greater proportion of total government expenditures in Hong Kong and Singapore than in South Korea and Taiwan. It is worth noting, however, the proportion of social expenditures in GDP nearly doubled from 1976 to 1993 in Taiwan. This has made the level of social expenditures as a percentage of GDP in Taiwan surpass that in Singapore and parallel that in Hong Kong since 1989.

A further analysis of the relative emphasis given to the different items of social expenditures is conducive to an understanding of these differences across the four NICs and the five OECD countries. Table 4.8 breaks the social expenditures during the last two decades into four functional categories. These data provide a starting point for understanding state welfare configurations in the nine countries.

While social expenditure on education as a percentage of total social expenditures has fluctuated somewhat in the East Asian NICs, it has been much higher than in their OECD counterparts since the late 1970s. Conversely, the five OECD countries spent over 55% of total social expenditures on social security and welfare, and this constituted the largest expenditures of total social expenditures in the last two decades.

Table 4.8 Major Categories of Social Expenditures as a Percentage of Total Social Expenditures in the East Asian NICs and Five OECD Countries

Country	Year	Education	Health	Social Security & Welfare	Housing & Community Amenities
Hong Kong	1977	38.9	18.0	9.6	33.5
	1980	30.6	15.0	8.8	45.6
	1985	33.4	16.6	11.5	38.5
	1990	31.0	17.9	11.1	40.0
	1994	31.1	20.2	11.8	36.9
Singapore	1977	45.7	23.2	4.2	26.9
	1980	50.1	23.9	4.6	21.4
	1985	63.9	19.1	4.7	12.3
	1990	60.8	14.0	6.5	18.7
	1992	59.6	16.3	6.2	17.9
South Korea	1977	69.0	7.1	20.7	3.2
	1980	66.3	4.7	24.6	4.4
	1985	69.5	5.4	21.3	3.8
	1990	61.0	6.1	28.2	4.7
	1994	56.6	3.4	37.2	2.8
Taiwan	1977	57.8	9.2	30.7	2.3
	1980	57.6	9.2	30.5	2.7
	1985	51.1	8.0	37.5	3.4
	1990	61.8	6.0	29.3	2.9
	1994	57.9	5.5	34.5	2.1
Australia	1977	19.4	22.2	55.7	2.7
	1980	17.6	21.4	59.3	1.7
	1985	15.7	20.6	59.9	3.8
	1990	13.7	25.7	57.0	3.6
	1992	13.5	23.5	60.2	2.8
Japan	1979	33.9	4.5	56.5	5.1
	1980	33.5	4.3	56.6	5.6
	1985	30.6	4.2	59.3	5.9
	1990	29.8	4.2	60.9	5.1
	1991	29.3	4.2	61.3	5.2
Sweden	1978	16.5	3.9	75.3	4.3
	1980	16.3	3.4	75.7	4.6
	1985	15.7	2.1	75.5	6.7
	1990	13.3	1.4	78.6	6.7
	1993	12.0	0.7	77.8	9.5
UK	1978	4.9	28.3	59.1	7.7
	1980	5.1	29.4	58.2	7.3
	1985	5.4	25.8	63.5	5.3
	1990	6.8	29.5	58.0	5.7
	1992	6.7	28.1	59.3	5.9
USA	1979	5.8	21.1	67.7	5.4
	1980	5.3	20.9	68.2	5.6
	1985	4.0	25.0	64.4	6.6
	1990	4.0	31.1	58.9	6.0
	1993	3.9	33.6	57.3	5.2

Sources: Asian Development Bank 1992, 1994; International Monetary Fund 1988, 1994; ROC 1994b; United Nations 1990; 1994.

Among four major categories of social expenditures in the East Asian NICs, with the exception of education, the pattern of social expenditures in South Korea are similar to that in Taiwan, and the Hong Kong pattern is parallel with Singapore. More specifically, Hong Kong and Singapore stand out in their greater emphasis on health, and housing and community amenities, and their lower outlays on social security and welfare than those in South Korea and Taiwan.

Housing programs in Hong Kong have been extended so that their previous simple function of directing resources to those without shelter now cover much more varied objectives (Chow 1995). The Hong Kong government is responsible for one of the largest public housing systems and low-rent housing programs in the world. The most outstanding feature of the distribution of social expenditures in Hong Kong is its high proportion of spending on housing and community amenities. This spending has been the largest of total social expenditures since 1980, making expenditure on housing and community amenities in Hong Kong the highest of these nine countries.

Compared with South Korea, Taiwan is striking in its spending on social security and welfare. Whereas Taiwan's social expenditure on social security and welfare was higher than that of South Korea before 1991, only a few years later, this outlay in South Korea exceeded that in Taiwan. As far as total social expenditures were concerned, South Korea's increases in social security and welfare, in some measure, went hand in hand with its decreased spending on education in the last decade. Likewise, Singapore's greater emphasis on education contrasted with Hong Kong's stronger commitment to social security and welfare, and housing and community amenities.

Singapore has significantly increased its social expenditures on education since the mid-1970s. These outlays have been used by the state to expand vocational and technical training as an essential tool to advance its industrialisation. It should be noted in this respect that Singapore's housing expenditures grew impressively in the context of a main reconstruction project during 1986 and 1989. The achievement of the massive public housing projects can explain to some extent the reduction of social expenditures on housing after this.

Table 4.9 indicates that Taiwan has a much higher level of central government expenditures as a percentage of GDP than its East Asian counterparts, Australia, and USA. But why did Taiwan have a lower percentage of social expenditures in GDP, compared with the four Western OECD Countries? To answer this question, it is necessary to examine the composition of total government expenditures by functions, including general public services and public order, defense, education, health, social security and welfare, housing and community amenities, economic affairs and services, and other expenditures (see Table 4.10).

Table 4.9 Total Government Expenditures as a Percentage of GDP in the East Asian NICs and the Five OECD Countries

Year	HK	Sin	SK	Tai	Aus	Jap	Swe	UK	USA
1977	12.6	20.0	15.6	23.2	26.5	—	37.1	37.2	21.7
1978	14.2	18.9	15.6	22.9	27.6	—	40.0	37.2	21.3
1979	14.0	18.6	16.7	21.3	26.6	17.5	41.8	37.1	21.0
1980	15.6	19.2	17.3	23.2	26.1	18.1	42.3	38.7	22.8
1981	17.2	22.7	17.1	24.4	26.1	18.2	44.7	40.8	23.4
1982	18.5	20.7	19.1	26.0	26.5	17.5	45.6	41.4	24.8
1983	18.2	22.0	16.7	23.7	28.6	18.1	48.1	40.2	25.4
1984	15.5	26.3	16.4	22.2	29.4	17.3	46.1	40.1	23.9
1985	16.0	27.2	16.3	21.0	30.1	16.8	46.7	39.5	24.6
1986	15.3	28.8	15.6	22.2	29.8	16.0	44.9	38.3	24.5
1987	14.0	34.3	15.1	20.5	29.3	16.6	43.0	36.8	23.7
1988	14.2	22.6	14.6	21.3	27.6	16.5	41.8	34.6	23.3
1989	15.6	22.0	16.0	31.5	25.1	16.6	41.2	33.8	23.1
1990	16.3	21.0	16.2	27.1	25.2	16.3	42.6	37.6	23.9
1991	16.2	21.4	16.5	29.5	26.9	15.6	43.7	39.8	25.4
1992	15.9	19.4	17.0	31.8	28.2	—	46.3	43.2	24.6
1993	17.3	—	16.9	31.7	—	—	52.3	—	23.8

Sources: Asian Development Bank 1992, 1994; International Monetary Fund 1988, 1994; ROC 1994b; United Nations 1990; 1994.

Note: HK= Hong Kong; Sin= Singapore; SK= South Korea; Tai= Taiwan; Aus= Australia; Jap= Japan; Swe= Sweden; UK= the United Kingdom; USA= the United States of America.

Table 4.10 Total Government Expenditures by Functions in the East Asian NICs and the Five OECD Countries

Country	Year	Education	Health	Social Security & Welfare	Housing & Community Amenities	Defense	Economic Affairs & Services	General	Others
Hong Kong	1977	17.7	8.2	4.4	15.3	4.2	27.2	13.4	9.6
	1980	15.3	7.5	4.4	22.9	7.2	23.8	11.0	7.9
	1985	17.4	8.7	6.0	20.1	3.4	19.3	15.7	9.4
	1990	16.9	9.8	6.1	21.8	1.7	18.0	13.2	12.5
	1994	17.1	11.1	6.5	20.2	0.9	20.9	13.0	10.3
Singapore	1977	14.5	7.4	1.3	8.5	29.6	12.9	11.0	14.8
	1980	14.6	7.0	1.4	6.3	25.2	17.7	9.8	18.0
	1985	21.6	6.5	1.6	4.2	22.5	17.7	14.1	11.8
	1990	19.9	4.6	2.1	6.1	24.0	16.8	9.9	16.6
	1992	22.3	6.1	2.3	6.7	24.5	11.5	12.3	14.3
South Korea	1977	16.8	1.7	5.0	0.8	36.0	15.8	10.6	13.3
	1980	17.1	1.2	6.4	1.1	34.3	15.6	10.0	14.3
	1985	18.4	1.4	5.7	1.0	39.7	17.5	10.5	15.8
	1990	19.5	2.0	9.0	1.5	23.0	19.1	9.7	16.2
	1994	15.5	0.9	10.2	0.8	19.3	24.6	10.6	18.1
Taiwan	1977	14.5	2.3	7.7	0.6	43.0	21.2	4.7	6.0
	1980	15.1	2.4	8.0	0.7	36.2	26.0	4.4	7.2
	1985	16.6	2.6	12.9	0.4	35.8	18.2	5.5	8.0
	1990	17.5	1.7	8.3	0.8	28.2	16.0	8.7	18.8
	1994	19.1	1.8	11.4	0.7	20.5	17.3	10.1	19.1
Australia	1977	9.5	10.9	27.4	1.3	9.1	7.9	7.7	26.2
	1980	8.2	10.0	27.7	0.8	9.4	8.1	7.7	28.1
	1985	7.2	9.5	27.6	1.7	9.1	8.5	7.5	28.9
	1990	6.8	12.7	28.2	1.8	8.4	7.4	9.8	24.9
	1992	7.2	12.6	32.2	1.5	7.9	8.0	10.1	20.5
Japan	1979	11.1	1.5	18.5	1.7	5.4	9.3	5.2	47.3
	1980	10.7	1.4	18.1	1.8	5.2	9.2	5.0	48.6
	1985	9.3	1.3	18.0	1.8	6.0	6.7	4.8	52.1
	1990	7.8	1.1	16.0	1.3	6.2	5.9	6.8	54.9
	1991	7.9	1.1	16.6	1.4	6.3	5.8	4.8	56.1
Sweden	1978	10.8	2.6	49.3	2.8	8.3	11.1	8.8	6.3
	1980	10.4	2.2	48.5	3.0	7.7	10.9	8.3	9.0
	1985	8.7	1.2	41.8	3.7	6.5	11.1	6.4	20.6
	1990	8.7	0.9	51.5	4.4	6.4	7.6	7.5	13.0
	1993	7.3	0.5	47.5	5.8	5.3	16.2	6.5	10.9
UK	1978	2.2	12.9	26.8	3.5	13.0	7.5	7.0	27.1
	1980	2.3	13.3	26.4	3.3	13.6	7.4	6.4	27.3
	1985	2.1	12.6	28.7	1.7	13.3	8.7	6.2	26.7
	1990	3.2	14.0	27.5	2.7	11.5	9.9	7.9	23.3
	1992	3.3	14.0	29.6	2.9	9.9	6.6	7.6	26.1
USA	1979	2.9	10.5	33.7	2.7	21.5	11.4	5.7	11.6
	1980	2.6	10.4	34.1	2.8	21.2	10.4	5.8	12.7
	1985	1.8	11.3	29.1	2.5	24.9	8.3	5.2	16.9
	1990	1.7	13.5	25.6	2.6	22.6	10.2	7.6	16.2
	1993	2.0	17.1	29.1	2.6	19.3	6.2	9.4	14.3

Sources: Asian Development Bank 1992, 1994; International Monetary Fund 1988, 1994; ROC 1990: 24 & 31, 1994b; United Nations 1990; 1994; The Democratic Progressive Party 1993: Table 6.

Notes: General= General Public Services and Public Order; Others= Other Expenditures

The proportion of total government expenditure on education and economic affairs and services is higher in the East Asian NICs than in their OECD counterparts. It is likely that education and economic affairs and services are considered key expenditures in pursuing economic development in these four NICs. With the exception of Hong Kong, expenditures on defense in East Asian NICs are well above their OECD counterparts. While defense expenditures in Singapore, South Korea and Taiwan decreased from one third to one fifth of total government expenditures in the last two decades, a concern with an outside military threat has played a key part in the allocation of total government expenditures. This may explain the fact that social expenditures as a percentage of total government expenditures are low in most East Asian NICs, but total government expenditures as a proportion of GDP are relatively high.

Summary

Analyses of public expenditures alone is not enough to adequately measure welfare configuration and its consequences. State welfare is too narrow to deal with civil society welfare provision. It is argued that excessive dependence on evidence from state welfare (public expenditures) results in a distorted understanding of policy outcomes, let alone understanding of welfare configurations of the state and various sectors of civil society. This is because such expenditure is only one of the means available to the state to achieve its goals, and because different countries utilise quite different mixes of policy instruments in pursuing their similar policy goals. More importantly, while government policy plays a key role in welfare provision, state welfare in any country is not the only source of welfare provision. Consequently, an examination of the welfare state, in a broader sense, should concern welfare configurations of the state and various sectors of civil society:

> ... however difficult and however tentative is our progress in overcoming the practical problems of devising adequate measures of the outcomes and relating such outcomes to the variety of means by which they are achieved, such a research focus makes a greater contribution to our understanding of comparative government activity than does expenditure research

> which tells us about only one of the means to such policy ends and, to the extent that it claims more, actually distorts the reality it purports to explain. (Castles 1994: 18)

Using the perspective of the welfare state-society relation, the study can investigate welfare configurations in different welfare areas, such as child care, education, elderly care, health care, housing, and social security in different countries. In many respects these different welfare areas are different from each other in terms of the role of the state and various sectors of civil society in welfare provisions. I have chosen to explore two different welfare areas in the next part of this thesis to demonstrate the utility of the concept of welfare configuration.

The choice of these specific areas is, in part, pragmatic: data is both reliable and available. However pragmatism was not the only rationale for choice.

Education in most countries has become mass in character, highly regulated by the state. More specifically, it is selected because in most countries it is a major area of state intervention (although, as demonstrated above the proportion of expenditure on education varies dramatically between OECD countries and the East Asian NICs). Moreover, it is particularly evident that the export-oriented industrialisation in the East Asian NICs has centred on the effective utilisation of human capital investment through education.

Child care, on the other hand, is an issue of extending significance to the state and various sectors of civil society in welfare provision. It is chosen as an indicator of major changes occurring in civil society in terms of the growth of female employment in both OECD countries and the East Asian NICs. Child care has shifted from being a peripheral matter to a high profile, vigorously debated political and social policy issue, in particular in the Western OECD countries. However, It is widely seen as central to economic and social objectives in both OECD countries and the East Asian NICs.

CHAPTER FIVE

WELFARE CONFIGURATION OF EDUCATION

Education is a critical area of the state and civil society expenditure and attracts considerable public debate. The availability of sufficient resources of education is not necessarily an assurance of quality, but it does have an important impact in terms of access to education provision. While the state is a major source for education provision in modern societies, the various other sectors of civil society are also involved and cannot be neglected.

The objective of this chapter is to explore welfare configurations by examining education provision in Australia, Sweden, the USA, Singapore and Taiwan. By so doing, we can examine the nexus between welfare provision of education between the state and various sectors of civil society in these five countries.

Education in Australia

The governments of the six states and the two territories in Australia have as their main responsibility education, including the administration and substantial funding of primary, secondary and technical and further education. The Australian Constitution also empowers the Commonwealth government to make grants to the states and to place conditions upon such grants. Aside from its financial role the Commonwealth is involved in advancing national consistency and coherence in the provision of education across Australia. The Commonwealth thus plays a key role in education policy, programs and funding.

In primary education, major stress is placed on the development of basic language and literacy skills, simple arithmetic, moral and social education, health training and some creative activities. In secondary education, in some systems, the first one or two years of secondary school consists of a general program which is followed by all students, although there may be some electives. In senior secondary years, a wider range of options is available in the larger schools and there is a growing trend towards encouraging individual schools to develop courses suited to the needs and interests of their students,

subject to accreditation and moderation procedures. Students' eligibility to enter higher education institutions is assessed during, or at the end of, the final two years of secondary schooling (Commonwealth of Australia 1994b: 308-309).

School attendance is compulsory throughout Australia between the ages of 6 and 15 years (16 years in Tasmania). Primary and secondary education is free in government schools in all States and Territories. Most state governments offer financial assistance to parents under specified conditions for educational expenses. Assistance includes different kinds of scholarships, transport and boarding allowances, many of which are aimed to help low income families. The Commonwealth also provides many schemes of assistance to promote access to education. It was estimated that 236,938 secondary students aged 16 and over from low income families received assistance in 1993 under AUSTUDY (Commonwealth of Australia 1994b: 313).

The major responsibility for funding government schools lies with state governments which provide about 90% of schools' running costs and the Commonwealth contributes some 10%. While the states provide about 35% of public funding for non-government schools, the Commonwealth is the primary source providing around 65% (Commonwealth of Australia 1992a, 1994b).

Non-government schools run under conditions determined by government authorities, usually registration boards, in each state and territory. Most of the non-government schools in Australia are under the patronage of, or operated by, religious denominations. The majority of non-government schools are Catholic and there is a Catholic Education Commission in each state and at the national level. The majority of these non-government schools receive substantial public funding (up to 80% of recurrent costs) from the Commonwealth, state and territory Governments (Asia-Pacific Economic Cooperation 1994: 3).

The dual public/private schooling system of Australian education has its roots in the beginning of European colonisation of the continent two hundred years ago and emerged from a conflict between state and church (Anderson 1988, 1991). With the first fleets of Europeans to occupy Australia came spiritual authority from the

Church of England. The church saw itself as the custodian of morals and manners as well as of the religious welfare of the new residents, thus becoming involved in providing schooling for the young. However, this monopoly over faith was challenged by representatives of the churches in Rome and Scotland. They asserted their responsibility for a large number of Irish and Scots whose transgressions had led them to be transported New South Wales. The state was stimulated to provide schooling because of years of denominational squabbling and educational neglect of a large proportion of population (Anderson 1988, 1991).

The Catholic school system was established in the late nineteenth century. In 1879 Roman Catholic bishops pronounced that Catholic parents had to send their children to Catholic schools (Anderson 1988: 216). This led parishes to provide a complete and separate school system for all Catholic children. The development of this system was very successful in Australia, where some 55% of children of Catholic parents attended Catholic schools in the mid-1950s (Anderson 1991: 153).

Public funding for private schools did not emerge until the mid-1950s. Since the creation of free, compulsory and secular public schools in the 1870s, governments progressively cut off aid for private schools. In spite of depending almost totally on private funding, the Catholic schools grew, and educated 18% of all children by the mid-1950s. At the same time non-Catholic private schools educated just over 5% of students. This proportion of children attending non-government schools in Australia in the period before public funding has been far higher than in Anglo-American or Scandinavian countries (Anderson 1991: 153).

The issue of educational choice without financial penalty was complicated until very recently. The pressure of rapidly growing enrolments had critically affected all schools, with Catholic schools in particular being affected. During the 1960s public funding for private schools was introduced in Australia. By the late 1960s the Commonwealth Government was making per capita grants to private schools and the issue of 'state aid' had re-emerged as among the most important in domestic politics.

In 1974 the Whitlam Government embraced a recommendation of the Karmel report[1] that the criteria of funding should be based on the level of need. This decision was associated with a substantial growth in the general level of Commonwealth grants for private schools (Crittenden 1989: 78). The shift of students to non-government schools took place at the same time as the Commonwealth's support for these kind of schools began to grow. Support was formalised by the Labour Government of 1972-75, and the Conservative Coalition Government of 1975-83 kept increasing finance in this period. While the incoming Labour Government introduced some changes in the distribution of funds, the favourable treatment of non-government schools still persists to this day.

In 1990, for instance, the Commonwealth distributed a 3.21 times greater funding amount per student in private than in state schools, $1,498 and $466, respectively (Graycar and Jamrozik 1993: 262). The Commonwealth has further declared that similar arrangements apply for recurrent funding for non-government schools beyond 1992. These arrangements are based on the features of the present successful scheme and will provide real increases for the neediest schools and maintain funding for schools in other categories.

