Active Ageing in South Korea:
From a Productivist to a Comprehensive Approach?

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ABSTRACT

The main purpose of this thesis is to explore the development of active ageing policy in the area of employment in South Korea, one of the most rapidly ageing societies in the world. Based on qualitative data such as interviews with key policy actors and analysis of diverse documents, it examines Korean employment policy for older workers within the framework of the two contrasting discourses on active ageing: the productivist and the comprehensive. The main findings show that, despite its rapid development since the late 1990s, active ageing policy in the employment field has been dominated by a narrow productivist approach. Even though there has been keen competition between the two different ageing discourses in the area of the overall active ageing policies during the two progressive administrations in the twenty-first century, there was less debate in the area of employment policy for older workers owing to the weak policy supporting the comprehensive perspective. In terms of the global policy discourse, the economic-centred productivist approach of the OECD has had a much stronger impact on Korean social policy than the human rights-based comprehensive approach of the UN. In conclusion, it is argued that, even though the Korean welfare state has been transforming from the existing developmental or productivist welfare regime toward a new comprehensive welfare one, there is a cleavage between the overall welfare regime and the specific policy area of active ageing policy. An underdeveloped civil society, especially with respect to politics in older age, is another reason for the cleavage. The main contribution of the thesis is to point out the specific features of the Korean welfare state in the process of welfare development and to cast new light on policy making in the specific area.

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ADEA	Age Discrimination in Employment Act
ADIPA	Act on Disclosure of Information by Public Agencies (공공기관의 정보공개에 관한 법률)
ADL	Anti-age Discrimination Legislation
ALMPs	Active Labour Market Policies
A-TKEs	American-trained Korean Economists
BGOP	Better Government for Older People
CSC	Civil Service Commission (중앙인사위원회)
DWP	Department for Work and Pensions
EC	European Council
EIS	Employment Insurance System
EMU	European Monetary Fund
EPB	Economic Planning Board (경제기획원)
EU	European Union
FKI	Federation of the Korean Industries (전국경제인연합회)
FKTU	Federation of Korean Trade Unions (한국노동조합총연맹)
GDP	Gross Domestic Product
IGOs	International Governmental Organisations
ILO	International Labour Organisation
IMF	International Monetary Fund
JRS	Job Release Scheme
KARP	Korean Association of Retired Persons (한국은퇴자협회)
KDI	Korean Development Institute (한국개발연구원)
KEF	Korea Employers Federation (한국경영자총협회)
KIHASA	Institute of Health and Social Affairs (한국보건사회연구원)
KIPF	Korean Institute of Public Finance (한국조세연구원)
KLI	Korean Labour Institute (한국노동연구원)
KNSO	Korean National Statistical Office (통계청)
MIPAA	Madrid International Plan of Action on Ageing
MKE	Ministry of Knowledge Economy (지식경제부)
MOCIE	Ministry of Commerce, Industry and Energy (산업자원부)
MOEL	Ministry of Employment and Labour (고용노동부)
MOFE	Ministry of Finance and Economy (재정경제부)

MOL	Ministry of Labour (노동부)
MOGAHA	Ministry of Government Administrative and Home Affairs (행정자치부)
MOHW	Ministry of Health and Welfare (보건복지부)
MOPAS	Ministry of Public Administration and Security (행정안전부)
MOSF	Ministry of Strategy and Finance (기획재정부)
MPB	Ministry of Planning and Budget (기획예산처)
NBLS	National Basic Livelihood Security (국민기초생활보장제도)
NFMP	National Fiscal Management Plan (국가재정운영계획)
NGOs	Non-governmental organisations
NHRC	National Human Rights Commission (국가인권위원회)
NPRI	National Pension Research Institute (국민연금연구원)
NPS	National Pension Scheme
OECD	Organisation for Economic Cooperation and Development
OES	Occupational Employment Statistics (산업·직업별 고용구조조사)
PAYG	Pay-As-You-Go
PCAFS	Presidential Committee on Ageing and Future Society (저출산고령사회위원회)
PCPP	Presidential Commission on Policy Planning (정책기획위원회)
PES	Public Employment Services
PSPD	People's Solidarity for Participatory Democracy (참여민주사회와 인권을 위한 시민연대)
SMEs	Small- and Medium-size Enterprises
SPA	State Pension Age
TFR	Total Fertility Rate
UK	United Kingdom
UN	United Nations
USAID	United States Agency for International Development
WHO	World Health Organisation

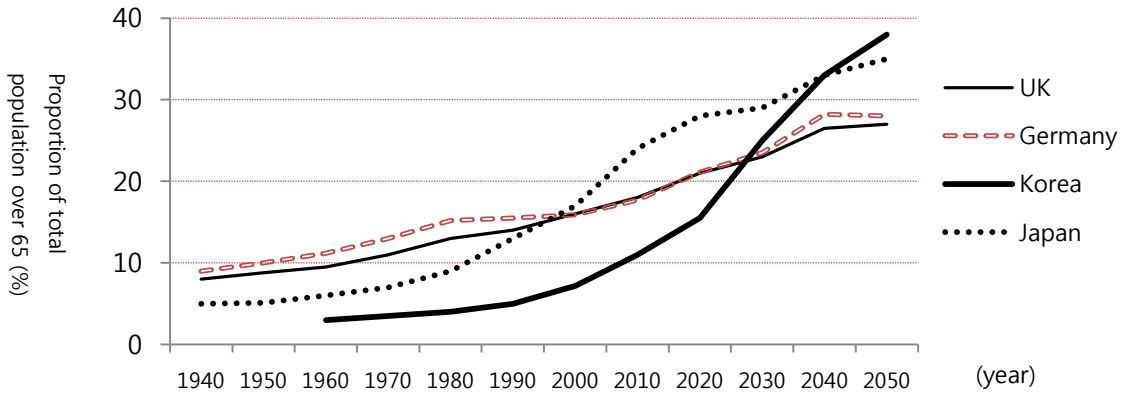
Chapter One

Introduction

Overview of Topic

Population ageing in the Republic of Korea (hereafter 'Korea') is the main background of this thesis. Since the Second World War, populations have been steadily ageing in nearly all countries of the world (Vincent *et al.* 2006). The proportion of older people aged 60 years and over in the world increased from 8 per cent in 1960 to 11 per cent in 2009, and is projected to reach 22 per cent in 2050 (United Nations 2009). The main reason is the long-term decline in fertility rates and increase in longevity (Vincent *et al*. 2006). In most member states in the Organisation of Economic and Cooperative Development (OECD, 2006a), the demographic change of ageing is more pronounced. Korea is one of the most rapidly ageing societies in the developed world (Ministry of Labour 2006a, Figure 1-1). The proportion of the people aged 65 and over of the total population already reached 7 per cent in 2000, passing the mark for a so-called 'ageing society' (Korean National Statistical Office 2006). Given that Korea is still one of the youngest countries in the OECD, it is extraordinary that four in ten people are projected to be aged 65 and over by 2050, making Korea's rate one of the highest in the world (Ministry of Labour 2006a).