The ideal of producing true equality of opportunity has been a basic educational policy of the Commonwealth since the early 1970s (Crittenden 1989: 89-90). Yet, the Australian students in tertiary education, especially in university, disproportionately come from higher income families and from non-government schools (Anderson and Vervoorn 1983: 130-166; Galvin and West 1988: 105-109). By May 1990 the ratio of university enrolments was 2.37 times in favour of students from non-government schools (Graycar and Jamrozik 1993: 262).

Data from the 1986 Census of Population and Housing (Commonwealth of Australia 1992b) shows a strong link between family income and participation in some areas of post-compulsory education. School students aged 15-24 years from lower income groups

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[1] Professor Peter Karmel was appointed to chair the Australian Schools Commission in 1972. His report in May 1973 set the pattern for the Commonwealth action that has been followed by successive governments.

in 1986 were more likely to attend government schools and less likely to attend non-government schools. Also, they tended to have lower rates of attendance at tertiary institutions.

There are substantial differences between government and non-government schools in the proportion at which students transfer to higher education. The proportion of students from non-government schools enrolling in higher education in the year after leaving school is much higher than those from government schools. In 1991 about 66% of the former attended higher education, compared with 49% of the latter (Commonwealth of Australia 1992b: 135).

By examining the operation of the Australian education system in the late 1980s, Galvin and West (1988: 109) concluded the following:

- Compared to similar countries, Australians are poorly educated, especially at the upper secondary and tertiary levels.
- The system is unequal, because chances of success are affected more by socioeconomic status than by natural ability. The system can be divided into three main parts, each with markedly different retention (or success) rates: private non-Catholic, private Catholic and State schools.
- Education has an important bearing on the types of jobs available, and the income and social standing that come with such jobs. This relationship can be summarised as: the more highly qualified, the better access to social and economic resources.

Table 5.1 indicates the number of schools and students by type in Australia in 1990. Of the total schools, three-fourths were government schools, and one-forth were non-government. In respect to the number of full-time students attending schools, the trend was similar to the former. Of a total of 3,041,657 students, 72% attended government schools, and 28% non-government. The proportion of students attending government schools to those attending non-government schools in 1993 was the same as that in 1990, while the number of total students increased in 1993 (Commonwealth of Australia 1992a, 1994b). The number of full-time students attending non-government schools in 1993 increased by 0.6% from the 864,883 attending in 1992, while the number of full-time students attending government schools decreased by 0.3% (6,027) from the 2,234,083 attending in 1992.

Table 5.1 Schools and Students by Category of School in Australia, July 1990

	Government	Non-government Schools				All Schools
		Anglican	Catholic	Other	Total*	
Number of Schools	7,490	117	1,714	686	2,517	10,007
Number of Students						
Males	1,123,008	44,297	298,412	82,795	425,504	1,548,512
Females	1,070,339	37,821	297,287	87,698	422,806	1,493,145
Persons	2,193,347	82,118	595,699	170,493	848,310	3,041,657

Source: Commonwealth of Australia 1992a: 305.

Note: * Includes special schools administered by government authorities other than the State Departments of Education in Victoria and Western Australia.

Education in Sweden

Prior to World War II, in the old education system in Sweden pupils were divided into two groups at an early age: a closed academically oriented training system and poor primary education system. Yet this system was much criticised before the Second World War so that by the end of 1945 measures were introduced to modernise this system (Olsson 1990: 136). The control of Swedish schools is strongly centralised and much of the conduct of state schools is closely supervised via legislation, regulations and curricula. Educational reforms have led to a comprehensive system of compulsory education since the 1950s. Through the influence of educational progressivism, structural dualism was turned into a political issue that resulted in the expansion of common schooling to six years in 1950 (Rust 1988). The reforms have also placed less stress on examinations and more emphasis on continuous assessment.

Since the 1960s the objectives of education have been centred on 'social upbringing' (Department of Employment, Education and Training, Australia 1992: 2). To construct a common base in cultural and political knowledge and values, all students were offered as much general education as possible. The nine-year compulsory

comprehensive education for all students aged 7 to 16 was decided in 1962 and fully implemented during the 1972/73 school year (Olsson 1990: 137; OECD 1995: 42).

The aim of primary education, as laid down in the 1962 school law, is to afford knowledge to students, '... help them exercise their abilities and encourage them to become capable and responsible members of a democratic society' (Rust 1988: 1173). The main goals of the compulsory school in Sweden, recently decided on by the parliament, are laid down in Section 1 of the new School Act, valid from July 1 1991:

> Education in the compulsory school shall aim at providing students with the knowledge and skills and the additional training needed to participate in society. All this shall provide the basis for further education in the upper secondary school. (quoted in OECD 1995: 43)

After compulsory school, students enter an integrated upper secondary school system. The labour market in the 1960s was capable of absorbing 50% of all 16 year-olds, but by 1985 only 1% had jobs in the open labour market. In the mid-1970s upper secondary schools were receiving about 70% of compulsory school-leavers. One decade later more than 90% of all compulsory school-leavers go on to upper secondary school.

The upper secondary and vocational schools were combined to form an 'integrated upper secondary school' for those aged 16 to 20 in the mid-1960s. This implied that the length of schooling grew from an average of 7 years in the 1950s to 11 years in the early 1970s. Post-compulsory education was reformed in 1971, with the aim of diminishing the differences between theoretical and practical studies. The result was an integrated upper secondary school including all post-compulsory training courses within a new system. All courses of upper secondary school are broadly vocationally oriented, where 'vocational' is taken to mean preparation for a specific program in higher education.

In accordance with the new School Act, extensive changes were made to the upper secondary system via legislation passed in 1991. Upper secondary education will comprise 16 nationally defined three-year programs. Only two programs, science and social science, will be university entrance programs and 14 programs will be vocational

programs preparing students for the workforce. All programs will qualify students for entry into higher education.

Higher education in Sweden retains the traditional European notion of specialisation but still offers opportunity to gain education via a 'building blocks' approach, thus enabling as many students as possible to receive some level of higher education. In other words, higher education prepares students for highly specialised professions and, while the liberal arts, social sciences and natural sciences continue to educate broadly, they are also moving in the direction of professional studies.

Swedish education is funded by the government, albeit from diverse sources. Responsibility for higher education is shared by the Central government, the county councils and some municipalities. There exists a blend of local and central government funding. Funds for individual study programs and single courses are allocated by regional boards, while funds for research and for general programs are offered directly to the institutions. Higher education institutions run by country councils and municipalities receive Central government subsidies. The basic principle of government funding is that institutions determine how the funds are spent within the aims defined centrally.

Educational expenditure in 1982-83, for example, shows that 63% was provided by the Central government, 33% by local government, with the remaining 4% via 24 large regional centres called 'Landsing' (Department of Employment, Education and Training, Australia 1992: 4). In 1989/90, for example, the expenditure for compulsory schooling was distributed almost equally between the Central government and the municipalities (49% and 51% respectively). For upper secondary school, the Central government was responsible for 55%, county councils for 8% and municipalities for 37% of the expenditure. As to universities and colleges, 96% of the expenditures were paid by the Central government (OECD 1995: 83).

The rapid growth of education expenditure occurred in the middle of the postwar period when the compulsory school system was established. In real terms schooling, according to Olsson (1990: 137), absorbed five times more resources in the late 1970s than it had done three decades earlier. Before 1962 the period of compulsory schooling

was reduced to 7 years. However, recently, parents have been given the option of allowing their children to start school from the age of 6. It is expected that all municipalities will be able to provide this option by 1997.

Education in Sweden is free at compulsory, upper secondary and higher education levels. In compulsory schools, teaching materials, school meals and school transport are also free. In most municipalities, books and meals are free for students Private education does not play a key part in the Swedish education system. There are very few private schools and education is dominated by the public system. The Stockholm School of Economics is the only major private institution with official recognition and substantial Central government support at the higher education level (Department of Employment, Education and Training, Australia 1992: 2; OECD 1995).

The comprehensive approach, combined with the Swedish tradition of education being a public responsibility, did not create a climate favourable to private schools. Historically, the Education Act of 1927 mandated that private schools would no longer receive state aid for the first six years of schooling (Rust 1988: 1172). While the number of private or free schools has grown, going from 61 in 1991/92 to 124 in 1992/93, these schools recruit less than 2% of the student population, in particular in large cities.

To attain the right to run a private school, two basic conditions have to be met: first, the school is essentially in line with the national goals and guidelines for comprehensive schools; and second, these schools are supervised by the proper State authorities (OECD 1995). Yet for a long time recognition of a private school did not mean any Central government or municipal grants. Only if the government considered that the school complemented the comprehensive school, were such grants distributed. But grants are still so limited that the private schools find it difficult to compete with the public schools. According to a parliamentary decision in 1991, while private schools that have been recognised receive Central Government grants to the same extent as public schools, it still depends on the individual municipality to decide to what extent a private school will be treated as an equal alternative to a public school (OECD 1995: 89).

To decentralise decision-making powers concerning the administration of schools to individual municipalities and schools, significant changes have been made since the 1970s. During the 1980s, educational policies in Sweden moved towards increasing decentralisation and management by objectives. Legislation passed in 1991 carries this process further by giving municipalities full responsibility for all personnel in schools. The reforms thus created an education system where, while the state can define its goals and assess its outcomes local agencies have a free choice of methods in operating their institutions. The new patterns of development and change in education reflect a broader and more substantial transformation of values and structures in Sweden.

Education in the USA

The 1950s was a period of important educational growth and experienced substantial federal activity in every area. Bierlein (1993: 1) writes that: 'when the nation's superiority or economic vitality is threatened, education becomes a focal point.' For example, when the Soviet satellite Sputnik was launched in 1957, Americans blamed their public education. The Congress, in response, passed the National Defence Education Act of 1957, which provided more than US $4 billion covering 10 categories to reestablish technological superiority (Kurian 1988: 1350).

The Elementary and Secondary Education Act (ESEA) of 1965 was the next most important federal educational legislation. It could be seen as the result of President L. B. Johnson's War on Poverty. Financial assistance was provided for special education programs to local communities having a large proportion of children from low-income families, for school library resources, textbooks and teaching materials, for educational research and training, for supplementary educational centres and programs to meet local needs of primary and secondary education, and for strengthening state departments of education (Kurian 1988; Bierlein 1993).

Under President Reagan's Omnibus Budget Reconciliation Act 1981 (OBRA), most of the welfare expenditures were cut, including education expenditure. A clear-cut strategy was promulgated to reduce government spending on education and to restrict federal funding to

those parts of education that state and local governments had not precisely specified. The OBRA repealed the ESEA of 1965 and replaced it with the Education Consolidation and Improvement Act. This act reduced the assistance to children from low-income families, and consolidated appropriations for special programs into block grants to the states, with the proviso that 80% of the funding should be distributed to local school districts in accordance with the number of enrolments in these districts. One of the major consequences of reduced funding was that elementary-secondary grant-in-aid programs reduced remedial education for the disadvantaged.

During the 1980s and into the 1990s, education has become a top political agenda at both national and state levels. Formal national educational aims have been established for the first time in America's history, and President Bush's *America 2000: An Education Strategy* set six national educational goals by the year 2000:

1. All children in America will start school ready to learn.
2. The high school graduation rate will increase to at least 90%.
3. American students will leave Grades 4, 8, and 12 having demonstrated competency in challenging subject matter including English, mathematics, science, history, and geography; and every school in America will ensure that all students learn to use their minds well, so they may be prepared for responsible citizenship, further learning, and productive employment in our modern economy.
4. US. students will be first in the world in science and mathematics achievement.
5. Every adult American will be literate and will possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.
6. Every school in America will be free of drugs and violence and will offer a disciplined environment conducive to learning. (quoted in Bierlein 1993: 60)

The *American 2000* has attempted to focus state attention on achieving these aims. This strategy is consistent with the new federalism ideal because of its concomitant low additional federal funding for education. The states and local communities are responsible for restructuring the educational system. By 1992, 32 states

and hundreds of local communities have announced themselves *America 2000* states or communities.

This strategy also proposes a national research and development agenda financed by private businesses, rather than the federal government. It calls for the establishment of a non-profit New American Schools Development Corporation (NASDC) to raise money and fund between 20 to 30 design teams. Many business organisations and various groups try to marshall great societal forces to reconstruct the American educational system to reach a balance in the principles of equality, efficiency, liberty and excellence. The NASDC raised some US $50 million, and 11 design teams were selected during May 1992. On the other hand, this strategy calls for Congress to appropriate more than US $535 million for the creation of 535-plus New American Schools, one in each congressional district (Bierlein 1993).

By and large, many felt the America 2000 program was too simplistic in nature and was part of a political agenda rather than an educational reform agenda. That is, it was a plan for re-electing the President but not a plan for American education. Some, however, believed that it would continue to be part of the national and state debate in that the strategy was pushed by governors and other reform leaders, not just the president's office.

Education in the USA is organised on three basic levels: the elementary (including preschool and primary), the secondary and post-secondary. Vocational training is available at both secondary and post-secondary levels. The period of compulsory education varies among states, but most states require attendance between the ages of 7 and 16 years. Public education is free in every state from elementary school to high school and equality of access is assured by various laws. All public primary schools are coeducational, and in theory, if not in practice, desegregated. Since 1957 the federal government has had a policy of encouraging desegregation in schools, despite problems caused by residential patterns. Some state authorities have imposed inter-district busing of students with the goal of preventing racial segregation.

There are hundreds of different education systems rather than a centralised or nationally directed system in the USA. The public system is supervised by official policies and regulations, and the private by licensing procedures or charters. The different states have

their own systems of public education and differ in the ways in which they regulate their private schools. Many private schools in America have traditionally affiliated with the Roman Catholic Church, and at the beginning of the 1991/92 academic year 4.5 million students enrolled at elementary level and 1.4 million at secondary level (Europa 1993: 325). This results in a great difference in education systems which are bound by a common commitment to knowledge and freedom.

The number of private schools in the USA has increased steadily since the 1970s. Enrolments grew from 5,363,000 in 1970-71 to 5,700,000 in 1984-85. With a declining birth rate, the total number of public and private school enrolments reduced in the same period, but private school enrolments increased from 11% of all school enrolments in 1970-71 to 13% in 1984-85. However, this proportion in USA is still lower than in Australia where 26% of primary-secondary students attended non-government schools in 1986 (Windschuttle 1988: 5).

Institutions of higher education rely on a combination of public and private sources for their financial support (see Table 5.2). Of the government sources in 1981-82, states contributed the largest proportion of the funds for public institutions and the federal government provided the most for private institutions. In 1981-82, state revenues comprised 44% of all funding for public four-year institutions and 50% for public two-year institutions, but only 2% for private institutions. The federal revenue share for higher education decreased from 19% in 1970-71 to 13% in 1981-82. The decline was evident at public four-year institutions where the federal share dropped from 20 % to 13%. The Federal share of revenues for private four-year institutions also declined, but still remained a larger percentage of total revenues at these institutions than at public four-year institutions (Kurian 1988: 1371-1372).

While student fees were the second most important source of funding for public institutions, they were the most important funding source for private institutions. Private four-year institutions obtained 37% of their revenues from tuition, compared to only 13% for public institutions, while private two-year institutions received about two thirds of their revenues from tuition. Private philanthropy is another source of institutional support. The primary sources of private gifts include alumni and other individuals, private foundations,

corporations and religious groups. Private institutions receive about 10% of their total income from these sources and public institutions receive only 2% (Kurian 1988).

Table 5.2 School Expenditures, by Source of Funds in Constant (1989-90) Dollars in the USA, 1970-1990

Source of Founds and Type of School	1970	1980	1990
Total	**100.0**	**100.0**	**100.0**
Public	80.7	82.9	81.2
Private	19.3	17.1	18.8
Elementary and Secondary	**100.0**	**100.0**	**100.0**
Public	89.7	93.1	92.2
Private	10.3	7.0	7.8
Higher Education	**100.0**	**100.0**	**100.0**
Public	64.0	66.3	64.1
Private	36.0	33.7	35.9

Source: US. Department of Commerce, Social and Economics and Statistics Administration, Bureau of the Census 1993: 150.

As we can see in Table 5.2, government was the main source of funds for elementary and secondary levels of education. However, more than one-third of funding of higher education was derived from the private sector.

Education in Singapore

Prior to the People's Action Party (PAP) taking up power, the education system in Singapore was characterised by state non-intervention. Many schools were 'independent' and Chinese-medium schools in particular remained outside government supervision. Since the mid-1950s, enrolments in Chinese schools have inexorably decreased.

Under the PAP, the state became more involved in education and gave it a high priority. The PAP sought to preserve mother-tongue primary education and avoided decultration via a policy of bilingualism in the 1960s. Yet bilingualism clearly lowered English standards and failure and dropout rates were unacceptably high by the late 1970s (Milne and Mauzy 1990: 19). In this period, intensifying

economic challenges began to emerge and these in turn were to affect educational practice in a number of ways.

The PAP government has always been keenly sensitive to the significance of education to the state and has constantly given the matter of education close scrutiny. In the mid-1970s, a high-powered task force was commissioned by Prime Minister Lee Kuan Yew, and led by Goh Keng Swee, the Deputy Prime Minister, to examine the education system. The 'Report of the Ministry of Education, 1978', the so-called 'Goh Report', developed a new education system in 1980 under Goh's direction as Minister of Education.

The 'Goh Report' discovered an unacceptably high level of 'educational wastage' from dropouts and failures. These students were unemployable, they argued, because the goal of full bilingualism was beyond the abilities of many students. The report thus called for increased streaming at the primary level and plotted several paths at the secondary level based on examination performance. Streaming had two main purposes: to identity the most gifted students, give them a demanding and challenging curriculum, and place them at the best schools with the best facilities; and to locate the weakest students and shift them into extended monolingual, vocationally oriented schools, thus decreasing failure and dropout rates. In between these poles, students were streamed into 'normal' and 'extended' bilingual streams.

The 'Goh Report' retained the goal of bilingualism, with mother tongue becoming the choice of students or parents. Identified in the 'Goh Report' was the notion of incorporating moral education into the curriculum as a counter to the intrusion of 'less desirable' features of Western culture. The state in Singapore also believes that the instruction of social norms, values and moral character plays a key role in formal education. In expressing concern over the possible loss of traditional values, the 'Goh Report' stressed that:

> A society unguided by moral values can hardly be expected to remain cohesive under stress. It is a commitment to a common set of values that will determine the degree to which people of recent migrant origin will be willing and able to defend their collective interest. They will not be able to do this unless individuals belonging to the group are able to discern that an

> enlightened view of their long-term self-interest often conflicts with their desire for immediate gain.
> ... while moral education would help to give school children a set of values which could guide them in their adult life, this may not be sufficient to provide the cultural ballast to withstand the stress of living in a fast changing society exposed to influences, good and bad, of an open society such as ours. A people of recent migrant origin need to know more of their cultural roots. With the large scale movement to education in English, the risk of deculturization cannot be ignored. One way to overcoming the danger of deculturization is to teach children the historical origins of their culture. (quoted in Tham 1989: 486)

Further, moral education has been instituted in the instruction of pupils in traditional values, particularly the value of filial piety which encourages adult children to look after their aged relatives and parents, rather than leave the burden to the state (Lim 1989). Consequently, moral education is taught at primary level 'to ensure that pupils have a clear understanding of core Asian values and national identity' (Government of Singapore 1992a: 163). The state in Singapore declared in 1982 that the purpose of moral education was to ensure that succeeding generations would continue to know right from wrong and would have the intellectual tools with which to judge Western values.

In the mid-1980s, the government announced that it would reintroduce some independent schools. This plan was not only in accordance with the thinking behind the state's 'privatization' drive, but also aimed to incorporate some educational features of good schools in the UK and the USA. Also, the government stated in 1989 that it was phasing out the teaching of religious knowledge as a compulsory subject replacing it with an extended civics/moral education program in secondary schools in 1992. Further, the state in Singapore has showed that it may shift away from the British/American model to a German/Swiss model of education with more emphasis on technical and vocational education and with no university possibilities for the majority.

Today, children in Singapore normally undergo at least 10 years of general education, including six years of primary education and four years of secondary education. As stated above, a fundamental feature of

Singapore's education system is the bilingual policy where each student learns English and his mother tongue (Government of Singapore 1992a, 1992b). Essentially, English in Singapore is viewed as the language of commerce, technology and administration. Mother tongue instruction and the teaching of Eastern value systems were incorporated into the education system to avoid rootlessness. The learning of the mother tongue was expected to enable Singapore's students to keep in touch with their heritage and cultural values.