Figure1-1: Ageing Population Trends from 1940 to 2050.



Source: Ministry of Labour (2006a: 3)

The economic and social consequences of population ageing have pushed Korea to take action. Based on escalating 'dependency ratio' estimates,[1] the OECD (2006a) argues that population ageing will create increased pressure on public expenditure, including public pensions, long-term care, and public health. Thus, increasing participation in the labour market of older people is proposed as one of the most powerful means of tackling population ageing and its negative financial consequences (OECD 2006; Foster and Walker 2013).[2] However, the participation for older people in the Korean labour market has shown a declining trend. While most of the OECD countries' employment rate among older people aged 55 to 64 increased from 1994 to 2006, Korea's employment rate in this age group decreased by 3.6 per cent, despite its relatively high employment rate among the OECD countries (Table 1-1).

Table 1-1: Employment/Population Ratios in the 55–64 Age Group[3]

Country	2006	Rank	1994–2006*	Rank	Country	2006	Rank	1994–2006*	Rank
Australia	55.6	11	15.1	5	Luxembourg**	31.7	27	8.5	14
Austria	35.5	23	7.1	18	Mexico	55.0	13	2.6	25
Belgium	30.4	28	8.0	15	Netherlands	46.9	18	17.9	3
Canada	55.6	11	12.0	9	New Zealand	70.4	2	23.1	1
Czech Rep.	45.2	19	12.9	7	Norway	67.4	4	5.8	20
Denmark	60.9	8	10.7	12	Poland	28.1	30	–6.3	29
Finland	54.5	14	21.0	2	Portugal	50.1	16	4.2	22
France	40.5	22	7.1	18	Slovak Rep.	33.2	25	11.9	10
Germany	48.5	17	12.6	8	Spain	44.1	20	11.4	11
Greece	42.4	21	2.9	24	Sweden	69.8	3	7.9	16
Hungary	33.6	24	16.6	4	Switzerland	65.7	5	4.6	21
Iceland	84.9	1	0.2	27	Turkey	30.1	29	–10.7	30
Ireland	53.4	15	13.9	6	United Kingdom	57.4	10	10.0	13
Italy	32.5	26	3.1	23	United States	61.8	7	7.4	17
Japan	64.7	6	1.0	26	OECD Europe	43.4		7.2	
Korea	59.3	9	–3.6	28	Total OECD	53.0		6.9	

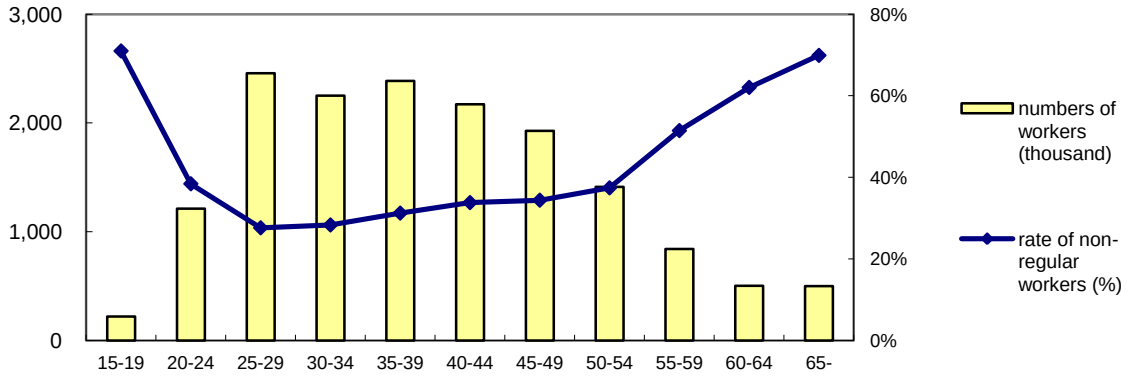
Source: OECD (2007a)

* Difference between the employment rate of 1994 and that of 2006, which reflects how much the employment of older people of each country has changed

** Luxemburg: statistics in 2005

Considering the quality of work as well as the quantity, it is important to point out that more than half of the over 55s are employed in the form of non-regular working contracts (Figure 1-2).[4] This fact constitutes the basis of the poverty problem among Korean older people. The poverty rate of those aged 65 years and over in Korea is about one in three (Table 1-2), which is the severest in all of the OECD member states (Chang, J. 2007). In response to population ageing and future labour market projections, there has been a rapid policy response by the Korean government. In particular, the Roh Moo Hyun administration (2003–08) established a national ageing strategy including an employment policy for older workers (Presidential Committee on Ageing and Future Society 2006; Ministry of Labour 2006a).

Figure 1-2: Distribution of the Rate of Non-Regular Workers by Age Group[5]



Source: Korean National Statistical Office (2007: 8)

Table 1-2: Rate of Relative Poverty of over 65s by Country[6]

GER	FIN	FRA	UK	ITA	LUX	NOR	SWE	USA	KOR
9.3	6.0	5.4	12.0	13.2	2.9	11.1	2.8	22.1	34.2

Source: Chang, J. (2007)

The main purpose of this thesis is to explore the development of the active ageing policy in Korea with specific focus on employment policy. Firstly, it aims to examine the characteristics of the Korean employment policy for older workers within the framework of the two representative, but contrasting, ageing discourses (Walker 2009). The first is the United States-based 'productivist approach' which lays great emphasis on productivity or a narrow area of employment in the labour market. Macro-economic uncertainties in the West

during the 1970s led policymakers to focus on the issue of older people's economic contribution by way of paid employment in the labour market (Walker 2006a). The main policy solution is to 'work longer' into older age (OECD 2006a). The second is the Europe-based 'comprehensive approach' to active ageing which stresses 'health, participation, and well-being' (Walker 2009). Based on a strong policy initiative by the World Health Organisation (WHO) and the United Nations (UN), since the 1990s this new approach focusing on the issue of health, participation and security for quality of life in old age is adjudged to have caused a 'paradigm shift' (WHO 2002) in the debate, encompassing as it does diverse domains of policies and 'broad life course and society-wide views' (Sidorenko and Walker 2004: 152).