It is reasonable to expect that the Singapore government will continue to give highest priority to solving economic problems as a base for social development. In other words, while the state in Singapore will strive to realise greater order, efficiency and collective meaning in every Singaporean's everyday life, at the same time it will continue to make the education system the major prop of its economic development. Lee Kuan Yew has stated that:

> If we are to achieve our full human potential translated into sophisticated industrial goods we manufacture or the services we provide we must [have] more students with good general grounding and greater trainability for specific jobs. While we cannot alter the innate qualities of our people, we shall make the most of these qualities by teaching and training in subjects and skills relevant to today's needs and in anticipation of tomorrow's development. (The Straits Times, 9 July 1979, quoted in Gopinathan 1987: 210)

Education in Singapore is seen as a nation-building device that can secure political legitimacy via direct ideological socialisation and promotion of the multiracial Singaporean national identity. The utilitarian purpose of education clearly is to create a good person and useful citizen (Milne and Mauzy 1990: 21-22; Pugh: 69). Put another way:

> The Singapore education system aims to bring out the best in all children, instilling in them sound moral values so that they will grow up to be responsible adults — loyal to their country, concerned for their family and able to earn a living. (Government of Singapore 1992a: 163)

By and large, the education system in Singapore, according to Gopinathan (1987: 201-202), has three main objectives. First, it aims to

lessen the effects of inter-ethnic diversity and to provide a frame of common experiences for promoting a sense of identity with and loyalty to Singapore. Second, it provides the knowledge, skills and values that will lead to active and purposeful contributions to national, economic and social development. And third, it advances participation and equality of opportunity for all ethnic and social groups via provision of access, on the basis of merit, to all levels of education system.

Singapore government expenditures on education have been mostly oriented towards social investment rather than consumption goals. For the moment, it is likely that the human-capital approach will remain dominant, although human-capital appreciation is by no means the only objective of the education system in Singapore (Lim 1989: 181). Recently a report of the Singapore government recommended that 'education is a long-term investment in Singapore's future. ... This means that both parents and the government will need to invest more each year' (Ministry of Trade and Industry, Singapore 1993: 81).

Table 5.3 Government Expenditure on Education in the East Asian Countries

Country	Period	Government Education Expenditure as % of GDP
Singapore	1980-92	3.7
Japan	1980-90	5.2
Hong Kong	1980-91	2.2
South Korea	1980-92	3.1
Taiwan	1980-91	4.5

Source: Ministry of Trade and Industry, Singapore 1993: Table 8.5.

The Singapore government has heavily invested in education. Its expenditure on education is comparable to that in other East Asian countries (see Table 5.3). The government plans to increase this expenditure to 5% of GDP in the future. This investment appears to have paid off, as evidenced by the increasing proportion of each cohort of students who enter higher education. In 1980, only 5% of the student cohort went to the university and 8% to the polytechnics. By

1992, the proportions had risen to 16% for universities and 29% for polytechnics (Lim 1989: 179; Ministry of Trade and Industry, Singapore 1993).

Government bears all development costs of schools and other educational institutions, and subsidises their operating costs at a very high rate— 98-100% for primary, secondary schools and junior colleges, 94% for institutes of technical education and 83% for polytechnics (Ministry of Trade and Industry, Singapore 1993: 79).

Table 5.4 indicates the division of educational provision between the public and the private sectors. While the total number of schools reduced from 1982 to 1992, government schools as a proportion of total schools increased from 65% to 72% during the same period. As far as the number of students attending government schools was concerned, the government schools shared a similar proportion of total students from 1982 to 1992.

Table 5.4 Schools and Students by Type of School in Singapore, 1982-1992

	1982	**1987**	**1992**
Total Schools	**470**	**391**	**354**
Government	305	282	256
Government-aided & Independent	159	104	93
Private	6	5	5
Total Students	**463,625**	**464,460**	**444,748**
Government	346,671	347,414	328,189
Government-aided & Independent	115,000	115,110	114,771
Private	1,954	1,936	1,788

Source: Government of Singapore 1992b: 290-293.

In the private sector, there are two types of school. One is operated by the voluntary and the market sectors, but receives government financial support. The other is operated and supported by the private sector without any government subsidy. The former was the second most important education provider, and there were one quarter of total students attending these schools from 1982 to 1992. The latter played a minor role in education provision.

Education in Taiwan

Education in Taiwan can be classified into five stages: preschool education, primary education, secondary education, higher education , and social education (special). Preschool education is provided to toddlers aged 3 to 5 at the kindergartens. Primary education is provided to students aged 6 to 11 at elementary schools. Secondary education is provided to students aged 12 to 17 at the junior high, senior high, and vocational senior schools (including the first three years of the 5-year junior colleges). Higher education is provided to students aged 18 to 21 at the colleges/universities and above (ROC 1994b: 71-72).

The aim of education in Taiwan is stipulated in Article 158, Section Five, the Constitution of the Republic of China:

> Education and culture shall aim at the development among the citizens of the national spirit, the spirit of self-government, national morality, good physique, scientific knowledge and the ability to earn a living. (quoted in ROC 1994d: Appendix III: Constitution of the Republic of China and the Additional Articles, p.726)

Other Articles related to education in Section Five are summarised as follows:

- All citizens shall have an equal opportunity to receive an education;
- Primary education shall be compulsory for all children of school age from 6 to 12 years and to all citizens above school age who have not received primary education through free supplementary education programs;
- Free textbooks shall be provided by the government to children from low-income families;
- All public and private educational and cultural institutions in the country shall, in accordance with law, be subject to state supervision;
- Special grants from the central government shall be made to aid frontier regions and economically poor areas, in developing educational programs;
- No less than 15% of the total national budget, 25% of the total provincial budgets, and 35% of the total county and municipal budgets shall be appropriated for education.

The government provides a free and mandatory education to all citizens through nine years of elementary and junior high schools.

The compulsory education system was extended from 6 to 9 years in 1968 (Meyer 1988: 21; Cheng 1993: 224; Liu and Armer 1993: 316; ROC 1995: 336). Before 1968, to pay tuition fees and pass entrance examinations were two requirements of entering junior high school, which prevented a great number of motivated primary graduates from continuing their education. The government policy changes offered further educational opportunity for many primary graduates who otherwise would have entered the labour market directly (Liu and Armer 1993: 316).

However, why did the state in Taiwan seek to accelerate the extension of junior high school? One answer is that the extension of education was linked with the features of the economic structure in Taiwan. The extension of junior high education was due to the state using the policy to meet the manpower needs of economic development. Labour-intensive production was a major feature of economic transformation at an early industrial stage and it required a mass labour force with basic skills. In Taiwan, labour-intensive production in the 1960s and the 1970s required these workers in large numbers. The industries could absorb workers with some basic education and skills rather than with advanced knowledge and technical skills related to higher education. As Liu and Armer (1993: 316-317) suggest:

> [T]here was no such state effort to expand mass schooling at the senior high or tertiary levels because the economy did not require large numbers of technically trained and highly skilled workers. Public pressure for expansion of higher education was largely resisted or diverted to expansion of vocational schools at the senior high and junior college levels as separate streams from the existing highly selective academic high schools and colleges.

While junior high school graduates in Taiwan have three options to continue their education (to attend three-year senior high school, three-year senior vocational school or five year junior college), senior high school is usually the first choice for students planning to enter college or university[2]. Yet because of limited space, only about one-

[2] Large numbers of private cram schools have cropped up in Taiwan, mostly to help students prepare for the competitive entrance examinations into high school and university. By conservative estimates, more than 50% of all junior high school students

fourth of students are admitted into senior high school (ROC 1995: 342). The demand for higher education is even stronger than senior high school education (Liu and Armer 1993: 318; ROC 1995: 343). Senior high school education focuses heavily on the highly competitive Joint University Entrance Examination. Test scores determine the college or university and the major area of study to which students are assigned.

For most students, the only route for admission into university remains the Joint University Entrance Examination. Each year, more than 100,000 students take the Joint University Entrance Examination and between 60 and 80% of those who seek admission to higher education are unsuccessful (Liu and Armer 1993: 319). In 1993, about 44% of high school students who took the examination were accepted into a college or university (ROC 1995: 343). Although the middle and upper class account for the majority of the users of Taiwan's higher education, the lower and middle classes also are able to gain entry. While the Joint University Entrance Examination is a system much criticised, it still tenaciously retains and is widely believed to combine equity with quality control (Cheng 1993: 254-257; ROC 1995: 343).

The high school entrance examination has been increasingly criticised recently because it places much stress on students, and because the teaching style heavily emphasises test-taking skills rather than promoting independent thinking and individual creativity. An education reform movement among parents, teachers and students has developed seeking specific changes in the current system. On April 10th, 1994, more than twenty thousand people turned up for Taiwan's first large-scale march for education reform. A group of teachers and supporters established an April Tenth Education Reformers' League to press the government to speed up education reforms. Suggested changes include broadening the current educational system to focus less on preparation for examination, more on the development of the individual, and abolishing long-held regulations, such as dress codes and sanitation checks (ROC 1995: 336-340).

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attend these schools regularly. Some students attend various classes or meet with private tutors several nights a week, on weekends, and during summer vacation (ROC 1995: 345).

About 50,000 students end their formal education after completing the compulsory education system each year. Recently, there has been some discussions within the government of extending to a ten-year compulsory system. Making an effort to better prepare these students to enter the labour market, the government introduced a Tenth-Year National Compulsory Education Based upon Vocational Education Program in the 1993-94 school year. Under this experimental program, junior high students who do not plan to continue their education can graduate from junior high school with a specific vocational skill. The government subsidises the extra tenth year of schooling. The plan was implemented on a three-year trial basis during the 1993-94 school year and will be re-evaluated before the 1996-97 school year (ROC 1995: 341).

The state in Taiwan spends more money on education than any other categoriy except defence. The education budget in fiscal year 1993 was US$15.5 billion, 41% of which went to compulsory education, 6% to senior high education, 7% to vocational education, 7% to junior college education, and 16% to university and college education (ROC 1995: 335-336). For fiscal year 1994, 19.1% of total government expenditure (US$13.7 billion) was distributed to education (ROC 1994b: 97; ROC 1995: 336). In higher education, the state in Taiwan heavily subsidised its public universities, and encouraged students from poor families to compete in the Joint University Entrance Examination. It also encouraged the private sector to establish higher education institutions to alleviate the government's financial burden (Cheng 1993: 255).

Table 5.5 indicates the division of education provision between the public and the private sectors in Taiwan. While the number of total elementary and secondary schools increased from 1970 to 1993, the proportion of public schools to private schools was stagnant during the same period. As far as the number of students attending public and private schools is concerned, the proportion of students attending public schools compared to students in private schools changed from 95% to 5% in 1970 to 88% to 12% in 1993. The private sector has increased its role in both primary and secondary education provision in the past two decades, although the state remains the most important education provider in Taiwan. At the level of higher education, the

proportion of public colleges and universities increased from 46% in 1970 to 55% in 1993. However, the share of students of public colleges and universities reduced from 48% to 42% in the same period.

Table 5.5 Education Institutions and Students by Type of Education Institution in Taiwan, 1970-1993

	1970	1980	1993
Total Numbers of	**3,204**	**3,451**	**3,640**
Elementary and Secondary Schools	**100.0**	**100.0**	**100.0**
Public	2,994	3,208	3,395
	93.5	93.0	93.3
Private	210	243	245
	6.5	7.0	6.7
Total Students in	**3,600,002**	**3,839,273**	**4,052,278**
Elementary and Secondary Schools	**100.0**	**100.0**	**100.0**
Public	3,408,333	3,521,845	3,558,112
	94.7	91.7	87.8
Private	191,669	317,428	494,166
	5.3	8.3	12.2
Total Numbers of	**22**	**27**	**51**
Colleges and Universities	**100.0**	**100.0**	**100.0**
Public	10	14	28
	45.5	51.9	54.9
Private	12	13	23
	54.5	48.1	45.1
Total Students in	**92,850**	**153,088**	**285,982**
Colleges and Universities	**100.0**	**100.0**	**100.0**
Public	44,166	61,803	120,901
	47.6	40.4	42.3
Private	48,684	91,285	165,081
	52.4	59.6	57.7

Sources: Calculated from ROC 1994a: 114-121; ROC 1994b: 73-83.

From the perspective of education provision, there are two types of education institutions in the private sector. These are operated by the voluntary and the market sectors, but receive government financial subsidies. Because of the limitation of statistical data, the

proportion of the voluntary to the market sectors is not available. However, as far as the overall structure of educational institutions is concerned, it is reasonable to anticipate that the private sector, including the market and the voluntary sector, plays a minor role in education provision in Taiwan, compared with the public sector (see Table 5.5).

Welfare Configuration: Models of Educational Provision

Government education policy can influence the overall use of education provision. Education policies in different countries not only represent the level of state intervention, but also reflect various mixes of public and private responsibility. While the state is an important education provider in most countries, various sectors of civil society have their roles in education provision. More specifically, an individual's access to education provision is shaped by different welfare configurations of education in different countries.

Table 5.6 Percentage Share of Total Household Consumption in Australia, Sweden, the USA, Singapore and Taiwan

	Food	Clothing & Footwear	Gross Rents; Fuel & Power	Medical Care	**Education**	Transport & Communication	Others
Australia	13	5	21	10	**8**	13	30
Sweden	13	5	19	11	**8**	11	33
USA	13	6	18	14	**8**	14	27
Singapore	19	8	11	7	**12**	13	30
Taiwan	36	5	23	5	**14**	10	7

Sources: World Bank 1991: 223; ROC 1994a: 63-65.
Note: Data refer to either 1980 or 1985.

It is difficult to measure the role of the family in education provision in contemporary societies because of the institutionalisation of school education. However, this does not mean the family plays no role in education provision. The share of total household expenditure on education offers a supplementary and useful indicator to measure welfare configurations between the state and various sectors of civil society in different countries. Table 5.6 shows percentage share of total household consumption in the five countries analysed in this chapter.

As far as total household consumption on education was concerned, both Singapore and Taiwan are higher than their three OECD counterparts, Australia, Sweden and the USA.

The variety of education provision available offers a comparison of the state and various sectors of civil society between countries, although this comparison can only be approximate. Based on the above analysis, welfare configurations of education provision in Australia, Sweden, the USA, Singapore and Taiwan can be summarised as follows (see Figure 5.1):

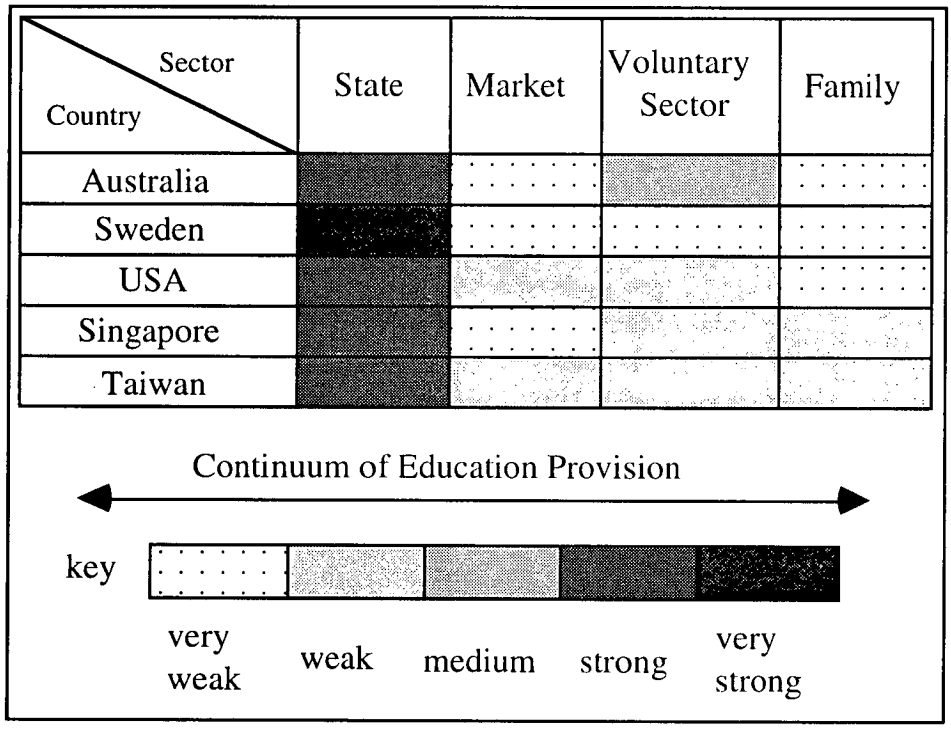

Figure 5.1 Welfare Configurations of Education Provision in Australia, Sweden, the USA, Singapore and Taiwan

Model I: The Australian Education Provision

The Australian education system is similar to the American system in that educational selection is based on performance criteria and in that it is seen to operate for the benefit of the individual rather than for the collective benefit of society. It is closer to a sponsored selection process due to it being more centrally organised and administrated than that in America. While Australia's publicly funded sector runs in a fashion similar to American educational systems, it retains a very significant independent and religious school sector which runs much as the UK system (Waters and Crook 1993: 324).

The largest area of education spending for the Commonwealth was in tertiary education, reflecting Commonwealth responsibilities in this area. Primary and secondary education, however, represented the largest area of education spending for State and local authorities (Commonwealth of Australia 1992b: 143).

Model II: The Swedish Education Provision

One of the most prominent features of education in Sweden is that education is free at compulsory, upper secondary and higher education levels. The Swedish education system has traditionally been organised within the state (public) sector. Education in Sweden has two functions in relation to the state (public) sector: first, almost all education is provided within the state sector; and second, the public sector has been more efficient than the private sector in absorbing individuals with a higher education background (OECD 1995c: 15). Investments in education and training for all citizens have been integral components in developing welfare provisions in Sweden.

Private schools can exist only if they have the same general purposes as public schools and aid the public sector to meet its goals. Further, they must follow school law as forcefully as do the public schools. Public subvention of private schools is common, but government and local communities decide this on a school-to-school basis. As a result, there are very few private schools existing at compulsory and post-compulsory level (OECD 1995c). Also, private institutions of the higher education are not a key aspect of Swedish education, with the exception of the Stockholm School of Economics. Learning options are provided in accordance with the principle of equal access for all citizens regardless of ethnic, social background and residential locality (OECD 1995c: 39).

Model III: The American Education Provision

The educational system in the USA is not a centralised or nationally directed system. Rather, its control is decentralised to the states. Unlike Australia which also operates a decentralised education system, the USA seems more dependent upon state and local school authorities than Australia. Having lived under a strong British monarchy, according to Bierlein (1993: 18), 'America's forefathers were reluctant to grant a single national entity the authority over something as

influential as education, and therefore consciously chose to give this responsibility to the states.'

While Congress and the federal government have no formalised authority to operate education programs, they play a key part in establishing education policies that influence this country's education provision. This is reflected in the fact that the government has been the largest fund provider in elementary and secondary education. However, a unique feature of education provision in the USA is highlighted by its higher education sector. More than one-third of funding of higher education was from the private sector revealing that the private sector plays a relatively more significant role in higher education than that in Australia, Singapore and Sweden.

Model IV: The Singaporean and Taiwanese Education Provision

An important feature of the Singapore educational system is the multiplicity of goals which it has been continuously called upon to meet. It is likely that many of the educational policies in Singapore have not been only for academic purposes. Rather, they are also shaped by economic, social and political goals that the educational system is expected to serve (Lim 1989; Tham 1989; Milne and Mauzy 1990). In their analysis of the effect of education on economic growth in Taiwan, Liu and Armer (1993: 321) also conclude that:

> [T]he state can be an effective mechanism in the feedback processes between the educational and economic systems. A strong, relatively autonomous state can help regulate the supply of the educational system to meet the manpower demand from the economic system. However, state action is also conditioned by the economic structure and public pressures. Thus, the economic effects of educational expansion is affected by the interaction among the political, economic, and educational systems.

The educational system in Singapore has been subject to experimentation with many and varied changes being implemented from time to time and in accordance with shifting government priorities. The government, for example, at first stressed national integration and the promotion of a national identity as an aim of the school system. Later it turned to focus on bilingualism as a means of preserving traditional cultures and cultural values (Lim 1989: 179).

The state in Singapore thus views education as a nation-building mechanism and imposes orderly change in the educational system to achieve social and economic goals. In Taiwan, basic norms and values to which the young have traditionally been socialised will of necessity undergo fundamental transformation. However, 'appropriately restructured, education will continue to play a vital if indeterminate role in promoting modernity, national development, and whatever new sense of collective political identity emerges within the social order' (Lucas 1982: 223).

Like Taiwan, moral education in Singapore is seen as an important component of formal education (Meyer 1988; Lim 1989; Government of Singapore 1992b; ROC 1995). Consequently, mother-tongue instruction and teaching of Eastern values were incorporated into the education system to promote a multiracial Singaporean national identity and to strengthen its political legitimacy.

Streaming is the most prominent feature of education in Singapore because of the idea that every person is born with different intellectual abilities and should be properly educated and trained to realise his or her maximum potential. The state in Singapore clearly desires, and has largely achieved, a literate society with an intellectual elite and a skilled labour force. Like other East Asian NICs, access to higher education in Singapore and Taiwan is also crucial for creating a meritocratic bureaucracy which in turn has implications for the credibility of economic policy (Cheng 1993: 220).

From the perspective of the welfare state-society relation, the total household consumption on education in Singapore and Taiwan is much higher than in Australia, Sweden and the USA. One of the main reasons is that essentially, the aim of the government's policy is based on the principle that the best kind of education for Singaporeans and Taiwanese is to make labour most productive of material and pecuniary gains. Under this circumstance, most Singaporeans see education as the best means to equip a person to find a well-paid job and to maintain a decent standard of living (Ho 1989: 686). Likewise, higher education in Taiwan has been seen as prerequisite for well-paid employment. The popularisation of higher learning in Taiwan has been attained at the cost of encouraging more and more students to

prepare themselves for higher education despite the fact that result will not attain their goal (Lucas 1982: 219).

CHAPTER SIX

WELFARE CONFIGURATION OF CHILD CARE

Child care provision aims to complement parental care, providing for the care of children and promoting their social, cognitive and personal development when parents, especially the mothers, are engaged in other activities, such as employment, education and community affairs. The provision of adequate child care is important for the efficient operation of the economy, but it also is important in achieving equity objectives. Child care policies have developed in response to social and demographic changes. These transformations continue to be driven by two major trends: the rise of female labour force participation and the increasing demand for quality in child care programs (Commonwealth of Australia 1994a: 12). More specifically, the rise of female paid employment together with an increasing awareness of the importance of early education and socialisation for young children has contributed to the growth of demand for child care provision.

For these reasons, child care is an important issue for both governments and various sectors of civil society. It is crucial that a government defines its role in welfare provision and produces a policy to meet the needs generated by social change. Governments play diverse roles in child care, in direct provision of day care centres, indirect financial subsidies and regulation of various sectors of civil society. The role of the state and various providers in the field of child care form different welfare configurations and lead to variations in child care provision in different countries.

The objective of this chapter is to examine and account for welfare configurations of child care provision in the East Asian NICs and OECD countries. There are four sections in this chapter. The first section explores child care provision in the five OECD countries. The second section focuses on child care provision in the East Asian NICs. The third section builds models of the welfare configurations of child care provision in these nine countries. Finally, I attempt to account for the reasons that the family as a source of child care provision in the

East Asian countries is stronger than their four Western OECD counterparts.

Child Care in the Five OECD Countries

Child Care in Australia

Child care provision in Australia has its origin in the philanthropic activities of the middle and upper classes. Kindergartens and day nurseries were established by groups of urban reformers in the densely populated inner suburbs of Australia's major cities in the late nineteenth and early twentieth centuries. These two kinds of provision were closely related but differed in some basic ways. Kindergartens were not intended to relieve women's responsibility of care. Instead, they were to 'reform' working class children via supervised activities and home visits. Day nurseries were clearly aimed to meet the child care needs of working mothers who supported themselves and their children. Subsequently, as the educational value of kindergartens was perceived, they began to thrive in middle class suburbs (Fox 1991: 149; Graycar and Jamrozik 1993: 231). Both kinds of care were provided, mostly by the non-government sector, until the mid-1960s. State governments provided various levels of assistance to preschools, but the organisations of services remained outside government control for many decades (Brennan and O'Donnell 1986: xii; Commonwealth of Australia 1993).

The issue of child care became the subject of intensive political debate in the late 1960s and the early 1970s (Brennan and O'Donnel 1986; Cass and Baldock 1988: xix; Graycar and Jamrozik 1993: 231). The passing of the Child Care Act in 1972 marked the formal entry of the Commonwealth Government into the field of child care welfare provision. The Act provided financial support for the establishment and operation of child care centres, and fee subsidies to low-income families (Commonwealth of Australia 1993: 130; Lever 1988: 14).

Under this act, however, assistance could be provided only to *centre-based* long day care services and had to be channelled by non-profit organisations or local authorities. The Whitlam Government of 1972-75 intended to initiate the Children's Commission. There were two main purposes of child care provision. One was to provide a universal provision for all children under 6. The other was to be a

means to reduce inequality. During this period, state child care was pushed into the public agenda, where it would remain despite a few subsequent problems.

However, the commission did not come into existence before the Whitlam government lost office in 1975. A positive move on the child care issue had been taken towards the end of the Coalition Government, 1975-83. The responsibility of preschooling was progressively shifted from the Federal government to the State governments, with the Commonwealth ceasing to fund preschools directly, instead providing block grants to the States for child care provision (Commonwealth of Australia 1993, 1994a; Graycar and Jamrozik 1993: 233).

While public child care provision had developed slowly, the improvement in child care facilities also increased workforce participation rates of mothers with young children. Consequently, family day care rather than centred-based long day care was the main type to be extended. The Commonwealth funds had been allocated merely on the basis of submissions from community groups, and this led to a relatively inequitable pattern of provision and incurred pressure from a range of organisations.

A policy backing up a universal system of child care provision was established again when Labor came to power in 1983. The intention and policy soon changed, however. The emphasis moved towards giving priority to making child care services accessible to working mothers, or of parents undertaking vocational training to enter the workforce (Encel and Campbell 1991: 144). A needs-based planning approach was thus accepted by the Commonwealth in 1984. Simultaneously, income-related fee subsidies were launched for families using non-profit provisions and the priority-of-access guidelines were centred more explicitly on working parents. The rationale for this priority ranking is the limited source of public funds that could be used to support child care costs (Commonwealth of Australia 1994a: 4). Therefore, child care policy has become 'an arm of employment policy, and a new form of occupational welfare subsidised directly by the government' (Graycar and Jamrozik 1993: 233-234).

Changes were introduced to the method of funding non-profit long day care centres in 1986. The changes in funding arrangements

and later modifications to the Commonwealth's program have led to a broader and more equitable spread of Commonwealth funds across a wider and more various range of provisions and child care users. This has been accompanied by a significant increase in Commonwealth expenditure on child care. In the 1990s employers and private investors were encouraged to enter child care provision. The Commonwealth fee relief scheme was extended to out of school hours care, private long day care, employer sponsored centres, and the previously unfunded voluntary sector. The Federal government recently introduced a Child Care cash rebate and Home Child Care allowance. These schemes recognised child care as legitimate costs and enabled both parents to work or to choose to look after their children at home, for which a target was set to meet the needs of work related child care by the next century.

The private child care industry shows that the market can provide care, if there is a demand for the service from those with a capacity to pay. The ABS (1989) survey in 1988 in Australia found that there were 608 licensed commercial long-day-care centres running and providing 27,000 places (Jones 1990: 238). It is likely that the private sector (market) will continue to play a key role in child care in the future, and may increase its share of the provision. Because government regulations on the child care industry have changed, private child care centres are allowed to receive subsidies. This makes such centres more profitable than before. The number of private long day care centres has extended rapidly since 1991 as the introduction of Children Assistance was expanded to the commercial child care sector. In June 1991, it was estimated that some 36,700 private and employer/non-profit long day care places were operating, about 32,300 of which were in private centres. By 1994, there were almost 71,000 privately operated long day care places (Commonwealth of Australia 1994a: 28).

In 1992 there were 1.8 million families with children under 12 years. For 35% of these, grandparents were the main providers of informal child care. Yet grandparents were more likely to be the providers of informal child care for younger children aged under 2 years (46%) than for older children aged 5-11 (26%). In 1993, 600,000 children aged 0-11 used formal child care arrangements and nearly

909,000 children used informal child care arrangements. However, formal child care arrangements accounted for 40% of child care use in 1993, up from 33% in 1987 (Commonwealth of Australia 1994a: 35).

Table 6.1 Percentage of Services, Type of Sponsorship by the Type of Formal Care, Australia, 30 June 1992

Type of Sponsorship	Long Day Care[a]	Family Day Care	Other Formal Care[b]	Outside School Hours Care
State	19.2	55.3	44.6[c]	28.2
Voluntary sector	30.4	44.7	55.0	71.8
Market	50.4	0	0.4	0
Total	100	100	100	100

Source: Calculated from Commonwealth of Australia 1993: Table 4.3.

Notes: [a] Including all long day care in Children's Services Program (CSP), ie. community-based and private.

[b] including occasional care, Multifunctional Aboriginal Children's Services and other multifunctional services.

[c] including State government administration of neighbourhood models.

Table 6.1 indicates current child care provision in three sectors. The state sector includes local and state governments. Its share in different types of child care services varied from 19% in long day care to 55% in family day care. The voluntary sector contained non-profit, religious, and charitable organisations. It had its highest percent in outside school hours care (72%), and lowest in long day care (30%). The Market sector referred to privately owned child care services. It mainly concentrated on long day care, but was almost non-existent in the other three types of child care services. By and large, the state accounted for 36.8% of total child care services, the voluntary sector 50.5%, and the market 12.7%.

Child Care in Japan

Up until the Second World War, it was traditionally believed that Japanese children belonged to the house (or the head of the house). With the enactment of the Child Welfare Law in 1947, children's rights were acknowledged, and the concept of child welfare was

established. The day nursery system as one kind of institution was stipulated in the Child Welfare Law, and was established under the authorisation of the prefectural governor and admissions were the responsibility of the public.

In the case of day nurseries, since they were closely tied to the community, the local municipality was given the responsibility and obligation for authority for admission and disbursement of operational expenses. The national government set the standards for the amount of disbursement to the day nursery from the local municipality and the fee charged to the guardians for nursery care to be paid to the municipality. The fee was decided in proportion to the guardian's capability to support. When a new day nursery was set up, the national government subsidised 50% of the standardised expenses, and the prefecture 25%.

In 1948, there were 1,476 day nurseries, and 135,503 children enrolled. From the later half of the 1960s, there was a striking growth in enrolment and there were 22,747 day nurseries with the capacity of 2,008,153 children in 1989 (Japanese National Committee 1990: 49). There were special measures to provide child care in remote areas where national standards were not appropriate. With the exception of services provided under a national scheme, some local entities had other types of services, such as the provision of home nursery welfare workers, where experienced mothers were entrusted with the care of a small number of children at home. Separate guidelines were applied for the establishment of a nursery facility by a private enterprise in its own location.

To respond to the demands of their workers, corporations such as Sony and Mitsubishi have introduced day care centres in new administrative and plant facilities (Barton 1991: 35). Many social welfare juridical persons operate institutions and provide social welfare activities. The majority of these are child welfare-related institutions, such as day nurseries. The prefectural governors and the Minister for Health and Welfare supervise and administer these social welfare juridical persons, and provide them with special financial assistance (Japanese National Committee 1990: 14).

In Japan there are around 1.8 million children in 23,000 public and private day nurseries which are registered and subsidised under

the Child Welfare Law. It is estimated, however, there are roughly 6,000 day nurseries which are not authorised by the state (Japanese National Committee 1990: 108). Non-authorised nursery facilities have existed from the past, in the form of cooperative nurseries in the community. In the early 1980s, fatal accidents occurred repeatedly at the so-called 'baby hotels' which were run by commercial companies having poor facilities and which kept the babies for long periods until late at night. While investigations have been carried out annually since 1981 on equipment and operation of the baby hotels having a capacity of 10 or more, 63.1% of baby hotels still did not meet the standard guidelines for the services in 1988.

To strengthen the guidance and supervision of the services concerned, 'the Priority for the Baby and Infant Care' was established by the Ministry of Health and Welfare in 1989. It consists of three main checkpoints: nursery care, meal services and health services. Recently, the Ministry of Health and Wealth has been trying to secure budget to promote assistance to young mothers in distress from child rearing by adding other functions to existing authorised day nurseries. The plan defines a day nursery as a centre of care in the community, and includes the practice of short-term care, emergency care and counselling and guidance at day nurseries.

An ideal Japanese wife is still a full-time mother, despite the fact that working mothers have become as common as housewives. In most families, it is usually the mother who does the child-rearing which is an almost full-time occupation right into the school-years for many mothers (Boocock 1991; Shwalb et al. 1992; Bowring and Kornicki 1993; Tanaka 1995). It is common for grandparents to be involved as caregivers if they live close to or with the child's family. Shwalb et al. (1992: 342) show that about one third of working mothers in Japan use grandparents as child care providers. This makes grandparents the second most utilised child care resource for working mothers after day nurseries. While nuclear families now predominate in urban areas, much of the family ideology remains, with expectations of reciprocity between generations. Amongst living members, there is an idea that the older generation cares for the younger one and they receive respect in exchange for the nurture as children grow up

The rate of maternal employment in Japan has traditionally been very low. Children were initially cared for by their mothers and then enrolled in education-oriented preschool programs. Recent increases in the numbers of divorces and employed women have caused slow but significant growth in the number of facilities provided to children under 3, and a rise of the public consciousness of the national need for child care provision. However, the number of Japanese children under 3 receiving out-of-home care is smaller than that of Japan's OECD counterparts (Lamb and Sternberg 1992). In response to insufficient child care and the desire for more familial and smaller-scale facilities, the use of such alternatives as homecare workers, unlicensed child care, baby hotels, company-run day nurseries and so forth is likely to grow (Shwalb et al. 1992).

Child Care in Sweden

Child care policy in Sweden has developed in two clearly supplementary directions. First it has vastly increased public investment in day care to support out-of-home care for parents in paid employment. Second, it has given parents very substantial statutory rights to paid parental leave to support parental care in the home. In the first instance, the state subsidises care by others, and it supports employed parents' care for their children in the second. Both policies are devised mainly to benefit parents in paid employment and their children, rather than all parents who are in paid employment or not (Ginsburg 1992: 53).

Child care services in Sweden extended markedly in the 1960s and the 1970s with the growth of female labour force participation and the concern for protecting children's welfare under circumstances of rapid social change. The growth of women's paid employment, the rise of gender equality, and the women's movement have made a distinct impact on social policy concerning the welfare provision of child care. Between 1973 and 1985, a family policy stressing large expansion of public child care was supported by a parliamentary majority and the number of children in day care grew by a factor of 12 (Hwang and Broberg 1992: 34).

In the mid-1980s some 60% of children between the ages of 1 and 7 were in public child care programs, and another 13% were in private

care (Kindlund 1988, quoted in Kamerman 1991: 185). The demand for child care services was still well beyond the supply because about 80% of the working mothers with children under age 7 and about 45% of children under 7 received public day care in 1987 (OECD 1988: 129-172; Moss 1989: Table 2). The state in Sweden was thus committed to expand the supply of child care and announced that, by 1991, all 18-month-old and older children were to be guaranteed a place in a child care centre (Kamerman 1991: 185).

Neither leaving day care to parents alone nor leaving it to the free market has been the national policy in Sweden. There are also non-profit parent cooperatives and day care centres operated by both religious and secular organisations and a few private enterprise day care centres that do not receive state subsidy (Ochiltree 1991: 39; Hwang and Broberg 1992: 37-38). However, private initiatives in day care provision have played a relatively smaller role in Sweden than most other countries. Private ventures were also opposed in child care throughout the 1980s. Cooperative or voluntary efforts at day care have been almost nonexistent in Sweden, due to 'a Social Democratic distrust of anything that smacks of private charity or voluntarism' (Wolfe 1989: 20).

When we consider the variation in national public-private mixes in day care in terms of the distribution of running costs, the distributive patterns are rather similar. The state sector, including the state and the municipality, comprises the largest contributor, covering about 90% of the total costs of child care, while the family as the consumer contributes less than 11% of the costs in Sweden (see Leira 1992: Table 3.1).

Children under 7 with parents in paid employment in 1967 were largely cared for at home by relatives or partners (Berfenstam and William-Olsson 1973: Table 13). By 1987, 34% of children under 3 received care in municipal nurseries or from salaried childminders, while of all children under 7, 43% were cared for at home, 10% were in paid private care, and 47% were cared for by municipal care (Broberg and Hwang 1991: Table 5.6). Hwang and Broberg (1992) also found that about two thirds of all preschool children with two working or studying parents and about 85% of those with a working single parent were in public day care. After the late 1980s, municipal day care became

the most common form of child care in Sweden. The Swedish government recently committed itself to a more generous maternity leave for eighteen months, a policy that would greatly lower dependence on public day care for infants. While about a third of children in Sweden remain at home with their mothers, that minority is likely to continue to reduce (Wolfe 1989: 15).

Child Care in the UK

The urgent need to encourage women into factory employment in aid of the war effort led to a rapid growth in nursery provision during the Second World War (Moss 1991; Ochiltree 1991; Ginsburg 1992). At the end of the war, many nurseries closed, although many women remained at work. The closure of nurseries was the outcome of a central government policy which decided to hand responsibility to local authorities and reduce the grant. By the early 1950s, only a few hundred local authority nurseries survived.

While the number of child care places began to grow again in 1969, there were still fewer than half the number of places that were available in 1945, and the criteria for admission were narrow. State intervention in day care provision was limited. Public provision of child care mostly comprised nurseries provided by local authorities. The basic function of day nurseries was to support children and families in need. The limited number of free or low-cost places in community-sponsored day nurseries were largely for children who were 'at risk' or from disadvantaged families where parents were regarded as unable to cope.

During the 1970s and 1980s, the increasing proportion of working mothers, the stress placed by child development experts on the long-term advantages of quality child care for children, and the implication of equal employment opportunity policy for day care provision built up considerable pressures on the child care policy. Under pressure for public provision of day care, however, Mrs. Thatcher rejected 'the need for a national child care policy, saying it could lead to "a whole generation of creche children... [who] never understood the security of home"' (The Guardian, May 18th 1990: 2, quoted in Ginsburg 1992: 173). She believed that the welfare state did too little to persuade mothers to stay at home to look after their children. The Thatcher

government chose to maintain a policy of minimal involvement, depending on child care employers and the market to provide child care.

Although the idea that day care was a private issue might have affected earlier policy orientation, this fact became clear in the 1980s. The privatisation of child care provision has been a consistent policy in the UK since the 1980s. In 1984, the Secretary of State for Health and Social Security argued that a shift towards increasing the privatisation of child care provision would be proper. Statutory authorities, he observed, would keep an 'overall strategic view and responsibility in the community but would see themselves rather less as services-providing agencies and rather more as enablers of voluntary and private provision' (quoted in Ergas 1990: 179). In a recent interview, Angela Rumbold, chair of the Ministerial Group on Women's Issues, declared:

> I am antipathetic to the notion that there should be universal access to child care: 'creches for all'. It simply exacerbates the trend that we have had of seeing that it is possible if you've got responsibilities to put them on to the state. ... If you have to work you do and if you have to find child care you find it. When I say "have" I mean if you really want it. (Family Policy Bulletin 1991, quoted in Ochiltree 1991: 40)

With the privatisation of welfare provision, the Conservative Government in power in the 1990s has urged the private sector to take responsibility for many services that were once provided by the state. The government has viewed child care as a civil society (private) rather than state (public) responsibility. Child care provision by civil society thus plays a crucial and growing role in the United Kingdom.

> Government has defined its role in the development of day care for employed parents as marginal, involving the continuance of some degree of regulation together with encouragement and guidance to others to make provision. In particular, it looks to employers and the private market to provide the necessary services and to introduce other measures ... that will assist working mothers. (Moss 1991: 138)

The role of the state is to encourage employers and others to provide child care and to regulate the market via the application of minimum

standards to private services. The outcome will be very considerable growth in workplace and market-oriented nursery care. Private childminding was the most common form of child care arrangements for children under 3, and the number of places has doubled over the past two decades (Ginsburg 1992). There were 144,908 places with registered childminders in 1985, a growth of more than 60% from 1975. Between 1985 and 1988, the number of registered childminders increased by 28%. However, it was estimated that about 20% of childminders were unregistered (Ochiltree 1991). Above all, the number of private nurseries grew by 49% and the greater part of this expansion was markedly in for-profit nurseries (Melhuish and Moss 1992: 171).