However, despite a large body of research on ageing issues carried out since 2000, there was no is preceding research on Korean active ageing policy from this framework. Most of the literatures is focused on the issue of specific policy areas, such as the labour market, pensions, housing, finance, and so forth (e.g. Lee, C. 2004; Chang, J. 2007; Chung and Park 2008; Moon, H. P 2005, 2007a, 2007b, 2007c, 2007d; Chang, J. *et al.* 2004). The OECD's review of Korean active ageing policy published in 2004 titled 'Ageing and Employment Policies: Korea' (OECD 2004a), is a useful guide for Korean policymakers, but gave us limited academic knowledge with no analysis of the different approaches to active ageing. The only two exceptions are the studies of Rhee and Lee (2005) and Hong, S. T. (2007). Rhee and Lee (2005) argue that Korean employment policy for older workers is widely based on the economic-centred residual welfare framework, and suggest that it should be directed to improve the quality of life in old age based on social citizenship. However, their work is mainly focused on the philosophical and ideological meaning of the policy, and covers only a few aspects of employment policy, such as social service jobs. Hong, S. T. (2007) argues that the historic phenomenon of low fertility rate and population ageing in Korea is a product of the prevalent 'growth-ism' and that a new 'welfarism' should be adopted in order to fundamentally overcome the crises. However, his analysis is mostly limited to the fertility-related policies.

It is therefore necessary to examine how Korean active ageing policy and its employment focus have developed from these two respective paths. Based on this researcher's personal experience,[7] it is proposed to investigate the reasons why a comprehensive approach to active ageing cannot be easily found in the Korean employment

policy for older workers. In particular, having been regarded as an ideal 'developmental welfare state' (Deyo 1992; Kohli 1999; Lee, H. K. 1999) or 'productivist welfare capitalism' (Kwon, S. and Holliday 2007: 243; Yang, J. 2008), the Korean government has extensively developed its ageing policy. After a long period of the developmental authoritarian government, there was a decade of progressive government during the Kim Dae Jung Administration (1998–2003) and the Roh Moo Hyun Administration (2003–08) which energetically attempted to establish a new socio-economic development strategy and increased government spending on social welfare and active labour market policies (ALMPs) for older workers. It is therefore important to find out how the existing developmental strategy and the economic-centred productive approach to active ageing still dominate the policy actors. It is also interesting to examine whether there is keen competition between the two contrasting discourses in the policymaking process.

Based on a discussion of active ageing policy in employment, this thesis argues whether and to what extent the Korean welfare regime has transformed from the existing developmental or productivist one to a new comprehensive one. For this argument, it is necessary to note that the socio-economic background of active ageing policy and welfare reform of the two progressive governments is significantly different from that of countries in the West. Unlike the experience of early retirement[8] promoted by governments in the West until the 1990s, the Korean government was not interested in older workers' labour market participation during the developmental period, and it is assumed that this attitude has greatly affected subsequent policy trends, which is another point to explore in this case study.

Lastly, like responses to population ageing, active ageing policies have been formed by global policy actors (Walker 2005b; Walker and Deacon 2003). 'Global policy actors' refers to organisations which play a policy advocacy role in multiple states and transnational forums across the world, including international governmental organisations (IGOs), non-governmental organisations (NGOs), state agencies, transnational networks, multi-national companies, and professional associations (Orenstein 2005: 177). In particular, IGOs, such as the OECD, the UN, and the World Bank, have significantly influenced individual countries' ageing policies using various methods such as policy recommendation, joint research projects and financial aids (Orenstein 2003, 2005, 2008; Ervik 2005). However, no research has been found in this area with regard to the interaction between the IGOs and Korean policymakers. It is therefore necessary to examine how, and to what extent, global institutions have been

involved in and have influenced Korean employment policy for older people. The significance of this research therefore rests on its value as a basis for developing Korean active ageing policy, both academically and practically. The main research focus of the development of active ageing policy in employment is that established during the two progressive governments of the Kim Dae Jung and the Roh Moo Hyun Administration (1998–2008). The Lee Myung Bak Administration (2008−13) is not the main focus of this research, but is discussed in order to understand the legacy of the two previous administrations.

Background

Following is a brief introduction to the history of Korea for the purpose of understanding the socio-economic background on which that country's active ageing policy is now based. Korea has a history extending back over 4,000 years. It has been an independent state except for the period from 1910 to 1945 when Korea resisted the Japanese invasion. Located on the Korean Peninsula in North-East Asia, Korea has experienced mutual cultural interchange with China and Japan for millennia. Confucianism was the state ideology of the last feudal kingdom of Joseon (1392–1910) and has left a lasting influence on Korean society. Japan influenced the establishment of the modern Korea from its invasion in the early twentieth century, and, as discussed in Chapter Eight on the issue of global policy actors, Japanese developmental strategy has influenced Korean politics and public policy since the 1960s. Korea has long been homogeneous in terms of ethnicity, language and culture, but after the Second World War was divided into two states with the communist government (Democratic People's Republic Korea) in the North supported by the Soviet Union and the capitalist government in the South supported by the United States. Two years after the partition in 1948, the Korean War (1950–53), the first full-scale war of the Cold War Period, broke out and resulted in around 3 million deaths out of a total population of 20 million. Military tensions prevailed in the peninsula for the last 60 years, and military-based authoritarian governments have ruled in both Koreas. More importantly, homogeneity between the North and South Korea has largely vanished, and the two states have different socio-economic systems. As a 'Stalinist' style, single-party state, North Korea is famous for its highly controlled economy, being placed 118th in the world in Gross Domestic Product (GDP) (Spencer 2007; UN 2013). On the contrary, South Korea is a 'Western' style multi-party state with a capitalist market

economy, is placed 15th in the world in GDP (UN 2013).Thus, in this thesis, 'Korea' refers to South Korea (the Republic of Korea) after the Second World War. This terminology is employed for simplicity's sake and does not imply any cultural or political judgement (Cho, L. and Kim, Y. H. 1994: vii).

Blaming the military tension on North Korea, South Korean Army Major General Park Chung Hee[9] staged a military coup in 1961 and wielded the military-based authoritarian rule for 18 long years until his assassination by his right-hand man in 1979. Most adult South Korean men have to serve 2 or 3 years of mandatory military service, and a huge proportion of the national budget is allocated for the national defence.[10] A powerful anti-communist sentiment suppressed the development of the civil movement and trade unions and other progressive political groups until the mid-1980s. Korea's experience of strong intervention of the state dates to the Goryeo Dynasty's (918–1398) introduction of the state examination system for government officials in 958. During the ensuing Joseon Dynasty and the Japanese Invasion Period, the Korean bureaucracy remained as a solid base for the structure of government. In particular, Park's military government, which pursued rapid economic growth in order to cover up for its limited legitimacy, delegated full powers over the economic policies to technocrats such as economic bureaucrats . The state was keen to follow export-led economic growth and distorted national resources to encourage economic growth. The Korean government has fully supported the large conglomerates (the so-called *chaebols*). As a result, Korea has accomplished rapid economic growth since the 1960s and transformed a traditional agrarian society into a highly developed economy.