In the early 1990s, the British child care system thus gradually became dominated by private providers with a small, segregated and almost static public nursery sector. Due to the special 'welfare' needs and limited role of public provision of child care, most day care for children under 3 is private, with no public funding involved and working parents with children under 3 depend nearly fully on the market or their families. The family as a care system provided by relatives (particularly maternal grandmothers) remains by far the most commonly used form of care. For the rest, private childminders have been the main form of care (Hill 1991: 97; Moss 1991: 122).

Child Care in the USA

The economic depression of the 1930s led the federal government to play a direct role in day care provision. As in the United Kingdom, to enable women to work in the war factories the federal government became involved in providing day care and dramatically increased its child care funds during World War II (Phillips 1991; Haskins 1992). Its involvement was crisis-driven and temporary because many centres lost their federal funds with the end of the war.

Direct governmental subsidies for day care began anew in 1962 and 'Head Start' programs were launched in 1964. To extend tax expenditures for child care a series of fiscal measures was endorsed and this continued throughout the 1960s and 1970s (Ergas 1990: 174). The Comprehensive Child Development Act was passed by the Congress in 1971, but the Act was vetoed by President Nixon due to its expansion of

federal funds to support day care for the middle class (Phillips 1991; Ginsburg 1992; Lamb, Sternberg and Ketterlinus 1992). He argued that the sanctity of the family and of motherhood had to be defended from the intervention of the state. It would constitute improper interference into the private sphere and family responsibility if government supported child care provision. Nixon expressed the policy very precisely:

> For the Federal Government to plunge headlong financially into supporting child development would commit the vast moral authority of the National Government to the side of communal approaches to child rearing over the family-centred approach. (quoted in Lamb, Sternberg and Ketterlinus 1992: 212)

According to Phillips (1991: 173), the role of the federal government in day care in the post-war era has evolved into three components: provision for low-income families in the context of welfare legislation; support for Head Start which provides comprehensive care and education for low-income children with the long-term goal of preventing poverty; and support for day care via the tax system. These three components remain today, and are joined by the participation of state and local governments.

In the United States, with the exception of low-income families which receive targeted subsidies, issues of extending provision of child care are left mostly to market forces or to individual states (Hofferth and Deich 1994: 441). Recently, a significant privatisation of day care has appeared and further confirmed this trend. President Bush stated:

> Employers have a major role in helping parents find needed child care, but I do not support give-aways of taxpayer dollars to get business to recognise what it already knows: that it must provide assistance for more and better child care. Workers demand it; productivity demands it; a business bottomline demands it. (quoted in OECD 1990: 147)

The demographic and political pressures became strong in the late 1980s and brought Congress to the brink of approving federal financial support for nationwide child care. In 1990 the Congress approved the Child Care Bill which aimed to move federal funding away from tax credits and towards services for low-income groups, with an injection of $5 billion a year and more in the future to advance and extend child

care provision. However, President Bush vetoed the Bill in order to keep the budget deficit down (Ginsburg 1992: 126).

The existence of market-oriented centres is one of the unique features of the day care industry in the USA. The contribution of government funding to day care centres' income decreased from 29% in 1977 to 17% in 1988, with a quarter of the market-oriented centres receiving federal funds. The number of child care places in the market-oriented sector has more than doubled since the mid-1970s. The number of children in the market-oriented day care centres rose from 37% in 1977 to 51% in 1988 (Ginsburg 1992: 125). Within the market-oriented sector, more than 2,000 centres are run by chains; 1,200 centres are operated by Kinder-Care Learning Centres, the largest of the chains, in over forty states (Phillips 1991: 165).

Table 6.2 Day Care Arrangements for Children under Age 3 of Employed Mothers in the USA, 1965-85

Type of Care and Maternal Employment Status	1965	1977	1982	1985
Relatives				
Part-time	56	47	49	35
Full-time	49	43	41	
Sitter, in-home				
Part-time	19	15	12	9
Full-time	22	8	8	
Family Day Care Home				
Part-time	23	28	33	34
Full-time	24	38	36	
Day Care Centre				
Part-time	2	9	9	22
Full-time	6	11	16	

Source: Phillips 1991: Table 9.2.

Note: 1985 data are not disaggregated by part-time/full-time employment.

Table 6.2 reveals that there was a marked decrease in the proportion of day care undertaken by the family, and a corresponding growth in the proportion by family day care homes (childminders) and in particular by day care centres for children under age 3 in the period of 1965-85. There are two types of day care centres: the market-oriented (for-profit) sector used mostly by middle-income families, and the

voluntary-oriented (non-profit) sector, privately administered by churches, charitable organisations and so on, and usually run in partnership with the public authorities.

Child Care in the East Asian NICs

The welfare provision of child care demonstrates the tension between social change and social values. In modern societies, the need for social care is provoked by industrialisation and urbanisation. Traditional values continue to expect that women should take care of domestic responsibilities among which child care is of major importance. However, as more women enter the labour force and older women remain in the labour force longer than before, those who traditionally provided child care at home will become insufficient to meet demand. For that reason, 'we find side by side pressure on women to support the ideology of motherhood and home life, and at the same time to fight for equal opportunity in the workplace' (Baldock 1988a: 51).

Women's 'double burden'—as breadwinner and child carer— is too heavy to carry because of the lack of availability of informal carers, and they will be forced to seek an alternative, formal child care provision. Indeed, there is 'no society or country where the basic demand for non-parental care has not been driven by economic forces' (Lamb and Sternberg 1992: 4). The demand and supply of child care, propelled by economic factors, remains a key force. This is particularly true for the East Asian NICs.

Child Care in Hong Kong

The Hong Kong Government has not accepted child care as its responsibility. Rather, child care was viewed as a non-statutory responsibility and the family was the primary provider. It insisted that the voluntary sector had to share this responsibility. Welfare provision by the voluntary sector can strengthen the government's notion that welfare is a non-statutory responsibility in spite of the fact that voluntary sectors are financed by the government. This assumption was used by the government to justify its minimalist policy as to child care, except for the provision of places for children from deprived families. Many government statements have made this clear, for example:

> The welfare programs of Hong Kong have been designed and developed with cognizance of the innate local values of concern for the family, commitment to self-improvement, self-reliance, mutual support and generosity, reluctance to be dependent upon 'welfare', high respect for social order and a combination of ingenuity and resourcefulness. (Hong Kong Government 1991: 14)

In the immediate fifteen years after the Second World War, the care of abandoned babies was the major child welfare concern of the Hong Kong government. By the 1960s, the most extensive needs in the area of child welfare shifted from abandoned children to day care for pre-school children of working mothers (Social Welfare Department, Hong Kong Government 1963). Under the sponsorship of the United Nations International Children's Emergency Fund (UNICEF), 62 day care centres were established in 1967. Full-day child care nurseries significantly increased from 1,280 in 1958-9 to 6,497 in 1965-6. In 1966, the voluntary sector started to receive a government subsidy for running day nurseries and 13,300 places were available, but only on the condition that the children admitted were from deprived families.

Fifteen years later, in 1981, only 12,200 places were available, however. This revealed that the situation had not advanced at all. In 1982, the government changed its policy from a subsidy to voluntary day nurseries to fee assistance to parents (Hong Kong Government 1981). The shift in government financial assistance allowed for significant growth in child care welfare provision by the voluntary sector. Yet under the new policy, only families with problems or those who were means tested could receive aid, and non-eligible families had to pay in full. The expansion of child care services was not essentially followed by an increase of the government expenditures on child care provision due to government financial commitment being kept at a minimum (Ngo 1992: 476).

Table 6.3 shows that most young children have used informal day care: from 99.5% in 1961 to 94.5% in 1986. Few of them have had any formal type of day care. While there was a significant increase in day nurseries in the voluntary sector from 0.5% in 1961 to 3.6% in 1986, this increase merely shared a small proportion in total child care

welfare provision. The portion of children under six who used day nurseries provided by the market was even smaller.

Table 6.3 The Provision and Percentage of Under-sixes Receiving Different Types of Child Day Care in Hong Kong

	1961	1966	1971	1976	1981	1986
Population 0-5	549,300	615,200	469,000	450,000	466,500	478,100
Voluntary Day Nurseries						
No. of Children	2,600	13,300	11,300[a]		12,200	17,300
%	0.5	2.2	2,4		2.6	3.6
Private Day Nurseries				12,400[b] 2.7		
No. of Children	—	—	—		5,200	9,100
%	—	—	—		1.1	1.9
No Formal Type of Care (%)	99.5	97.8	97.6	97.3	96.3	94.5

Source: Wong 1992: Table 3.

Notes: [a] Figure as at July 1972.

[b] Figure of financial year 1976-7, and including voluntary and private day nurseries.

Like the other three East Asian NICs, welfare concerns in Hong Kong are subsumed under economic considerations. The child care welfare provision could not but be shaped by this type of government welfare ideology. Since the late 1980s, with the pressure of an acute labour shortage, the issue of child care for working mothers has been revived and the government has had to consider re-establishing day creches. However, the government still stresses that young children should be cared for by their mothers.

It is likely that the policy underlying any alternative form of provision and financing of day creches will be modelled on the existing scheme. While pressure from the labour market has forced the government to make a minor administrative adjustment which has enabled it to secure a higher level of provision for a minimum of financial commitment, the government has not changed its stance on child care welfare provision (Wong 1992: 398).

Child Care in Singapore

Two distinct state policies in Singapore have aimed to relieve the burdens faced by working mothers in child care. One is to promote extended family living arrangements through public housing policies. The other is the provision of child care centres as an alternative non-maternal strategy of care. By so doing, the state has become involved in the traditionally private sphere of the family and child care arrangements. The state has been successful in realising its goals in reversing the trend toward a decline of traditional family structure and creating a greater number of formal child care centres.

The Singapore government's approach to child care has been different from its typical style of direct intervention in various aspects of people's everyday life. It has not directly provided child care for its citizens in the past three decades (Quah 1994: 127). Instead, with rapid social and economic changes, the state in Singapore has played a relatively active role in directly financing child care services and formulating policies to ease the potential negative effects of modernisation on the traditional family structure (Huang and Yeoh 1994: 51).

To encourage population growth and to allow more working mothers to enter the workforce, the state has been deeply involved in overseeing child care provision since the 1980s. The Ministry of Community Development (MCD) supervises the development of child care facilities as part of the government's effort. It oversees the supply of, and the demand for, child care centres, co-ordinates plans for their development, and ensures that child care centres meet the standards laid down in the Chid Care Centres Act. Moreover, the MCD co-ordinates training programs for child care centre personnel and operates a child care information service that answers public enquires about child care and provides free consultative services to potential child care centre operators.

The state in Singapore urges individuals, organisations and employers in the public and private sectors to establish child care centres. To develop and extend such centres, the state also provides financial and other support to the voluntary sector. Financial support includes capital grants to convert void deck spaces in public housing estates into child care centres, and to furnish and equip them. As an

incentive for private entrepreneurs to institute child care centres, premises in public housing estates are rented out to them.

To promote muti-generational arrangements, the state has introduced some incentives since the late 1970s, including specially designed flats, priority allocation, smaller down-payments and extended loan repayments. One of the benefits of the multi-tier scheme was that it made it possible for grandparents to care for their grandchildren when working mothers were not at home. State policies seem to have had some effect on reversing the trends toward nuclear family living arrangements. The percentage of extended nuclear and multi-nuclear family households increased from 18% in 1981 to 20% in 1987 (Huang and Yeoh 1994).

To encourage working mothers to enter the workforce and to influence child care options, the state in Singapore subsidises working mothers and single fathers who place their children in approved centres. The monthly subsidy is currently S$65 for half-day care or S$130 for full-day care for each child. Further, a monthly levy (S$300) is imposed on parents who use foreign maids as a child care option(Huang and Yeoh 1994: 57). The 1990 census of population indicated that 83% of the children below 12 years old are cared for by the family (including 64% by their parents at home and 19% by grandparents or other immediate family members), 8% by hired maids at home, and only 9% have other child care arrangements (Quah 1994: 134). It was estimated that the population of children under 7 was 357,500 in 1991 (Singapore 1992b: 30-31). At the end of 1991, there were 285 child care centres which provided a total of 19,294 places (Government of Singapore 1992a: 191). This meant that about 6% of under 7s were cared for in child care centres in 1991.

Table 6.4 shows that the state in Singapore has changed its role in child care services in the last decade, from a main provider of child care to a supplementary provider, by encouraging the involvement of the voluntary sector and the market. Child care provision between the state, the voluntary sector and the market has dramatically changed in the full-day program between 1987-1989. Before 1987 the state was the main provider of child care services. Child care places in the voluntary sector exceeded those provided by the state in 1987. However, since 1989 the market has dominated in full-day child care provision. The

growth rate of places of child care varied greatly between these three sectors from 1982-1992. The provision of child care grew 2.5 times in the state sector, 12.8 times in the voluntary sector, and 253 times in the market sector.

Table 6.4 Enrolment in Child Care Centres in Singapore, 1982-1992

(persons)

Year	Total	Type of Program				
		Full-day Program				Half-day
		Total	State	Voluntary	Market	Program
1982	1,406	1,406	950	421	35	—
1983	1,862	1,734	904	741	89	128
1984	2,375	1,919	915	778	226	456
1985	2,918	2,157	905	829	423	761
1986	3,756	2,799	1,166	1,069	564	957
1987	5,659	4,537	1,380	1,874	1,283	1,122
1988	8,044	6,651	1,559	2,586	2,506	1,393
1989	10,201	8,633	1,850	3,249	3,534	1,568
1990	12,474	11,105	1,904	3,961	5,240	1,369
1991	16,109	14,337	2,160	4,787	7,390	1,772
1992	18,732	16,613	2,355	5,391	8,867	2,119

Source: Calculated from Government of Singapore 1992b: Table 18.3.
Notes: The state includes People's Association and National Trades Union Congress. The market includes private and workplace which includes three centres set up by employers at workplace but run by private operators.

This shift reflects in some measure the trend of the government towards privatisation since the mid-1980s (Booth 1994; Siong 1994). Also, it demonstrates the fact that the state in Singapore has eschewed, as far as possible, direct intervention in the provision of child care. The role of the state has changed from 'provider to that of watchdog, broker and consultant in the provision of child care services' (Quah 1994: 134). Like the other three East Asian NICs, the state in Singapore seems to minimise its role in child care provision, although more than the others, it actively encourages the market and the voluntary sector to establish child care centres.

Child Care in South Korea

As in other East Asian countries, the family in South Korea has traditionally been the basic unit of caregiving (Sung 1992; Park and Dimigen 1994). There have been clearly differentiated roles between husbands and wives. Only a few wives work outside the home. However, as the number of working mothers with pre-school children is growing, the pressure to extend child care facilities is becoming a key issue in both welfare services and working conditions (Korean Overseas Information Service 1990: 489).

To meet the increasing needs of working mothers for child care, the state in South Korea initiated a day nursery program in 1990, but additional facilities were still needed. With the enactment in 1991 of the Law on Nursery of Infants, the foundation was laid to promote day nurseries for working mothers. The implementation rules of this Law made it obligatory on industrial firms with 500 or more employees to create day nurseries (Republic of Korea 1992: 229). As many as twenty major corporations in South Korea now provide free or low-cost day care to workers, largely because the demand for qualified technical help is acute in the biotechnology and semiconductor markets (Barton 1991: 35).

By September 1991, there were 3,562 facilities to care for 85,400 infants, including 476 public facilities, 1,061 private facilities and 2,006 facilities operated by companies. At the same time, there were 87,000 infants of needy families cared for by state-financed day nurseries. It was estimated that the population of children under 7 was 5,575,000 in 1990. (World Bank 1994). This meant that about 5% of the under 7s were cared for in day nurseries in 1991. The family, in large measure, plays a key role in providing child care for young children.

In early 1992, 10 billion won in public funds was spent to create 71 nurseries near industrial estates as a means of easing the manpower shortage suffered by industrial companies (Republic of Korea 1992: 231-232). To ease the shortage, the state finalised a three-year plan in 1994 which will establish 7,590 nurseries to accommodate 427,000 babies by the end of 1997 at a total cost of 1.3 trillion won. The government established 1,485 nurseries in 1994 to provide child care for an additional 66,000 babies and it also paid for the nursery charges of 70,000 children of poor families (Republic of Korea 1995: 211). Like

other East Asian NICs, however, the growth of state child care provision is still limited, with a heavy dependence on the family.

Child Care in Taiwan

With an increase in the number of single parent families and double-income nuclear families, the demand for child care provision has grown rapidly. In particular, the increase of women's paid employment, (although the female labour force participation rate is still lower than its Western counterparts), highlights the need for child care provision. After examining the changing roles of women in Taiwan, Chiang (1989: 102) suggests:

> Although women's contribution to economic development has been recognised, an adequate support system for working women, such as child-care facilities, has not been actively implemented. In the absence of firm commitment or action regarding women's issues, the government should revise its policies toward incorporating women's needs in development and planning. Child-care services should be given a high priority, so that the new generation will not be ignored by working parents or dual-career couples.

The government has begun to respond to the demand for public child care provision since 1991. The Child Welfare Law and its enforcement rules, the Measures for the Establishment of Nurseries and the Measures on Foster Homes for Children, mandate the creation of child care centres across the island. By 1993, 19 public child day care centres, 1,319 private nursery centres, and 2,429 community nurseries had been established to accommodate over 240,000 children a year (ROC 1995). Moreover, to correspond to the schedules of working mothers, after-school classes in primary schools were set up to care for children up to eight years of age.

Some policy initiatives were introduced at the same time. They included the establishment of child protective networks, child sickness and medical allowance, nursery workers and childminders' training programs, and standard nursery schools. For full-day care centres, the basic facilities, space regulations, personnel qualification and the number of staff must satisfy minimal legal standards. To accommodate children from low-income families, all child care centres must allow a

quota of at least 10% of the children free of charge. Local social welfare bureaus also provide grants and rewards to well-managed day care centres under the Social Services Promotion Incentive Plan. The result of these initiatives should be assessed in the future (ROC 1994d; the Ministry of Interior, ROC 1993: 6-9).

While the number of child care centres is increasing, recent data (ROC 1994a) shows that the child care arrangements of the last child under 3 heavily rely on the family, with the government playing only a minimal role. The age of the youngest child seems to be the factor most likely to affect working mothers' probability of being in the workforce. Kamerman (1994: 5) suggests that 'almost all of these working mother [in Taiwan] have child care needs now met largely by grandmothers or through informal, unregulated, and unregistered family day care.'

Table 6.5 Ways of Caring for the Last Child Under 3 Years Old in Taiwan

		Ways of Caring for (%)				
Year	**Total**	**Herself**	**Relatives**	**Baby-Sitter**	**Foster Home**	**Day-care-centre and Others**
1981	100	83.99	13.42	1.17	1.14	0.29
1982	100	83.18	13.85	1.37	1.36	0.23
1983	100	79.62	17.40	1.67	1.18	0.13
1984	100	78.99	18.04	1.34	1.35	0.28
1985	100	76.96	19.70	1.43	1.54	0.38
1986	100	77.89	18.85	1.46	1.62	0.18
1987	100	76.37	19.61	1.78	2.13	0.11
1988	100	75.19	20.43	1.67	2.53	0.17
1990	100	72.93	21.88	2.15	2.86	0.17
1993	100	75.30	19.04	1.02	4.36	0.29

Source: ROC 1994a: Table 8.

Note: The subjects of the survey were married women aged 15 or over. Beginning in 1993, it referred to aged 15-64 married women only.

Table 6.5 indicates that the family accounted for over 94% of child care arrangements in the past decade. While children under 3 cared for by their mothers dropped from 84% in 1981 to 75.3% in 1993, those cared for by relatives increased from 13.4% to 19% in the same period. The market provision increased from 2.3% in 1981 to 5.4% in 1993. The provision of child care from the state and the voluntary sector was less than 0.4% from 1981 to 1993.

By 1991, there were 3,887 nursery schools which cared for 230,726 children, and 2,505 kindergartens for 237,285 children. The total number of children cared for in Taiwan was about 470,000. The total population of children under 6 was 1,940,000 in 1991. Thus about 1,470,000 (75.8%) children under 6 were cared for by the family (Wang 1994: 129).

Welfare Configuration: Models of Child Care Provision

Welfare configuration is to a large extent a function of the welfare state-society relation. It forms different welfare networks in different countries. In other words, an individual's access to welfare provision is affected by particular welfare configurations. Some social phenomena like a rising number of young working mothers, an increase in the rate of divorce and separation, and a higher percentage of elderly people may enlarge the welfare network. Further, the family may remove many of its responsibilities to the other welfare provision sectors (Chow 1983, 1985: 65-66, 1986, 1992, 1993).

It is argued that welfare provision in different countries is not confined to the state, though state intervention or government policy plays a crucial role in welfare provision. An examination of the welfare state, in a broader sense, should concern the state-society relation rather than the state *per se*. Similarly, from the perspective of the state-society relation, child care provision as a part of the welfare state is characterised by three main features:

- Child care policies in different countries not only reflect various mixes of public and private responsibility, but also represent divisions of child care welfare provision between the state and civil society. The amount of government assistance and how it is given varies from country to country. These differences reflect the various

perspectives on the roles of the state and various sectors of civil society in child care provision.

- The family rather than the state plays a significant role in child care arrangements in most countries, with the exception of Sweden, which has a universal, comprehensive and state-oriented child care system. Child care provision by the state is merely one of many different sources. A variety of informal child care arrangements coming from the family, ie from parents, grandparents or relatives, are still the main form of care.
- The extent and nature of state intervention shape the environments in which young children are cared for. Government child care policy can affect both the overall use of child care arrangements and its distribution between the different forms of care and the different types of family. The different levels of state intervention and the variety of provision available make any comparison of the state with various sectors of civil society across countries quite a complex matter, and thus these comparisons can only be approximate.

Based on the above analysis, welfare configurations on child care provision in different countries can be summarised as Figure 6.1.

The development of child care policies may be linked to numerous factors, but the lessening of the functions of the family in providing child care is the most significant factor. When female participation in the labour force increases, and family structures experience significant transformation, the issue of child care becomes the subject of hot public debate. The establishment of out-of-home care for children has developed from similar demographic and social trends experienced in many industrialised countries. While there are some similarities in the development of child care policies across different countries, there are some distinct differences. Different countries have set various priorities to respond to these trends. The impacts of these trends on the family in child care provision in developed and developing countries show some differences.

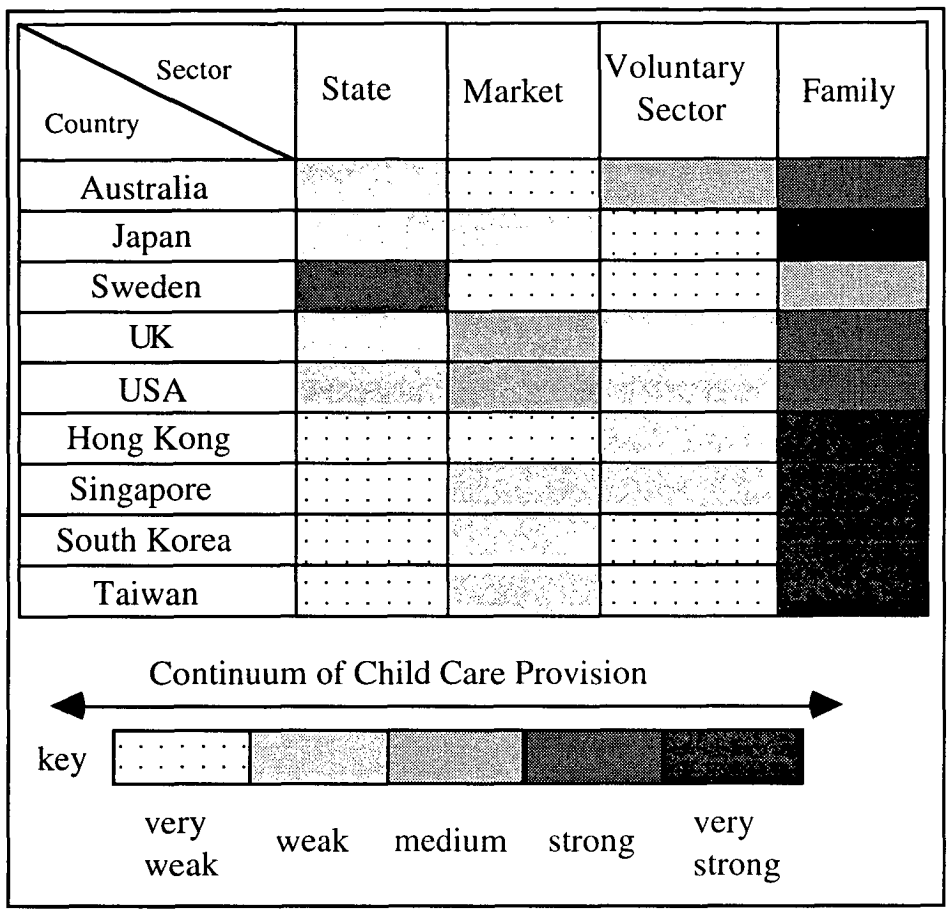

Figure 6.1 Welfare Configurations of Child Care Provision in the East Asian NICs and the Five OECD Countries

These differences reflect different state-society relationships, and form different welfare configurations in different countries. The division of responsibilities of welfare provision of child care is shaped by the interaction of the state and civil society. Based on the different welfare configurations of state-society provision, four models of child care welfare provision can be identified as follows:

- **Model I: Maximum state (public) responsibility— state-oriented welfare provision**

The maximum state responsibility model applies to countries which recognise the educational value of out-of-home care. In this model child care is seen as a societal responsibility and is mainly provided by the state. Sweden best illustrates the arrangements typical of this model. Through the National Board of Health and Welfare, central government determines the national goals as regards the level of provision, while responsibility for planning and for establishing child

care services is decentralised to the local governments. Leira (1993: 337) suggests:

> ideologically, central and local government intervention in the care and socialisation of pre-school children was rooted in the strong egalitarian traditions of the Nordic welfare states. State-sponsored day care was projected as a benefit for all children, and as an experience that could offer children a chance for more equal opportunities, despite differences in social background.

Regarding child care, Swedish policies mainly centre on the concept that '"the nation's children" constitute a national resource and responsibility' (Ergas 1990: 176). The basic assumption in Sweden has been that the state should provide child care for all, which also meant higher standards for all. Child care provision should be available for all, and state provision is a necessity to enable women to fully participate in the labour market. The Preschool Educational Program sets out four main tasks for Swedish public child care. They include establishing an educational program for child care for all children; creating safe and secure child care for children of parents who work or study; assuming special responsibility for children with special needs; and making an effort to achieve equality between men and women (Bridgeland et al. 1985; Hwang and Broberg 1992: 37).

Although the provision of child care does not rely entirely on the state, two distinct features distinguish Sweden from those countries which belong to the other models. First, Sweden stresses universal access to child care . Second, it advocates the direct provision of public child care services, and leaves private, market-oriented provision as the second choice. The expenditures of the Swedish government expenditure on child care grew steadily from 0.8% of GDP in 1975 to 1.9% in 1987 (OECD 1990). The basic aim of Swedish policy thus is to create an integrated system linking employment, education and child care provision with universal coverage rather than that of a safety-net to assist the 'disadvantaged' family.

• Model II: Maximum civil society (private) responsibility— family-market-oriented welfare provision

The line of argument in the United Kingdom and the United States has been that child care is a non-statutory responsibility, and thus the

state should intervene as little as possible. Its main argument has been that 'if the market needs women to work then the market will provide these women with child care. ... if child care is of poor quality then the mothers will not purchase it' (Commonwealth of Australia 1994a: 14). While child care policies in these two countries differ significantly, they have three common goals: first, to establish a safety-net of child care provision for the needy family and children at risk of abuse or neglect; second, to urge the use of non-statutory, in particular market-oriented or voluntary sector services; and third, to ensure a minimal level of quality for child care provision (Broberg and Hwang 1992; Bronfenbrenner 1992; OECD 1990: 139).

Two major features distinguish this model from the other models. One is that the direct funding provided for child care is aimed at selected groups. The other is to encourage private and voluntary sectors to provide child care. In the USA, there is no national child care system, but federal policy acts at two levels. First, it sets up regulations and offers funding to state and local governments for child care provision for children and families in need of special assistance. Second, to encourage the provision of child care by the private sectors, it provides indirect subsidies via tax relief to reduce their costs. In the UK, government policy also encourages the private and voluntary sectors to provide child care services. However, unlike the US, the government of the UK adopts limited public child care provision and provides public subsidies rather than using tax policies to voluntary care givers. Overall in the absence of public provision, employed parents needing child care have to depend on social networks (in particular relatives) and the market (mainly childminders).

- **Model III: Maximum civil society (private) responsibility— family-voluntary-oriented welfare provision**

The formal child care in this model includes provision operated directly by state and local government, voluntary community-based provision which receives public funding, and licensed market provision. Informal arrangements, that is the family, also play a key part in the welfare configuration of child care provision (Ergas 1990: 180-181). Women's child care provides an informal and private welfare system which allows the cost of state welfare to be minimised.

The expansion of women's unpaid caring work in welfare provision of the voluntary sector also takes into consideration the minimisation of public expenditure on formal welfare provision (Cass and Baldock 1988; Baldock 1988b, 1990). As Baldock (1988b: 279) argues that:

> [V]olunteer work fulfils an essential economic and ideological function for the state in providing social welfare services which could be provided by governments. These functions become of crucial importance during times of economic crisis when governments reduce welfare spending and the voluntary sector is placed under considerable pressure to increase services in these welfare areas.

In Australia, there is more formal child care available than in the UK and the USA. Unlike the UK and the USA, Australian children from all, rather than just disadvantaged families, can attend public-funded child care centres and access family day care (Ochiltree 1991: 41). In this sense, Australia is a different model, nearer to Sweden than to the UK and USA. Child care places in the state provision are allotted according to criteria reflecting priorities. Priority is given to the children of working parents. Australia has spent relatively little of its national resources on child care while its real expenditures have significantly increased four times from 0.02% of GDP in 1975 to 0.08% in 1987 (OECD 1990: 141).

Although a universal child care system may be held up as an ideal, it is unlikely that Australia will provide universal public child care services like Sweden in the foreseeable future. The situation in Australia now is similar to that in Sweden in the 1960s. At the time, Sweden was rich and reached political consensus and continuity in the public provision of child care while Australia is now in recession and has not achieved similar political consensus and continuity. Because of the economic constraints and the discontinuous policies, Australian child care provision has been oscillating between universal and selective orientations.

- **Model IV: Maximum civil society (private) responsibility— family-oriented welfare provision**

In this model, child care is viewed as a non-statutory responsibility and largely provided by the family. Japan and the East Asian NICs are the

countries closest to the maximum civil society responsibility— family-oriented welfare provision. In family-oriented welfare provision the state argues that the responsibilities of child care should be left to the family rather than the state, and parental care is better than out-of-home care for young children. As with family-market-oriented welfare provision, its basic assumption was also used to justify the government's minimalist policy regarding child care provision. Thus, the family-oriented welfare provision is highlighted by the fact that government minimises its role in child care, and heavily relies on the family to provide child care.

Government policy in Japan, for example, is to provide child care for families which cannot supply any for themselves or where both parents work. Through the Minister of Health and Welfare, the Japanese government subsidises the costs of the day care centres. While municipal authorities are responsible for operating the services, the prefectures assume the task of licensing and advocating new centres. Central government expenditures on child care were reduced from 0.13% of GDP in 1977 to 0.06% in 1987. This trend also reflected in the fact that the share of central government in the costs of the services fell from 80% before 1985 to 50% in 1986 (OECD 1990: 142).

In this model, in cases where homes are larger and there is room for grandparents to live with the next two generations, taking care of the children is often a grandmother's responsibility, although growing mobility and restricted living space means that this practice is declining. This common feature also distinguishes this model from the other models. The differences among Japan and the East Asian NICs are more institutional than social. The allocation of resources of extra-familial care and the extent to which public policies affect the child care arrangements are different in some ways. However, these differences are not as dramatic as the similarities.

Family-oriented Welfare Provision: the East Asian Model?

It is noteworthy that the family continues to be a primary source of child care in the East Asian countries. Analysing nine countries, including Japan, South Korea and Taiwan, with impressive growth records, Lodge and Vogel (1987) conclude that Asian societies are likely to have major long-term advantages over the West due to their

stronger family systems. This study confirms their argument. Four significant factors regarding the family structure contribute to the maintenance of the function of child care provision by the East Asian family, and reflect the characteristics of the family-oriented welfare provision, compared with the Western OECD countries. These four key factors include female labour force participation, total fertility rate, average household size, and the proportion of elderly people living with their children. All of them highlight the fact that the East Asian family is a more accessible child care provider than its counterpart in the Western OECD countries.

Table 6.6 Three Basic Components of the Family in the East Asian NICs and Five OECD Countries

Item	Year	HK	Sin	SK	Tai	Aus	Jap	Swe	UK	USA
Female Labour Force Participation Rate	1993	46.5	50.6	47.3	44.9	51.7	50.3	77.3	52.8	55.7
Total Fertility Rate	1970	3.3	3.1	4.3	4.0	2.9	2.1	1.9	2.4	2.5
	1975	2.5	2.1	3.3	2.8	2.2	1.9	1.8	1.8	1.8
	1980	2.0	1.7	2.6	2.5	1.9	1.8	1.7	1.9	1.8
	1985	1.6	1.8	2.5	1.9	1.9	1.8	1.7	1.8	1.8
	1990	1.5	1.9	1.8	1.8	1.9	1.6	1.9	1.8	1.9
	1993	1.2	1.7	1.7	1.7	1.9	1.5	2.1	1.8	2.1
Average Household Size	1970-75	4.0	5.4	5.0	5.5	3.3	3.4	2.4	2.9	3.1
	1980-85	3.9	4.7	4.5	4.6	3.0	3.2	2.3	2.8	2.7

Sources: World Bank 1992, 1995a; ROC 1994a; Australian Bureau of Statistics 1994, 1995.

Note: HK= Hong Kong; Sin= Singapore; SK= South Korea; Tai= Taiwan; Aus= Australia; Jap= Japan; Swe= Sweden; UK= the United Kingdom; USA= the United States of America.

The female labour force participation rate in the East Asian NICs was lower than that in OECD Countries (see Table 6.6). This implies that East Asian mothers themselves can care for children. Total fertility rate in the East Asian NICs has been declining dramatically in the past two decades, and became lower than that in OECD countries in 1993. The implication of the lower total fertility rate is that fewer children need be cared for. The average household size in the East Asian NICs, however, was larger than that in OECD countries.

The proportion of elderly people living with their children has been one significant difference between the Western OECD countries and the East Asian Countries (see Table 6.7). Recently, the proportion of elderly people living with their children was less than one quarter in the Western OECD countries compared with over three-fifths in the East Asian countries. Larger average household size and the higher proportion of elderly people living with their children indicate that child care may be provided by relatives, in particular from grandparents.

Table 6.7 Percentage of Elderly People Living with Their Children

Country	Year	%
Australia (60+)	1979	24
	1987	25
Japan	1953	80
	1960	82
	1974	75
	1985	65
Sweden	1954	27
	1975	9
	1986	5
United Kingdom	1962	42
	1980	16
United States	1952	33
	1962	28
	1984	19
	1987	15
Hong Kong	1991	61
Singapore (60+)	1986	72-79
South Korea (60+)	1988	75.7
Taiwan	1986	70.2
	1993	67.2

Sources: OECD 1994b: Table 2.1; ROC 1994: 50; ROC 1994d: 286; Choi 1992: Table 9.3; Kinsella 1995: 45; United Nations 1993: 67.

Recent studies also support the conclusion that child care provision is closely related to women's employment. Sundstrom (1993) found that the expansion of child care facilities for pre-school children and in particular for young school children in the 1980s was likely to stimulate the growth in full-time work and longer part-time work among working mothers in Sweden. Responsibility for pre-school children remains a key reason for women to leave the labour market. In Australia,

> ... it may be assumed that many more women would engage in full-time or part-time employment if the opportunities (and these include the availability of childcare) were given to them. (Baldock 1988a: 31)

The pattern of Japanese female labour force participation today forms an 'M-shaped model'. Young women enter the work force after the completion of their formal education, continue to work after marriage until having their first child, return to the labour market as part-timers after children are in school, and stay there until their children complete education. Kumagai (1995: 150-151) argues that this experience can be seen as the result of women's attempt to balance both traditional (child carer) and modern (employed worker) roles.

The percentage of female employees in Japan in the 25-34 age bracket which is the major age for childbirth and child care of young children, has remained markedly lower than that in many OECD countries. Japanese survey data comparing respondents in several countries, including Japan, Sweden, the United Kingdom and the United States, reveal a larger acceptance of sex role division of labour in Japan than elsewhere:

> The husband should go out to work, the wife should stay at home. (Seventy-one percent of the Japanese respondents were in favour of this proportion, followed by ... 34% in the US., ... 26% in the United Kingdom, and 14% in Sweden).
>
> After marriage, the wife should look after her husband, children and others in the family. (Seventy-two percent of the Japanese respondents were in favour, followed by ... 18% in the U.S., 10% in the United Kingdom, and 6% in Sweden). (quoted in Boocock 1991: 72)

Like Japanese women, Ngo (1992: 476) found that married women with young children in Hong Kong are not expected to work outside while leaving their children at home. Married women have to shoulder the work and family responsibility 'since their husbands severely limit their participation in child care and household chores.' Lee and Sun (1995) also found that marriage in Taiwan has been the major cause of women leaving the labour force. Among 15-64 year old women, 30% of those employed before marriage quit jobs after their marriage, and only some 20% of them reentered the labour force later. A substantial proportion of women stopped working due to childbearing; 14% of those who worked before marriage quit jobs because of child-birth. For these mothers, the average period before re-starting work was close to 6 years after quitting. By the same token, child care and related household chores in Singapore are the main reason given by female workers for leaving the labour force (Quah 1994).

Dramatic changes in the family structure also affect child care provision. For example, by 1992, 27% of children in the U.S. were living with one parent and the median child born now will spend time in a single parent home. This situation can be seen as a reflection of less marriage, higher divorce, lower fertility, and other changes that alter the behaviours of people. Among families with children, only 19% were two parent households where the father was employed in the labour market and the mother did not work outside the home. Over the past three decades the number of working mothers has been dramatically increasing from less than 30% in 1960 to nearly 70% now (Ellwood 1993: 3). One implication of these trends is that day care facilities become vital as fewer parents stay at home to care for their children.

By comparing the social support system in South Korea (extended family system) with that in Scotland (nuclear family system) after childbirth, Park and Dimigen (1994) found that the cultures differ in the kind of social support that they provide. During the postnatal period the South Korean mothers received much more and much longer support than the Scottish mothers, although the latter valued their support more than the former. As soon as the Scottish mothers arrive home from hospital, they can expect their husbands' support.

Yet as their husbands go to work they will have to cope on their own during most of the day. Relatives and friends may come to visit them, but regular, constant help is not expected. A South Korean mother, however, is expected to rest completely after childbirth to recover her strength. Infant care and household chores are carried out by relatives from the extended family. Members of the extended family have an obligation to provide support because of the strong family ties.

The presence of grandparents and other relatives eases parents of some of the burden and effort of child care, as well as spreading its economic costs. Morgan and Hirosima (1983) concluded that extended residence fits nicely with certain elements of modern Japanese society, providing substantial benefits for both young couples and their parents. The incompatibility of the mother's role and paidwork was greatly diminished by the child care and housework assistance parents provided. Thus, mothers in extended households had more children and were more likely to have paid employment. A study (Stokes, LeClere and Hsieh 1987) also demonstrates that extended families are still widespread in Taiwan, despite notable social and economic development over the past three decades. About 40% of married couples with wives in the childbearing years continue to live in extended families. Women living in extended families are much more likely to receive family help with child care (22%) than those living in nuclear families (9%). This difference illustrates that extended families do spread the responsibilities of child care.

Many working mothers living in multi-generational families in Singapore rely on co-resident grandparents and relatives for child care help. In their field study, Huang and Yeoh (1994) show that seven out of every ten women with multi-generational living arrangements do rely on co-resident grandmothers for regular help in child care, either as the main or secondary care-giver. By contrast, only one in five of the working mothers in nuclear households rely on the grandparents as the main childminder. They are more likely than those with multi-generational living arrangements to use a child care centre (16.3%) or rely on maids (17.4%) or combine these two options (22.5%).

Similarly, 47.6% of the elderly people age 65 and over lived in three generation households in South Korea (National Statistical Office 1992, quoted in Palley and Usui 1995: 243). Such a living

arrangement provides the possibility of reciprocity between generations. Elderly people may provide help with child care and household chores for their married children. Research also shows that more than one-third of the elderly in an industrial area in Hong Kong help in care for their grandchildren (Chow 1983: 587). Thus, help provided by elderly people to other family members is as important as the support that they receive from them.