Korean society has changed dramatically since the nationwide June Democracy Movement [6 월 민주항쟁] of 1987. As the military faction's influence subsided, the democratic process of the government policymaking has developed under the increasing influence from civil movement. Finally, Kim Dae Jung, a lifetime democracy activist and market economy supporter, won the 1997 presidential election and ushered in the first peaceful transfer of political power from the authoritarian to the progressive group. The Kim Dae Jung Government (1998–2003) is deemed to have successfully managed the financial crisis that broke out in 1997 (Shin, K. 2002; Lee, H. K. 1999). The Kim Government, on the one hand, implemented economic restructuring reforms proposed by the International Monetary Fund (IMF), while pursuing ambitious social welfare reform policies, as described in detail in Chapter Five. Despite the fierce political assailment from the competition, the

progressive party again won the following presidential election in 2002 with a human rights lawyer, Roh Moo Hyun. Furthering the reform policies of the previous government, the Roh Moo Hyun Government (2003–08) ambitiously established a socio-economic policy agenda that included an active ageing policy. After democratisation, the Korean government continually introduced various kinds of social welfare programmes including the major social insurances. However, due to a legacy of low investment in social welfare inherited from the old military governments, its level of social welfare spending is still among the lowest in the OECD member states.[11] South Korea has the land area of 99,000 km^2 and a population of 50 million in 2012 (See Appendix 1 for a timeline of modern Korean history and events).

Research Questions

The main purpose of this thesis is to investigate the development of Korean active ageing policy in employment. There are three main research questions: Firstly, *what are the main characteristics of Korean active ageing policy in employment?* This is focused on an overall examination of employment policy for older workers in the framework of the two different ageing discourses. By addressing this question, the thesis seeks to verify whether and to what extent active ageing policy in Korea has been dominated by the productivist approach despite increased efforts by the proponents of the comprehensive approach during the two progressive governments. Secondly, *how did the issue of active ageing come on to the policy agenda in Korea?* The second question is focused on the internal factors for this policy area and the competing discourses from different policy networks on the policymaking process. Thirdly, *what is the role of the IGOs with regard to the Korean Government's policy formation in active ageing?* The third question is specifically associated with the mutual interaction between the global policy actors and the Korean policymakers in active ageing policy, which will be useful for understanding the Korean context of active ageing policy in employment under the influence of population ageing and globalisation.

On the basis of the discussions on the three main research questions, the thesis focuses on the changing nature of the Korean welfare state. The main argument is whether and to what extent the existing developmental welfare regime is transforming into a comprehensive one. In addition, the development of a politics of ageing in Korean civil society is contextualized to show how the civil movement of older workers has been related to productivist dominance in active ageing discourses.

Contribution

The main aim of the research is to enrich our knowledge of active ageing policy in employment in Korea. This research seeks to contribute both to empirical investigation of the individual country case and to a theoretical understanding of the relationships among various policy actors. In terms of the academic contribution, despite a huge amount of research on older workers and retirement, it is admitted that 'theoretical frameworks are relatively underdeveloped' (Phillipson 2007: 189). In this case study, the political economy of ageing approach is therefore expected to contribute to our understanding of how Korea's policymaking process has developed in the area of active ageing. In this sense, this research may provide empirical sources for ageing policy and enrich the content of theoretical frameworks in this area.

The political economy of ageing has been adopted as a main research approach to understanding the intersection of the state and various social entities including class, gender, and race (Phillipson 2005). As an individual country's ageing policy increasingly assumes global form, there may be dynamic interactions between policymakers in the states concerned and IGOs in the area of active ageing policy. But much remains to be investigated regarding 'how ageing affects globalisation and vice versa' (Phillipson 2005: 508). The research on the IGOs' role in ageing policy is mainly related to pension policy, for example at the World Bank and the ILO (Orenstein 2003, 2005, 2008; Walker 1990a; Walker and Deacon 2003; Ervik 2005). There is not enough evidence or existing research on employment policy for older workers. The examination of exchanges between IGOs and Korean policymakers may potentially contribute to understanding the global social policy and its application in active ageing policy. In particular, there have been several academic studies on the relationship between IGOs and the Korean government in the area of employment policy for older workers. With the exception of the OECD research mentioned earlier (OECD 2004a), comprehensive studies are difficult to find. Despite the Korean government's energetic effort to establish and implement active ageing policy, there is only limited academic literature in English (e.g. Lee, C. 2004; Chang, J. 2007; Chung and Park 2008). With regard to academic literature in Korean, research focusing on the policymaking process within the global context is also rare. This research therefore has the potential to provide a much-needed account of Korean active ageing policy in employment.

Another contribution this thesis could make relates to the changing welfare state from the perspective of active ageing policy. By examining the varied socio-economic background against which the welfare reform and active ageing policy were undertaken in the early twenty-first century, it contributes to our understanding of the changing Korean welfare regime and the dynamics between welfare state and active ageing policy in employment.

Overview of Thesis

The remaining chapters of the thesis are broadly divided into four sections. Firstly, there is a comprehensive review of existing literatures on active ageing and policy response (Chapter Two and Three). Secondly, the overall research methods are presented in Chapter Four. Thirdly, the Korean case is discussed in detail in order to address the main research questions posed in the previous section (Chapters Five to Eight). Lastly, there is a synthesising chapter focused on the changing Korean welfare regime and the role of politics in old age, and a Conclusion (Chapter Nine and Ten).

Chapter Two deals with the general context of the research topic. Based on the discussion of the meaning of the modern retirement system and its effect on early retirement of older workers, it discusses recent policy efforts to reverse early retirement since the 1990s and the increasing labour market participation of older workers. Chapter Three presents a broader understanding of active ageing policy in detail. It is structured by the three main research questions outlined in the above section. It discusses the conceptual development of active ageing and the development of different ageing discourses. A comprehensive approach focusing on human well-being of older people is proposed as the key to active ageing. The chapter then deals with the internal factors of the development of active ageing policy, which looks at how active ageing came to the top of policy agenda in the European countries. In particular, the case of the United Kingdom (UK) is discussed because the UK government, despite its many critics (e.g. Macnicol 2008; Taylor 2008), attempted to introduce a broader range of active ageing policies and placed itself as a leading country in the development of ALMPs (Department for Work and Pensions (DWP) 2004; Lindsay 2007). Active ageing policy in employment is then briefly introduced as a basis for examining the Korean case, mainly in the ALMPs for older workers and anti-age discrimination initiatives. Next, this chapter investigates the external factor of ageing policies with a specific focus on the role of the IGOs as global policy actors.