The need for family welfare provision, including child care, clearly varies dependent on the family system and the circumstances under which the family lives. In some measure, low levels of state welfare provision in Japan and the East Asian NICs may drive the elderly, the disabled, the unemployed and single mothers to depend on their families for support. This is the preferred pattern by a majority of these people, and is accepted by many families.

Traditionally, the family in Confucian society played a key part in the life of the family members and still often retains primary responsibilities for the well-being of the individuals. The governments in these countries have maintained Confucian ideologies which leave the caregiving function of young children and the elderly as the major responsibility of the family (Palley and Usui 1995: 253). In his comparative study of the development of social welfare services in three Chinese societies, Chan (1984) concludes:

> The functions of family have been encouraged and been reinforced to look after its dependent members. Thus, most of the social welfare services have been primarily designed as a supplementary function to that of family, instead of being an alternative function to replace the family. ... social morals derived from traditional Chinese culture of filial piety to care for the elderly and the children at home are strengthened through various national policies. (Chan 1984: 416)

The state which expresses such values as in Japan and the East Asian NICs is inclined to minimise state welfare provision, urging instead individual self-reliance, supported by the family, which itself should be kept strong to play a key role in welfare provision. The support provided by the family in Japan and the East Asian NICs for their members is enabling these countries to move towards family-oriented rather than state-oriented welfare provision. While critics of state

welfare provision argue that the state is thereby abandoning its social responsibilities, one thrust of state welfare policy has made this possible by providing the institutional framework at the local level to enable families to continue to play their roles, rather than leaving the state to carry the burden.

CHAPTER SEVEN

WELFARE DEVELOPMENT: WHY IS IT DIFFERENT IN THE EAST ASIAN NICS COMPARED TO THE OECD COUNTRIES?

In the previous three chapters I explored state welfare in the East Asian NICs and the five OECD countries, and examined the welfare configurations of education provision and child care provision among them. It is argued that in the study of the welfare state analysis should go beyond exploring state welfare, because the state is not the only source of welfare provision for individuals. Comparison of the welfare configurations of child care and education in these countries reveals that the state and various sectors of civil society share the responsibility of welfare to varying degrees.

This chapter continues to focus on the differences by analysing the history of welfare development in the East Asian NICs and the five OECD countries. It is argued that cross-national variation in social expenditures is closely associated with corresponding differences in state-society relations. More specifically the different articulation between the state and civil society among these countries, to some extent, is a key to explaining these differences. As far as the practices of state welfare and welfare configurations of child care and education between the state and various sectors of civil society are concerned, two central questions will be raised: What are the differences of social expenditures? How do we account for these differences?

The Differences of Welfare Expenditure: How and Why

The structure of social expenditures in the five OECD and the East Asian NICs shows a distinctive difference in that the former spend far more on social security and welfare, but *relatively* less on education. The five OECD countries spent more than half of total social expenditures on social security and welfare, and this constituted the largest proportion of total social expenditures in the last two decades. Social expenditure on education as a percentage of their total social expenditures has fluctuated somewhat in the East Asian NICs, but it

has been much higher than in their OECD counterparts since the late 1970s.

The composition of total government expenditures by functions also reveals that the proportion of total government expenditures on education and economic affairs and services is higher in the East Asian NICs than in their OECD counterparts. It is noteworthy that with the exception of Hong Kong, expenditures on defence in East Asian NICs are well above their OECD counterparts. This implies that concern with an inter-state military threat in the East Asian NICs has played a crucial part in the allocation of total government expenditures (Castells 1992: 58-62; Deyo 1992b: 292-293; Lee 1993: 112; Weiss and Hobson 1995: 183-190).

Compared to the Western OECD countries, state welfare development in the East Asian NICs over the last three decades was much lower (Berger 1988: 5; Pye 1988: 90-91; Jones 1990, 1993; Lee 1993: 112). There are some possible reasons for this 'underdeveloped' state welfare performance. From a perspective which examines state-society relations, these potential reasons include the construction of civil society, the role of trade unions, the extent of the development of social citizenship, the orientation of development strategy and the influence of the external environment (see Table 7.1).

Table 7.1 Five Patterns of Differences of the State-Society Relation in the Five OECD Countires and the East Asian NICs

	OECD Countries	**East Asian NICs**
Civil Society	Bottom up	Top down
Trade Union	Strong	Weak
Social Citizenship	Achieved	Granted
Development Strategy	Even	Uneven
Security	Social	National

The five OECD countries and the East Asian NICs show their differences along these dimensions. These five dimensions are described in the rest of this chapter.

Analysis of the Differences of Welfare Development

Bottom up vs. Top down Civil Society

Through its actions or inactions, the state effectively constructs the dynamic character of state-society relations. The state shapes the construction of civil society due to its power to define and redefine the legal and political boundaries between the public and private spheres (McGrew 1992: 69). However, this does not mean that civil society cannot exert its influence to affect government policies. Rather, it depends on the nature of the state-society relation and the construction of civil society.

Through its powers to make law as well as its taxation and social welfare expenditure, the state is deeply involved in the various sectors of and the formation of civil society. The state in different countries also differs significantly in terms of the nature of its welfare provision. Some countries have a comprehensive welfare regime, while others have limited state welfare provision (Flora 1986; Rose and Shiratori 1986; Esping-Andersen 1990; Mishra 1990; Pfaller et al. 1991; Bryson 1992: 69-120; Castles and Mitchell 1992; Ginsburg 1992). Bendix et al. (1990: 141) argue that:

> The United States represents an example of the ability of corporate interests to use their power and ideological hegemony in civil society to influence the timing and content of public policy. ... Sweden offers another example of the permeation of public policy principles by the norms of a group in civil society. ... it is the 'working class"— which achieves hegemony first in civil society, then in political office— that directs state welfare policy toward solidarity and away from "market" principles.

The state in Sweden is viewed as the 'benefactor of the common people'(Bryson 1992: 111). On many aspects of social policy, Sweden compared well with other countries (Wilensky and Lebeaux 1965; Titmuss 1974; Esping-Andersen 1990; Ginsburg 1992; Gould 1993). Tomasson (1970) described Sweden as a 'prototype of modern society'. Furniss and Tilton (1977) viewed it as 'the archetype of the modern welfare state'. Private education and even private child care still play an insignificant role in Sweden. An important feature of the Swedish welfare state is that all social benefits are available to all residents,

whether or not they are Swedish citizens (Bryson 1992: 115). This can be partially explained by the fact that state intervention can assure a high quality of welfare provision. It is clearly recognised that support for state provisions by the better-off is dependent on high standards of service (Esping-Andersen and Korpi 1987).

The modern Swedish welfare state is a post-Second World War construction, albeit there were some early social welfare provisions. In ideological terms the Swedish welfare state reflects the outcome of a series of political compromises made by Social Democrats (Korpi 1983; Esping-Andersen 1990; Olsson 1990) . The Social Democratic project has become the nation's project (Heclo and Marsden 1986). Equally important, the compromises have mostly been made possible by economic growth. This has allowed the government to appropriate some of the growth for redistribution via the public sector (Bryson 1992).

While the construction of civil society in Sweden is stronger than the other four OECD countries examined, one should not minimise the crucial importance of civil society in these OECD countries. It is a key force which has pushed the development of 'the welfare state'. A civil society as a vigorously emergent social force means that new social movements and activities carried out spontaneously and self-consciously by members of society, go beyond the sphere of state activities (Cohen and Arato 1992; Held 1989; Keane 1988a, 1988b; Offe 1985; Shils 1991; Taylor 1990; Tester 1992; Turner 1990, 1994: 23). In these societies, civil society is characterised by the existence of a liberal democracy and state sanctions allowing for trade unions (Ramesh 1995b: 50). Working class movements and their political representatives play a significant role in forcing recalcitrant governments to adopt policies that advance the interests of labour (Esping-Andersen 1990; Myles 1989; Korpi 1983): a 'bottom up' civil society can exert its influence to affect government policies.

Unlike their OECD counterparts, the East Asian NICs were ruled by authoritarian systems whose bureaucratic elites were not subject to socio-political pressures (Cotton 1994: 41; Gold 1986; Goldstein 1991: 19; Haggard 1989: 129-141; Haggard and Pang 1994: 48-49; Koo 1993a: 4). Under the rule of a strong state, civil society tends to be 'top down' and has been weak in the past three decades (Burns 1991: 112-130, 1993;

Gold 1986, 1991a, 1991b, 1995; Lee 1991; Lee 1993; Ngo 1993; Paul 1993: 295-298; Heng 1994; Lam 1995; Pepper 1995). As Jones (1993: 203) argues:

> Whatever the regime title, whatever the legal structures, whatever the voting arrangements if any, whatever citizen rights might be formally laid down, all [East Asian NICs] have in practice functioned as exercises in 'top down consensus' by persuasion and/or imposition.

The power of the state in Singapore, for example, is considerable and controlled by the PAP. To implement its program of industrialisation and nation-building and to sustain the PAP's monopoly over political power, the state has controlled the institutions which articulate the interests of society, such as the mass media, the educational system and the trade unions (Milne and Mauzy 1990; Castells 1992; Deyo 1987, 1992a, 1992b; Henderson and Appelbaum 1992; Paul 1993; Somjee and Somjee 1995: 17-29). Like the other three East Asian NICs, the attainment of state autonomy highlights the relative weakness of civil society forces (Weiss and Hobson 1995: 164). To some extent, the weakness of civil society can be demonstrated by the high degree of state control (Deyo et al. 1987; Haggard 1989: 135-137; Heng 1994: 9-14; Paul 1993: 295-296).

A weak and 'top down' civil society enables states in the East Asian NICs to formulate policy goals independently of particular groups, and change the social structure (Cumings 1987: 50-51; Castells 1992; Pang 1992: 42-48; Weiss and Hobson 1995). In other words, 'the state clearly overpowers civil society with an impressive capacity to penetrate into society and mold the behavior of social groups and individuals' (Koo 1993a: 1). In these societies the state is inclined to pre-empt demands from below by giving decision-making roles to the highly talented and suppressing the demands of those who ask for participation (Somjee and Somjee 1995: 203). As a result, the problem of meeting this demand is likely to continue rather than disappear.

A higher standard of living and education by no means deflects the demands of civil society, but rather raises them. In the East Asian NICs, with the exception of Singapore, a higher standard of living and of education has resulted in the growth of a civil society demanding participation in decision-making on public issues and policies (Hsiao 1990, 1991, 1992; Lee 1993; Hsiao and Koo 1995; Ku 1995a, 1995b). Even

the rulers of Singapore have recognised this 'social fact' (Somjee and Somjee 1995: 203).

A demanding civil society has clearly put political pressure on the state, in particular in South Korea and Taiwan since the 1980s. The presence in both countries and in Hong Kong of a relatively large, well-educated middle class exerts pressure on the state for political democratization (Koo 1987; Castells 1992; Lee 1993; Lam 1995: 57; Pepper 1995: 57). The trends of social development reveal that the old state dominated state-society relationship is now being crucially challenged by a more demanding civil society. This may account for the consistent expansion of social expenditures and the introduction of social policies in recent years.

Strong vs. Weak Trade Unions

Trade unions have played a relatively significant role in demanding welfare provisons in Western OECD countries (Stephens 1979; Korpi 1983; Myles 1989). This is especially evident in terms of labour relations. In Sweden, the strength of the labour movement, combined with a clearly articulated social democratic strategy of social amelioration, has resulted in the formation of a humane welfare society (Castles 1989: 68) or a 'transition from capitalism to socialism' (Stephens 1979). For Korpi, Stephens and Castles, the activities of the state are the reflection of power relations in civil society; 'to understand public policy one must determine who exercises hegemony in civil society' (Tilton 1986: 19). Furniss (1986: 395) argues that:

> Politically, ... welfare goals often were articulated and gains achieved through mobilized working class power in civil society. This mobilization in Northern Europe was performed by social democratic parties and trade union organizations.

The proportion of the unionised workforce in the USA has been far lower than in Northern Europe and Western Europe, and organised labour has been much less cohesive and centralised (Mishra 1993: 29-30). To some extent, this explains the reason for lower social expenditures in the USA than in Sweden.

Employees in trade unions in Japan are poorly organised. Only a third of all workers belonged to trade unions in 1975 and over two-

thirds of employees were neither employed for life nor unionised in the 1980s (Gould 1993). Since 80% of all trade unions are enterprise unions, Rengo[1] obviously speaks mainly for them (Eccleston 1989: 260). Although the loyalty of the workers to their firms can be seen as the basis for labour discipline in Japan, to some extent, 'it is due to the low level of unionisation, the fragmentation of trade-union organisation, and the dominance of enterprise trade unions' (Gould 1993: 23).

The East Asian NICs resemble Japan in their tranquil labour relations, but they have attained this object through more directly authoritarian means (Deyo et al 1987; Haggard 1989: 135-137; Johnson 1987: 150). Democracy in the East Asian NICs was severely restricted in the past three decades. Unlike their Western OECD counterparts, unions in the East Asian NICs have been banned or state-sponsored, and this means they lacked their potential to push for the development of welfare. The state in the East Asian NICs sought to prevent the organized mobilization of labour, 'not so much because they feared a wages explosion but because, situated in the geopolitical fault line of the Cold War, they feared the national security implications of domestic unrest' (Weiss and Hobson 1995: 147). Deyo (1987: 182) suggests that:

> Labor's political weakness is, of course, of a piece with the broader political exclusion under East Asian authoritarian regimes. Under single-party systems in Singapore and Taiwan, as under military-based rule in South Korea, authoritarian regimes have contained and suppressed political opposition. Even in laissez-faire Hong Kong, autocratic colonial rule has presented few opportunities for political representation for the popular sectors.

In South Korea and Taiwan, unions are weak and exist as no more than an arm of the government (Haggard and Moon 1993: 56; Koo 1987: 174). This led to markedly weak social pressure for state welfare

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[1] In Japan, until recently trade unions affiliated either to the Sohyo or the Domei confederations. The Sohyo represented those members who affiliated to national wide trade unions, and it was strongly associated with the Japan Socialist Party. The Domei comprised members of enterprise trade unions, and it had strong links with the Democratic Socialist Party. These two have amalgamated in a single confederation, Rengo.

development. In Taiwan, trade unions were generally prohibited from pressing for large wage increases, and strikes and collective bargaining were prohibited under martial law. Existing unions were under strong Kuomintang supervision, including party controls over the selection of union leaders and all union activities (Johnson 1987: 150; Koo 1987: 174; Lin 1990: 141-148). Like South Korea, however, a substantial portion of total government welfare expenditure has targeted government employees, a politically important group for the ruling party (Chang 1985; Deyo 1992a: 300; Fu 1990, 1993; Ku 1995a, 1995b).

Similarly, South Korea's Economic Planning Board issued yearly wage recommendations that held wage gains to a fixed proportion of inflation and productivity gains[2]. In Singapore, as in South Korea, wage constraint invoked direct wage controls and restrictive policies toward trade unions (Deyo 1992b: 294). In the 1960s extensive state controls over trade unions included detention of oppositional union leaders, deregistration of many unions, and in 1968, introduction of legislation which formed a ceiling on permissible benefits and mostly strengthened the employer's power in collective bargaining (Milne and Mauzy 1990).

In 1972 the PAP government supported the establishment of a comprehensive, powerful, state-controlled national union federation, the National Wages Council (NWC). The idea behind the NWC was to prevent disruptive, rapid rises in wages. The NWC had representatives from government, labour, and business, and each year, until recently, depending on changes in the economy, recommended guidelines for wage increases (Milne and Mauzy 1990: 133). Yet union officials also occupied high level government positions, and came to play a dominant roles in campaigns to promote labour-management cooperation, increased productivity, and wage restraint (Deyo 1992a, 1992b).

The relatively low proportion of social welfare expenditures in Singapore partially reflects the fact that trade unions, which are closely affiliated with the People's Action Party, provide necessary welfare programs for their workers (Deyo 1992a: 58). A massive investment in

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[2] One result of the democratic reforms of the late 1980s was a freeing-up of trade union activity, and this gave rise to many strikes in support of huge wage demands (McKay 1993).

social infrastructure is necessary for economic development. The Singapore government provides the working class with appropriate education, health care and housing (Lim 1983, 1989; Castells et. al. 1990). It not only incorporates the working class into the industrialising process, but also creates a disciplined, motivated and skilled workforce to attract much needed foreign investments (Siong 1994: 52).

Achieved vs. Granted Social Citizenship

According to Marshall (1950), citizenship can be divided into three dimensions, each of which is a rights claim: the civil, political and social. Civil or legal rights developed in the seventeenth century, and political citizenship developed with the evolution of modern parliamentary democracy in the eighteenth and nineteenth centuries. Social rights refer to those rights and duties of citizenship concerned with the welfare of people as citizens. They were further expanded in the twentieth century to include social entitlements, such as provision for education and health care, and unemployment benefit. These forms of social citizenship were institutionalised in the welfare state.

Conceptions of citizenship have had a significant role in the historical development of modern (Western) societies and an ideal of citizenship was invoked in the founding of the British welfare state (Riley 1992: 180). After World War I, welfare services in Western Europe 'came to be perceived as a fundamental element of citizenship rights. National variations remained great, but in all countries the welfare expenditure ratio grew' (Alber 1988a: 454).

In the mid-twentieth century in Western capitalist society notions of social citizenship tend to be intimately tied up with the development of, and lately the crisis of, the welfare state (Roche 1992). The development of a welfare state was an attempt to achieve the promise of citizenship entitlements granted by 'the technical political equality entailed in universal suffrage' (Riley 1992: 188). In the USA, the generally 'weak' level of national welfare rights represents the different political history of America as an assemblage of local states, while the British welfare state in the post-war era comprised a national arena for the better distribution of social rights and deliberately so (Riley 1992: 190).

It is argued that there are different citizenship formations in different societies. Turner (1990) rightly argues that a genuinely historical analysis of citizenship would be concerned with problematic comparisons between Western and non-Western traditions. In his words, 'a general theory of citizenship, as the crucial feature of modern political life, has to take a comparative and historical perspective on the question of citizenship rights, because the character of citizenship varies systematically between different societies' (Turner 1990: 195).

Compared with their OECD counterparts, the achievement of social rights of citizenship in the East Asian NICs lags far behind. Taking pensions as an example, age pensions in Australia were legislated at the national level in 1908, albeit they had been in existence in some states from the turn of this century (Bryson 1992: 90). In the United Kingdom, the Pensions Act of 1908 provided the income security mechanisms of the modern British welfare state (Bryson 1992: 81). In the USA, the Congress of Industrial Organizations in 1939 called for a national program that would pay $60 per month to everyone over the age of 60 and would be financed out of taxes on income and wealth (Myles 1989: 38). In Sweden, a universal pension for citizens at 67, with no eligibility requirements, was established in 1946 (Bryson 1992: 112). In Japan, the National Pensions Law were passed in 1959 (Gould 1993: 36). During the formative years of pensions in these OECD countries, the guiding principle was that social provision should reflect the equality of citizenship in a democratic society (Myles 1989: 38; Culpitt 1992; Roche 1992) .

Unlike their OECD counterparts, the provision of pensions in the East Asian NICs appears only at the end of this century. The grant of social citizenship in the East Asian NICs is just beginning and limited, with widening democracy and emerging civil society in the 1980s. South Korea enforced the National Pension Scheme, Hong Kong introduced old age pension, and Taiwan adopted elderly farmer pensions in 1988, 1993 and 1995, respectively (Yoo 1993; *Far Eastern Economic Review* January 27th 1994: 24; *The Economist* April 30th 1994: 28; *The Economist* August 12th 1995: 27). While Singapore has its Central Provident Funds (CPF), founded in 1955, to provide pensions, the contribution is provided by the employee and employer rather than the state (Asher 1993: 155-158; Lim 1989: 189; Tyabji and Ching

1989: 34-39; Milne and Mauzy 1990: 32-34; Ramesh 1992, 1993; 1995a; Murray and Perera 1995: 235-236).

In essence, the CPF is the way by which the Singapore government makes sure that the working population pays for its own retirement, housing, health care, filial responsibilities for its parents, and possibly also unemployment income, via its own enforced savings and without cost to the government budget (Lim 1989: 189; Pugh 1984: 72). To support economic development the state provides collective consumption goods as investments in the social infrastructure, but to limit welfare expenditures social welfare is seen as a form of transfers in cash and services to a strictly tested underclass (Ramesh 1992, 1993, 1995a; Siong 1994). Apparently, the development of citizenship is closely involved in the process of nation-building and the state in Singapore rejects state welfarism (Hill and Lian 1995: 25-27). Such a welfare strategy 'thwarts expectations for state subsidies as a right of citizenship and enforces an ethic of self-reliance' (Siong 1994: 53).