Chapter Four discusses the methodology and the research methods used in this thesis. The political economy of ageing is proposed as a main research approach to investigate the dynamics between the state and various policy actors in the formation of active ageing policy in Korea. An actor-oriented approach is also employed for understanding the features of the policymaking process in Korean active ageing policy. Then, three main research methods are proposed to ensure the validity of the research. Finally, it outlines the ethical issues proposed in the research process especially the dual position of the researcher.

Chapter Five, the first chapter of the Korean case study, briefly introduces the history of Korean active ageing policy, which is necessary in developing the next chapters. It firstly outlines the active ageing policy in employment of the three decades of the authoritarian governments from the 1960s to the mid-1990s. The chapter then describes the development of the overall socio-economic strategy and the specific area of active ageing policy of the two progressive governments (1998–2008), which is followed by an introduction to recent developments following the handover to the conservative government. Chapter Six discusses the overall assessment of employment policy for older workers in order to answer the first research question concerning the main characteristic of Korean active ageing policy in employment. It focuses on how and to what extent employment policy for older workers in Korea has been dominated by the productivist approach to active ageing despite increased efforts by proponents of the comprehensive approach during the two progressive governments. Chapter Seven analyses the internal factors of the development of Korean active ageing policy for the purpose of addressing the second research question of how the issue of active ageing came on to policy agenda in Korea. The proponents and means of prioritising policy in this area are discussed. Policy proposals by the different policy networks and ageing discourses are examined. This may prove helpful to understanding the characteristics of Korean active ageing policy and how it has evolved. Chapter Eight looks at the external factors of active ageing policymaking. The role of the IGOs with regard to the Korean government's policy formation in active ageing, especially those of the OECD and the UN, is examined. In particular, the framing of specific policy discourses on active ageing from different IGOs is reviewed.

Chapter Nine synthesises the empirical evidence from the Chapters Five to Eight on Korea and the theoretical understanding from the literature review chapters. It aims to establish the changing features of the Korean welfare state from the perspective of the

development of active ageing policy. It suggests a broad but detailed portrait of whether the existing developmental welfare regime is changing into a comprehensive one. Lastly, Chapter Ten summarises the main findings and assessments of the thesis, and demonstrates how the research questions were addressed. It then focuses on the main of the thesis to our understanding and suggests some future research.

Notes

[1] 'Dependency ratio' is a proportion of the numbers of retirees to the number of workers. This figure is usually considered as a marker of the economic load on the working population. It is estimated that it will increase almost two times from about 38 per cent on average in the OECD countries to more than 70 per cent in 2050 (OECD 2006a: 19). The term dependency ratio will be criticised in Chapter Two with respect to its pessimistic economic-biased meaning.

[2] The socio-economic imperative towards active ageing is also based on dependency ratio argument. This is one of the main reasons I chose the active ageing policy as a PhD study topic. 'The socio-economic imperative' argument is discussed on the basis of the critical review on the economic pessimism in the next chapter.

[3] The more recent trend shown in Appendix 2 shows that the employment rate of older Korean workers aged 55–64 recovered to the preceding level of the IMF economic crisis, but was estimated as have experienced a relatively smaller improvement than other OECD member states, especially those in the EU region. The employment rate of Korean older workers aged 55–64 was 63.1% in 2012, and increased by 5.3% from 2000 to 2012, placing it tenth lowest among 33 OECD countries excluding Slovenia. Over the same period, the overall employment rate of this age group in OECD countries increased by 8.0%, and the EU 15 increased by 13.3%. The highest figure was found in Germany, where the rate increased by 23.8% to 61.5%, the Slovak Republic, where the rate increased by 21.7% to 43.1%, and the Netherlands, where the rate increased by 20.9% to 58.6%. The countries whose rate decreased were Iceland, where the rate decreased by 5.0% to 79.2%, Turkey, where the rate decreased by 4.5% to 31.9%, Portugal, where the rate decreased by 4.2% to 46.5%, and Greece, where the rate decreased by 2.6% to 36.4%.

[4] Non-regular workers include fixed-term workers, part-time workers, temporary agency workers, domestic workers, etc (Korea Tripartite Commissions 2002). This figure is also used in Chapter Two to explain the 'younger versus older' argument.

[5] Data extracted in 2013 also shows a similar trend with that of 2007.

[6] Recent data shows that the poverty problem of older Korean workers has become more serious. The relative poverty rate of over 65s in Korea increased to 48.6% in 2011, which increased by 14.4% from 2007 (data extracted on 29th November 2013 from OECD.Stat).

[7] As a career government official, I have considerable experience of the Ministry of Labour. In 2007, having being in charge of active ageing policy in employment, I decided to study social policy focusing on this specific area in order to contribute to the development of Korea's active ageing policy.

[8] The terms 'early retirement' and 'early exit' have been used interchangeably and without distinction. However, Laczko and Phillipson (1991) suggest that early retirement has sometimes been used to justify the withdrawal of older people from the labour market, which results in an unequal burden to older workers. In this sense, while the term 'early retirement' is usually used in this thesis, the term 'early exit' is intentionally used in order to emphasise the involuntary dismissal of older workers from the workplace.

[9] In this thesis, the notation of Korean names follows correct Korean nomenclature and denotes the family name of every Korean person prior to the given name. Most Korean names consist of three words, of which the first is the family name, and the second and the third are the given name. In the case of 'Park Chung Hee' [박정희], 'Park' [박] is the first name and 'Chung Hee' [정희] is the given name.

[10] In 2012, 14.8 per cent of total government spending was distributed to national defence (Ministry of National Defence 2012).

[11] The ratio of the public expenditure for social welfare of the total GDP in Korea was 9.4 per cent in 2009, which was the second lowest to Mexico among the OECD countries (Go, G. 2012).

Chapter Two

Ageing and Employment

Introduction

This chapter explores the general context of the research topic. It starts with the question of why older workers are increasingly excluded from the labour market. In most of the OECD countries, older people's participation in the labour market decreased substantially for two to three decades after the 1970s, then significantly increased beginning in the late 1990s (Kohli *et al.* 1991; OECD 2006a). The review of the history of early retirement, therefore, has been one of the most significant topics of active ageing policy focusing on older worker's employment (for example, Kohli *et al.* 1991). Before discussing the development of public policy, it is necessary to examine the history of, the factors relating to, and the policy responses to early retirement. Early retirement of older workers can be investigated from the perspective of age discrimination in employment as well as the supply- and demand-side factors in the labour market. Thus, the issues of age discrimination and productivity of older workers must be investigated. Above all, it is necessary to focus on the employers' stereotype of older workers, which has been deeply entrenched in a high proportion of actors: society, employers, and even older workers themselves.

Firstly, this chapter covers the history of retirement, focusing on the relationship between work and retirement, and then examines the issue of age discrimination. This is followed by the question of whether older workers' productivity in the workplace increases or decreases with age. These broader retirement-related topics constitute the basis of the more specific issue of early retirement. Thirdly, this chapter summarises the history of early retirement and the recent trends of older people's labour market participation, and reviews the main reasons for this development. Finally, the chapter discusses the reversing trend of older workers' labour market participation since the 1990s, and discusses the status of the policy response to early retirement.

The Modern Retirement System

As an institutional mechanism, retirement systems are the product of modern capitalism. In modern western societies, it has been commonly believed that, when people reach a certain age or phase of life, they are required, or expected, to leave the labour market and be allowed to claim pensions provided by the state and/or their employer (Laczko and Phillipson 1991). The modern retirement system itself was a creation of the late nineteenth century, when private and civil servants' pension schemes were introduced by large companies, and then a set point of retirement was considered 'as one of the great certainties of life, particularly in the case of men' (Phillipson and Smith 2005: 9). Laczko and Phillipson (1991) point out that the emergence of large-scale companies and the standardisation of the employment system has influenced the evolution of retirement practice in the modern history of the West. In this regard, Graebner's (1980: 53) insight from his study of the history of the US retirement system is significant:

> Retirement was one of several means available to a business culture committed to *restructuring the age components of the work force*. Workers might be fired outright, of course, but… such a policy was difficult for most public and private employers to carry out. *Retirement was impersonal and egalitarian in its application*. It allowed the powerful turn-of-the century impulse towards efficiency to co-exist with a system of labour-management relations that was still permeated with personal and human relationships. (*Emphasis supplied*.)

When public pension systems were introduced these also adopted the idea of a fixed age of retirement (Walker 1980). The usually superior private pensions led to the emergence of 'two nations' in old age (Titmuss 1963: 74). Retirement has existed throughout history, irrespective of its shapes or roles (Smith 1984; Thomas 1976), but, regardless of the social status of older people, there was no rigid, formal retirement system before the modern capitalism. Without the age barrier of retirement, workers usually retired at different ages when they were too old to work. It was the retirement age within the pension system which first institutionalised the meaning of ageing. Thus, the modern retirement system led many workers to expect to retire at a certain chronological age (Hannah 1986). This is perceived as the standardization of the life process, called the 'modern life course' by Kohli and Rein (1991: 20). The conventional definition of old age, for example, people of age 60 or above, is a modern phenomenon, in which 'a new form of social stratification by age' appeared along with the retirement pension age on the basis of the socio-economic condition of the late nineteenth and the early twentieth century (Thane 1978).

However, the idea of leaving at a predictable stage in life course has not received much support in recent times and is described as the 'break-up of the life course' (Laczko and Phillipson 1991: 42). In fact, a large proportion of older people, who are commonly regarded as being retired, are not given a public pension and do not define themselves as retired. For Guillemard (1989: 176–7),

> The retirement system has lost its central function of regulating labour force withdrawal… the chronological milestones that used to mark the life course are no longer visible; and functional criteria have assumed importance in organising the later years of life.

Once again, the significant change of the modern capitalism has played an important role in reorganising the modern retirement system. By borrowing the concept of 'post-modernity' of Harvey (1990), Laczko and Phillipson (1991) suggest that, along with the long-term economic recession in the 1970s, the condition of post modernity after the Fordist-Keynesian period requires a new flexibility in employment practice, including the relationship between work and retirement. This new mode of accumulation is characterised by its flexibility with regard to 'labour processes, labour markets, products, and patterns of consumption', as opposed to the rigidities of Fordism (Harvey 1990: 147), which is more suited with 'flexible accumulation'. The concept of retirement has been continually changing along with the changing nature of the modern capitalism. Leaving a career job is usually assumed to be the end of working life. However, this basic idea cannot be sustained in post-modern capitalism. Given that flexible labour markets commonly criticised as the main cause of unstable working conditions of 'high-risk groups' in the labour market (Taylor-Gooby 2008: 16),[1] the flexible working pattern of older workers should not be overemphasised. However, based on the fact that the modern retirement system is a product of modern capitalism, a new approach to working in older age needs to be discussed. The last point to note is that the modern retirement system emerged along with age discrimination (Graebner 1980), because retirement of older workers has been entirely on the basis of their chronological age (Flynn 2010), which the chapter now turns to.

Age Discrimination

The exclusion of older workers from the labour market can be approached in two ways (Laczko and Phillipson 1991). First, their withdrawal from the labour market is usually explained by demand- and/or supply-side factors within the market, which will be explored in

the next section on the growth of early exit. Second, age discrimination demotes older workers to lower-grade or lower-paid jobs, even in expert and administrator posts (Berthoud 1979). It is likely that age discrimination can be found in almost all aspects of everyday life beyond the area of employment. To take an example, transportation policy which is usually unfavourable to older car drivers and pedestrians is criticized for its discriminatory rules (Bytheway 1995). A study on transportation policy of older people shows that there are many obstacles to using public transport by older people, such as personal security at night, and, public transport operators, on the contrary, regard older people as a problem and as potentially causing overcrowding (Gilhooly *et al.* 2002). Nevertheless, given the focus of this thesis, age discrimination is examined mainly with regard to the employment arena. A useful distinction will be used between ageism in overall social attitudes and age discrimination in employment. While age discrimination is referred to as 'the use of crude age proxies' in personnel management decisions in workplaces, ageism can be generally understood as 'the application of assumed age-based group characteristics to an individual, regardless of that individual's actual personal characteristics' (Macnicol 2006: 6).

Ageism

Firstly, ageism can be generally regarded as a form of thinking. It is often implicitly embodied to older people as those who 'exist and operate without conscious awareness, intention or control' (Levy and Banaji 2002: 51). There is a wide range of spectra for ageism, with explanations ranging from the psychological to the economic (Macnicol 2006). Among these, the human being's instinctual fear of the inevitable ageing, as it is seemingly a process of 'decrepitude', is deeply rooted. Although almost all people will experience old age, the reason why the issue of the ageing process and ageism is less discussed in a society is because 'it involves a denial of our own ageing, a fear of personal old age' (Gearing 1995: x). Prejudice based on age can be found in our everyday life. This reveals a variety of ways in which ageism is clearly rooted in the human world (Bytheway 1995: 3–6). As with the use of chronological age in decision making, the stages of the life course are also extensively used, and almost every phase of people's lives can be organised in this way (Bytheway 1995: 19). However, the concept of the life course, in which older people are commonly regarded as retirees from working life, frequently discounts the role of older people in family and society (Walker 1990b). The fact that they are important providers of informal care in family and

voluntary activity in a community is usually replaced with the negative image of economic dependency.