Even vs. Uneven Development Strategy

The Western societies generally present an even development model in that the development of the economy is coupled with the shift of relationships and the differentiation of structures, and political modernisation (Parsons et al. 1951; Levy 1966; Etzioni-Halevy 1981). In this perspective, even development is defined as highly organised industrialisation with complex differentiation and systematic organisations. However, the development strategy in the East Asian NICs is characterised by their uneven character (Amsden 1985; Berger 1987; Cotton 1994: 39; Koo 1993b: 231; Kim 1994). Each aspect— economy, socio-culture, and polity— may, or may not occur at the same pace. For instance, whereas economic development is rapid and wide in scope, political democracy is slower to develop, and socio-cultural change is even more limited.

Such uneven development is an outcome of the specific historical context in East Asia. The biggest challenge that the East Asian NICs faced were political instability and economic chaos with the end of the Second World War (Weiss and Hobson 1995: 183-190). To develop their economy became an imperative for survival (Castells 1992: 58). Public support for the state in the East Asian NICs seems

dependent in large measure on its economic performance (Lucas 1982: 220; Castells 1992).

Politicians and decision-makers have sought to promote economic development in the belief that it will advance the quality of life, and assure political legitimacy and social stability (Goldstein 1991; Castells 1992). The expectation is that the benefits of economic growth would 'trickle-down', would minimise inequalities in the distribution of income, and would soon eradicate poverty (Kim 1985: 1). They thus advised that social welfare programs may hamper economic growth and weaken international competitiveness (Lee 1993: 112-113). The development of social welfare is based on economic growth, and the overall introduction of social welfare should follow the steps of economic growth.

From the outset, the priority of state development in the East Asian NICs is to accumulate wealth via economic growth, rather than to redistribute the wealth through state welfare provisions (Friedman and Hausman 1993: 143; Siong 1994: 52). Human resource development in these four NICs is viewed as a prerequisite for economic growth (World Bank 1993: 192-203). The relatively minimal social expenditures in the East Asian NICs and their emphasis on human capital formation through education rather than on social security and welfare reflect a single-minded commitment to the pursuit of economic development regardless of social cost (Kim 1985; Castells 1992; Krause and Park 1993). To a large extent, the lack of infrastructure of social welfare and income-maintenance policies in the East Asian NICs is bound up with their economic development strategy (Kim 1985; Palley 1992).

Nevertheless, economic success does not mean that there are no social welfare needs and social problems. Indeed social welfare needs and social problems may be hidden by economic progress and may even be exacerbated by it (Krause and Park 1993: 12). It is clear that with the development of civil society and the evolution toward more democracy in these NICs these problems are highlighted. The state in the East Asian NICs cannot but give greater attention to these problems (Goldstein 1991; Hsiao 1991, 1992; Lee 1993; Pepper 1995). In all likelihood, the state in the East Asian NICs will continue to play a major role in economic development, and it may be more active in

welfare in the foreseeable future (Chow 1993, 1995; Ku 1995a, 1995b). Yet the state must find new ways of intervention in economy, and adjust divisions of welfare between itself and various sectors of civil society due to the formation of new patterns of state-society relation (Hsiao 1991, 1992; Castells 1992: 62-66; Lee 1993; Hsiao and Koo 1995).

Social Security vs. National Security

The two world wars this century have played significant roles in creating the modern welfare state. Postwar prosperity and very low unemployment seemed to support the notion that general economic growth had 'trickled down' to those who rely on welfare benefits (Jones 1990: 47). While Western societies have suffered from tension in the welfare state since the mid-1970s (OECD 1981; Mishra 1984, 1990, 1993; Offe 1984), they supported extensive welfare services when costs were low and general levels of income were increasing in the immediate post-war era.

Rose (1986: 14) rightly argues that '[n]or is welfare the primary concern of the state. Historically, the first concern of the state has been the maintenance of public order and the defense of its territory against foreign attack.' The five OECD countries removed the immediate external military threat with the end of the Second World War. The historical evidence seems to affirm that 'the transformation from a warfare-dominated to a welfare-dominated state has been particularly marked across all advanced capitalist nations in the post-second-world-war era' (McGrew 1992: 75).

Unlike their OECD counterparts, the East Asian NICs, in particular South Korea and Taiwan, remain under the shadow of war in the post-war era (Castells 1992: 58-62; Cheng 1993: 238-239; Lee and Sohn 1995: 31-34; Weiss and Hobson 1995: 183-190). With the exception of Hong Kong, the heavy burden of national defence has limited their annual budget allocation to social expenditures (Chan 1988: 39; Deyo 1992b: 292-293; Lee 1993: 112). The potential trade-offs are at least worth considering, even though it is difficult to assert that one type of outlay gives rise to another. Yet as far as defence and welfare are concerned, when revenues set some kind of upper limit for spending, outlays for social welfare must compete with defence expenditures for available funds (Pampel and Williamson 1989: 46).

When Singapore ceased to be part of Malaysia in 1965, the PAP government decided that it was necessary to build up its defence forces rather than depend upon others to protect the new state. Singapore's political elites believed that defence capabilities necessarily worked in tandem with political stability and economic prosperity (Milne and Mauzy 1990: 156). Given its small size and population, Singapore could not neglect the question of its national security as an aspect of its development process. Although paying attention to the concerns of economic development, and adopting effective strategies to achieve its various development goals, Singapore was also required to give attention to the issue of its geopolitical location (Somjee and Somjee 1995: 31-32). Under this circumstance, 'Singapore's defense and foreign policies have been specially designed to maximize its chances of survival in the international jungle' (Milne and Mauzy 1990: 174).

Likewise, for historical and strategic reasons, a higher proportion of annual budget was spent on defence in South Korea and Taiwan than in other countries and this may have led them to spending less on social welfare. In fact, both the KMT government in Taiwan since the 1949 civil war and South Korea since the 1953 Korean war, have 'faced on-going security threats from their respective fraternal adversaries' (Cheng 1993: 238). They have thus focused on 'national security' rather than 'social security' because preparation for war remains a continuous activity (Castells 1992: 58-62; Lin 1990: 114-124; Weiss and Hobson 1995: 183-190). In Taiwan, for example, the government announces that:

> National security is of special importance to the Republic of China, since the communist mainland will not renounce the threat of using force to unite the ROC with the mainland. Until that assurance is received, the ROC is required to maintain a significant deterrent force. (ROC 1995: 157)

Under the circumstances, the priority of government policy goes to military and welfare expenditure thus remains relatively low. It is surely, to some extent, this 'imperative for survival' which set the East Asian NICs apart from the Western OECD countries' welfare development (Castells 1992: 58-62; Deyo 1992b: 292-293; Lee 1993: 112; Weiss and Hobson 1995: 183-190).

CHAPTER EIGHT

CONCLUSION: CHANGES AND CHALLENGES

Different Welfare Development

A comparison of the development of welfare, in the East Asian NICs with that in the Western OECD countries, indicates the different level of involvement of the state and various sectors of civil society in welfare provision. In broad brush terms the state was strong and civil society weak in the East Asian NICs. Welfare was a top-down state initiated provision and it was primarily initiated to aid in nation-building, hence the emphasis on education in particular to provide human capital and ideologically correct citizenry. In the OECD countries welfare was a result of a push (pressure groups) in 'bottom up' civil society.

Existing theories of welfare state development are socially specific. Although formulated by Western scholars, they cannot provide a complete explanation of the development of welfare in the Western OECD countries, let alone be used to understand the development of welfare in the East Asian NICs (Deyo 1992a, 1992b; Jones 1990, 1993; MacPherson 1992; Midgley 1986). As mentioned in Chapter One, there are two limitations of the models/typologies of welfare state regimes so far provided. First, they place primary emphasis on state welfare. Second, they are classified by empirical cross-national or comparative studies on advanced capitalist societies, in particular on OECD countries.

Some recent comparative studies of 'the welfare state' have developed two new approaches, which can be seen as a response to these two limitations. First, 'conventional measures of welfare effort have been questioned by a number of writers as an acceptable means of comparing welfare states' (Mitchell 1991: 161). Studies no longer focus solely on the social expenditure of the state or 'welfare effort' (eg. Abrahamson 1991; Johnson 1987, 1990; Rose 1989; Shaver and Bradshaw 1995: 11). Instead, they also examine sources of welfare provision from various sectors of civil society, even though such

studies still use the term 'the welfare state'. Second, comparative studies of welfare development have extended beyond the OECD countries. For example, some scholars have begun examine welfare development in the East Asian NICs. However such studies have not compared welfare provision in these societies with OECD countries (eg. Deyo 1992a, 1992b; Jones 1990, 1993; MacPherson 1992; Midgley 1986; Rose 1993).

It is clear firstly that an examination of the development of welfare should look beyond state welfare and secondly such an examination should include developing countries, in particular the East Asian NICs. Most analytical approaches to the study of the development of 'the welfare state' do not capture the dynamics of the state-society relation because the concept of 'the welfare state' is used in a static way. The models provided in this thesis are dynamic and can be applied cross-nationally or comparatively. In this sense, the thesis provides a new concept: 'welfare configuration', a new perspective: the welfare state-society relation, and a new comparison: the East Asian NICs and OECD countries.

New Concept

'The welfare state' has been studied for a half century since the Second World War, but definitions of it are inconsistent. The different definitions of 'the welfare state', in large measure, rely on whether it is broadly or narrowly defined. By and large, 'the welfare state' is a concept developed to describe the involvement of the state in advanced capitalist societies, after the Second World War, in providing welfare for its citizens. This involvement leads to some transfer of responsibility for ordinary people's welfare from the family and other supportive systems to the state.

This results in a blurred distinction between the state and civil society in welfare provision. The growing public expenditure on, and control of, matters that used to be left to various sectors of civil society, in particular the family, is undoubtedly the main feature in the history of welfare development in most countries. Comparisons of welfare states that focus only on welfare provision by the state can easily underestimate the complex and uneven welfare development across

various sectors of civil society, thus leading to a distorted picture of 'the welfare state'.

Drawing on the concepts of Rose's 'welfare mix' and Abrahamson's 'welfare triangle', this thesis develops the concept of 'welfare configuration': a description of the differing involvement of the state and various sectors of civil society in the provision of welfare. In other words, a welfare configuration is a result of the interplay between the state and civil society in welfare provision. Empirically a welfare configuration is determined to varying degrees by both the state and various sectors of civil society in different societies. Particular attention is paid to historical developments and changing social, economic and cultural forces enabling four models of welfare configuration to be devised taking into consideration: (a) type of welfare (education, child care etc.); (b) changes in welfare provision over time; and (c) government policy.

New Perspective

Analytically, both the state and civil society are separate, but empirically the relationship between them is dynamic and symbiotic. State intervention or government action embraces not only direct welfare provision, but also the regulation and subsidy of welfare provision in various sectors of civil society. The role of the state in the regulation, subsidy and provision of education and child care necessarily relies on the state's political, economic and social systems. Civil society, in turn, can affect the structure and process of state apparatus through its social and economic resources.

I argue that in examining welfare provision, the relationship between the state and civil society is crucial to understanding the development of welfare in different countries. Welfare is like a mosaic, both in its sources and in the modes of its provision. State welfare is set alongside the various sectors of civil society welfare, as a source of different welfare provisions. Understanding the characteristics of welfare provision in various sectors of civil society at a given point in time presupposes a simultaneous understanding of the state.

This more dynamic perspective suggests one cannot understand the characteristics of welfare provision expressed by the state without

simultaneously taking into account its relationship with various sectors of civil society. Welfare provision of both the state and civil society can be identified differently in different contexts, that is, in different countries or in the same country over time.

New Comparison

As mentioned above, most comparative studies of 'the welfare state' focus on the Western OECD countries. The development of welfare in non-Western societies, such as the East Asian NICs, is often neglected. The exclusion of the East Asian NICs 'might help to explain one limitation of recent comparative studies which have focused on European countries and the USA' (Gould 1993: 236).

The nature of the welfare arrangements in the East Asian NICs is similar to those in non-Western countries, but quite different from those in the Western OECD countries. The family or kinship system plays an important role in welfare provision in East Asian societies. By contrast, compared with the Western OECD countries, the low involvement of the state in welfare in the East Asian NICs results from a weaker civil society and strong state power in those countries.

By examining comparatively, patterns of division of welfare provisions in the East Asian NICs and the OECD countries, the thesis provides a new dimension of comparison. The different experiences of welfare development in the East Asian NICs challenge both current theories of welfare development and the models/typologies of 'the welfare state'.

Changes and Challenges

There are variabilities within both OECD countries and the East Asian NICs because of differential forces operating. Also there are changes taking place now in both categories. The idea of public responsibility for welfare gained strong and broad political support in most OECD countries after the Second World War. 'The welfare state in crisis' in those same OECD countries led to shrinking state intervention in the social welfare area in the 1970s and onwards. The general orientation of the development of welfare is clear. Reduction in state welfare have occurred since the mid-1970s. The OECD book on *The Welfare State in Crisis* (1981) documented the trend which 'has materialized in the

form of modernization programmes for the public sector throughout the OECD area' (Kuhnle and Selle 1992: 9).

The OECD countries have faced a fiscal crisis and the state has to some extent withdrawn from welfare provision setting up markets and quasi markets to differing extents in different countries (Mishra 1984; O'Connor 1973; Offe 1984). A new division of welfare responsibility between the state and various sectors of civil society is increasingly developing. It is likely that civil society will take more welfare responsibilities than before, and this will become common in the OECD countries in the future. Kuhnle and Selle (1992: 9-10) suggest:

> The general (ideological, if not always empirical) tendency to individualize, privatize, and decentralize welfare responsibilities seems to have been a conscious strategy to upgrade the importance of voluntary organizations and informal social networks and to reduce expectations as to what government can do.

At the same time in the East Asian NICs a growing middle class is creating an active civil society that is demanding welfare provision from the state. This will produce convergences of welfare development in the East Asian NICs and the OECD countries. The limits to this 'convergence' are due to the centrality of national security in the East Asian NICs and the continuing strength of civil society in the OECD countries.

However, the thesis does not suggest that a growing civil society will eventually lead to a 'welfare state' as understood in Western societies. Rather, it is argued that a growing civil society will create a demanding welfare provision pressure forcing the state to take more responsibilities than before or at least to rethink a new division of welfare responsibility between it and various sectors of civil society. This is particularly true for the development of welfare in the East Asian NICs.

While the similarities in welfare development in the East Asian NICs outweigh the differences, one has to bear it in mind that within the East Asian NICs different welfare provisions already exist. For example, the social insurance scheme in Hong Kong has taken a residual model, while South Korea and Taiwan have taken a social

security state model with increasing state intervention. Singapore has rested the responsibility upon employers in the form of CPF.

These differences are due to their different history, geopolitical situation and the relationship between the state and civil society. Further divergences will depend on the extent of development of civil society. It is likely that Taiwan will move towards a growing and demanding civil society. Singapore will move less so due to its resistance to Western democracy. Hong Kong will weaken its civil society after the territory reverts to Chinese rule in 1997. South Korea will produce a growing civil society in increasing tension with the state.

The Hong Kong Government has been extending its role in welfare provisions and making relevant policies more responsive to the needs of its citizens since the 1980s. These reforms have mainly been implemented in accordance with the process of widening democracy. To what extent these changes in welfare provisions will last after 1997 relies on, in some degree, the development of civil society in Hong Kong in the future.

Pepper (1996: 31) shows that 'all Chinese officials reiterated that the 1994-95 elections will not be recognised after June 30, 1997; ... and that the various levels of government must be reconstituted in accordance with the Basic Law.' Moreover, China is apparently interested in adopting some features of Singapore's political and socioeconomic system, in particular in studying Singapore's social welfare system (Mauzy 1996: 122). In this way, Hong Kong's citizens are being led through a crash course in democratisation and Hong Kong's civil society will probably weaken after 1997 (Chow 1995: 182-188; Pepper 1996: 25-32).

Unlike the other three East Asian NICs, the development of civil society in Singapore seems weaker than its counterparts due to its stronger state control. For example, when the Taiwanese and South Korean governments responded to the challenges from the Western democracies in the 1980s, the Singapore government attempted to persuade its citizens that Western-style democracy is inappropriate for developing countries.

With its rapid economic development, Taiwan has created an active civil society and a rising middle class in pursuit of its well-being

via social movements since the 1980s. Political isolation compels the state in Taiwan to confirm its role in the international community through economic growth. Both changes in international political economy and the rise of a demanding civil society are playing a key part in shaping the future welfare development in Taiwan (Ku 1995b: 362).

1995 was a watershed year in South Korea's transition to democracy. Two former presidents were in prison, one indicted on bribery charges and the other on charges of rebellion. The 'local autonomy' elections on June 27 showed that South Korean citizens, for the first time in 34 years, were given an opportunity to choose the chief executives of local and provincial governments as well as members of their legislative assemblies. The stunning defeats of the ruling party in the elections indicated that Kim Young Sam's political party did not enjoy the kind of popular support that derives from civil society. These tremors of transition were reflected in the increasing tension between the state and civil society (Koh 1996: 53-60).

Regardless of these variations among the East Asian NICs it is clear that the state remains paramount. It is able to mobilise the necessary social resources to realise its policies and achieve its goals. The precondition of this takes place in accordance with the developmental processes of the capitalist world system. The political legitimacy of the East Asian NICs is rooted in integrating their civil societies into the capitalist world system to support their economic development efforts. State welfare as a means of social control is more explicit in Singapore than in the other three NICs. However, in all cases economic growth in the East Asian NICs is viewed as the precondition for political legitimacy, and social welfare development becomes the outcome of this development strategy.

Social policy in these four NICs plays a crucial role in contributing to the requirements of economic growth and provides a means of social control. In the process of economic development various sectors of civil society play a key part in welfare provision. The development of welfare in the East Asian NICs is characterised by a minimal state welfare provision with heavy reliance on civil society, in particular the family (MacPherson 1993: 51). Thus the welfare

configuration in the four NICs is different from the Western-style welfare configuration.

The creation of the 'economic miracle' in the East Asian NICs can be seen as the outcome of the state successfully integrating civil society into economic development. The co-existence of an 'economic miracle' and an 'underdeveloped state welfare' in the East Asian NICs implies that the distinct family-oriented welfare provision is a successful but imperfect development paradigm. The development strategies of the state in pursuit of economic growth, to secure its political legitimacy, also lead to some social problems due to an uneven development strategy.

During the past three decades, under the rule of a strong state in all of these NIC societies civil society was weak. Paradoxically, such a successful but imperfect development paradigm in turn eroded the political legitimacy of the state and encouraged the rise of a demanding civil society in the last decade. The trends of social development show that the 'old' state-society relation is being critically challenged by a more demanding civil society.

The changing relationship between the state and civil society has accelerated the development of welfare in the East Asian NICs since the 1980s with the development of civil society and democratisation. To maintain its economic growth and political legitimacy the state cannot but take more welfare responsibilities for its citizens. As the extent and pace of social change continue to be prevalent and rapid, how to deal with the growing demands of different population groups becomes a crucial issue faced by the state in the East Asian NICs. This more or less reflects the fact that since the 1980s the state has borne more welfare responsibilities for some groups, such as the homeless, the disabled, the aged and children.

More state welfare responsibilities than before seem to be the future trend in the four NICs. While the East Asian states are likely to have major long-term cost advantages over the West due to the stronger family systems in their societies, the functions and structure of the family begin to undergo significant transformation in the process of industrialisation, urbanisation and modernisation. Like the OECD countries, with economic success, the East Asian NICs encounter similar problems, such as the weakening of the family and

the loosening of some traditional values. This implies that the family in the East Asian NICs may no longer be capable of taking care of and providing welfare for its members as in the past, and there would be higher pressure on the state to provide the necessary care and support for its citizens.

As the East Asian NICs become more closely integrated into the global market and depend more heavily on the capitalist world system, these challenges will increase. Although they get economic achievement in the capitalist world system, they cannot avoid the impact of Western democracy and welfare ideas on their societies. This external pressure will stimulate the rise of internal pressure coming from civil society, and these pressures interact with each other to force the state to change its relationship with civil society.

For the East Asian NICs, a balance between economic growth and social development is necessary for their future. The development of social policy in the East Asian NICs is very important and it will be a key part of their efforts to cope with the potential challenge from rapid social change. Although some welfare measures were introduced by the state in the East Asian NICs in recent years, the question of how to provide a well-designed and effective welfare provision for its citizens has to take into account divisions of welfare between the state and various sectors of civil society. It is hoped that, in some small way, the arguments and data presented in this dissertation can help resolve this increasingly important question.

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