Chapter One discussed the problem of defining older people as a specific age group in terms of their chronological age, in a sense that it is based on a non-scientific ageist stereotype. In addition, it is important to focus on the term 'dependency ratio' with respect to the ageist connotation found in the measurement of chronological age. The term is commonly used for the purpose of stressing the socio-economic imperative towards active ageing strategy, as discussed in Chapter One. However, dependency ratio is a negative term in which active ageing attitude or strategy is not likely to be shaped. It is defined as the ratio of the numbers of dependent to independent persons in the population (Bytheway 1995: 52), where 'dependent people' are usually defined as those under 16 or over 64 years, and 'independent people' are defined as people aged from 16 to 64. Bytheway (1995: 52) argues that this measurement is totally based on chronological age, and the word 'dependency' involves an ideological supposition that 'the young and the old are unproductive in an economic sense and therefore dependent upon the productive … working population.' As argued by Ordell (1952), the idea that chronological age is the same as physical and psychological ageing is contrary to the evidence. It is not always certain that a 64-year-old low-paid worker is more independent than a 65-year-old retired person with significant amount of savings in terms of their economic and social status (Johnson 1989). The analysis and policy conclusions based on this crude age-based dependency ratio are inevitably pessimistic and negative (Walker 1990b). It is therefore admitted that, as mentioned in Chapter One, this research was also based on a negative approach to active ageing, and using the term 'dependency ratio' for example.[2]

Walker (1996: 24) stresses that this 'deeply flawed dependency ratio' is fundamentally based on ageist ideas, especially the neo-classical 'intergenerational equity thesis'. The social construction of older people as a 'burden' on the whole society, particularly on the middle age cohorts, is reinforced by scientists, governments, and public media. First of all, it is necessary to recognise that certain kinds of framework or theories can be found behind ageism (Bytheway 1995). Economic pessimism over the public expenditure of the welfare state is powerful, which is attributed to neo-classical economic traditions (Walker 1996). 'The demographic time bomb' discourses, which assume an over-estimated population projection based on static population trends, gives us a naïve but convincing

attitude towards a so-called 'economic burden of older people' on social security, such as public pension funding (Hill 2007: 129–30). Another explanation is that international economic agencies such as the OECD and the World Bank also play a key role in spreading this pessimistic view on older people and the economic burden of the population ageing, in which neo-classical ideology plays a fundamental role.

Secondly, it can be argued that the state has a major role in the social construction of ageist attitudes towards older people. The state influences family care towards older people by numerous direct methods from open coercion to financial incentives (such as Attendance Allowance in the UK and Family Tax Benefit in Australia for those caring for dependants).[3] More importantly, less direct ways or ideological settings transformed by the state's general economic and social policies represent more powerful frameworks. In this sense, ageism is based not just on a biased individual view, but 'is institutionalized in the labour market and in other social and economic system' (Taylor and Walker 2003: 614). The political economy perspective on ageing stresses that the negative social construction on ageing must be understood by of the entire institutional setting of society. It is within this framework of institutions and rules that the meaning of aging is manufactured (Walker 1997b). Among these, public policy of the state plays a key role in determining the social construction of negative dependency on older people (Walker 1997b: 361). Thirdly, this negative policy attitude towards older people can be strengthened by public media stereotypes (Binstock 1994). This negative picture has fostered a serious conflict between younger and older generations.

Age Discrimination

It is proposed that age discrimination in the workplace is the result of 'institutional ageism' in the whole society (Bass *et al.* 1993: 10). Older workers in the capitalist economy have been continually marginalised into exiting the workplace for a lower stage of economic and social status. The criterion of age is widely conceived and implemented by employers 'as cheap, convenient and quick method of decision making', which is, explicitly or implicitly, based on the employer's judgement on the low working capacity of older workers (Macnicol 2006: 11). Thus, the issue of age discrimination is not merely positioned with individual workers or employers, with older workers being regarded as redundant by the entire society. The issue of age discrimination should be understood in terms of long-term institutional factors in the

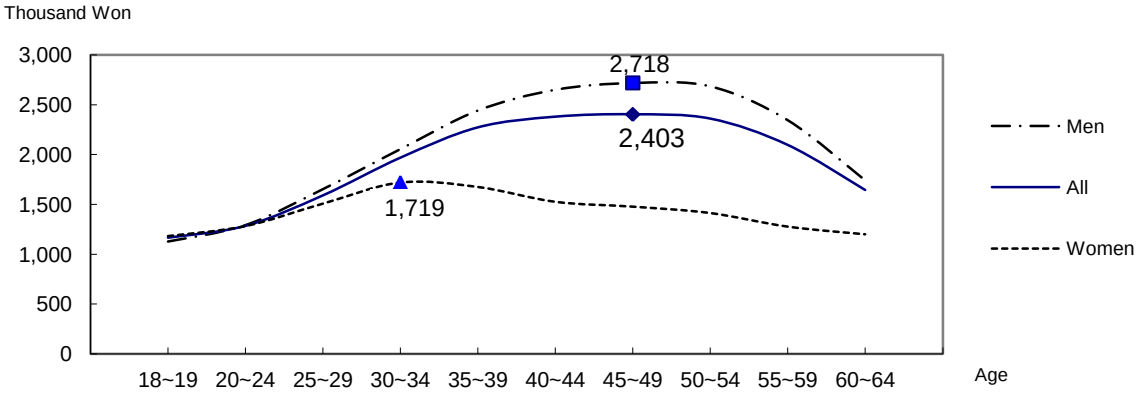
employment of older workers. Although evidence is often difficult to pin down, it is likely that discrimination based on chronological age can be found in all aspects of the employment process from job advertisements, hiring, promotion, re-training, to firing, including retirement (Flynn 2010; Karpinska *et al*. 2011).

In the real world of employment, one of the main issues regarding age discrimination is the difficulty in proving whether discriminatory behaviour has happened or not, since 'age distinctions are so firmly embedded in society, and so intertwined with deeply ingrained conceptions of 'natural' age stratifications' (Macnicol 2006: 18). 'Direct discrimination' is explicitly observed by employees or by the public, because it is solely on the basis of employees' age (e.g. age ceiling in job advertisements). On the contrary, 'indirect discrimination' is apparently legitimate and therefore not openly acknowledged, 'because of an apparently neutral provision, criterion or practice determining recruitment, pay, working conditions, dismissal, and social security in practice disadvantaging a substantially higher proportion of the members of one group, the aged' (Cotter 2008). In legal terms, indirect discrimination is largely related to the problem of proof (Macnicol 2006). In general, it is not easy to collect evidence on age discrimination mainly due to its hidden and indirect nature (Shin, D. G. 2004). Thus, in general, as Selmi (2001) argues, prevailing opinion holds that it is not easy to bring a legal suit in employment discrimination cases. Another thing to mention is that the burden of proof represents one of the main barriers to regulating a policy response to age discrimination, and has resulted in the policy response of affirmative action, which will be examined in Chapter Six.

Intergenerational Relationship

Among the public debates around age discrimination, the issue of the relationship between 'young and old' is significant. First of all, it is usually claimed that discriminatory behaviour based on age proxies is applied to older people, and younger generations in society can also be influenced by this kind of age discrimination. When we apply this association to the labour market, evidence can be found to show that both generations are exploited (Bytheway 1995). There is an inverse-U shape of the age-wage profile in the labour market of the United States (Hurd 1971; Reynolds *et al*. 1991) and Korea (Figure 2-1). These figures show that the wage level of the youngest and the oldest workers are much smaller than that of middle age groups.

Figure 2-1: Monthly Wage by Age Group in Korea (2007)



Source: Report on Wage Structure Survey (Ministry of Labour 2008b)

With regard to the quality of working conditions, both the younger and older employees are working under the most unstable working conditions. As already shown in Chapter One (Figure 1-2), the majority of older and younger workers are employed under non-regular working contract (Korea Tripartite Commission 2002). Thus, both age groups apparently compete with each other for fixed jobs in the labour market. This will be reviewed below.

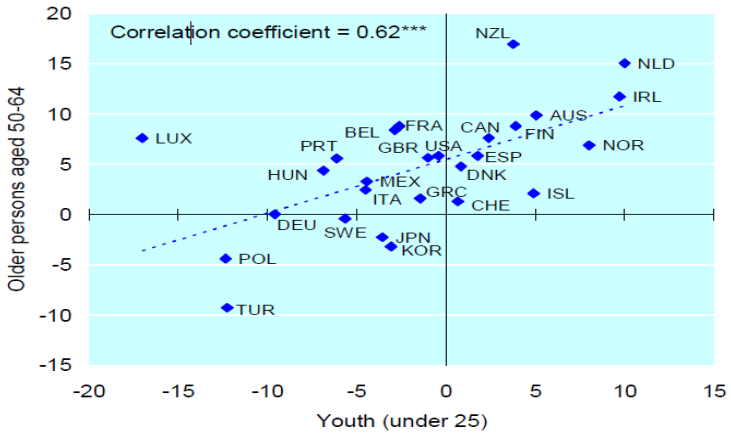
The final point is that age discrimination in the real world is closely connected with other forms of discriminations. As shown in the Figure 1-2 above, female workers receive a much lower wage than male workers in the labour market. According to a Gallup (1990: 4) survey conducted on 250 personnel managers across the UK, about one third of employers responded that a female worker with the same capability and the same age as a male worker was likely to be rejected mainly due to her age. The result means that age discrimination against women workers is more severe than men (double jeopardy, or triple jeopardy) and age discrimination in the workplace has to be reviewed along with the gender discrimination issue. In this regard, Walt (2004) insists that an individual approach to the regulation based on age may limit its utility in addressing age discrimination. Filinson (2008) also argues that separate legislation prohibiting discriminatory behaviour or structures based on age, gender, or ethnicity may not facilitate the legal complaints on age discrimination. In this regard, it can be argued that a more comprehensive approach towards all discriminatory behaviour in the workplace and society is more effective than separate approaches. For example, the Equality and Human Rights Commissions (EHRC) in the UK enforces the age discrimination law as

well as other discriminatory issues, such as race, gender, sexual orientation, and religion (or belief).

The 'Lump of Labour' Critique

When we consider the relationship between younger and older workers in the labour market, it is necessary to examine the 'lump of labour' thesis. It is often believed that if older workers stay at their workplace or overall labour market, younger workers are unable to fill job vacancies. That is to say, if older workers sacrifice themselves for the younger generation, it would be helpful in solving youth unemployment, since the young unemployed can fill the job vacancies previously occupied by older workers. This common belief is based on the 'lump of labour' fallacy that there are a fixed number of jobs available in the labour market. (OECD 2006a: 140). This idea was influential in the early retirement policy of many countries in the West in the 1970s and 1980s (Macnicol 2006). However, in practice it is not easy for younger workers to substitute older workers (OECD 2006a). There is a positive correlation between changes in employment rates for younger and older age groups (Figure 2-2), leaving a possible interpretation that more jobs in the older age group does not mean fewer jobs for the younger generation. The demand for labour is not static and more jobs, in turn, create further jobs (Spencer and Fredman 2003).

Figure 2-2: Percentage Point Change in Employment–Population Ratios, 1992–2002



*** statistically significant at 1% level

Source: OECD (2006a: 140)

Criticisms of the lump of labour originated with an economist, Samuelson (1958), who suggests that one of the reasons why workers fear unemployment is based on the belief that 'the total amount of work to be done is constant in the short run' (Samuelson 1958: 551). He

argues that when government economic policies are effectively implemented, the economy would grow without recession, resulting in more jobs in the labour market. Layard and his colleagues (2005) also argue that ALMPs are effective for re-motivating the long-term unemployed and reduce unemployment, poverty, and social exclusion. Early retirement has restricted labour supply and results in inflationary pressures and the removal of valuable skilled workers. Thus 'early retirement is not an effective means of reducing unemployment … [but] an excellent way of making a country poorer' (Layard 1997: 75). Moreover, the jobs of older and younger workers do not in fact overlap. Analysis by the Korean Occupational Employment Statistics (OES) shows that of the fifteen jobs in which older workers are most heavily employed, younger workers take fewer than ten per cent while older workers do more than half (Presidential Committee on Ageing and Future Society 2004).[4] Therefore, younger and older workers do not compete with each other for the same jobs in the labour market. Youth unemployment is not caused by excessive employment of older workers, but by the mismatch between a changing labour market and the education system.

However, the lump of labour thesis is still popular in wider society, including in the news media, government policy, the workplace and everyday life (Jousten *et al.* 2010; Kissane 2010). Older workers also have low self-esteem, which may lessen the actions required by employers to restructure the workplaces as well as their personal awareness of age discrimination. The 'lump of labour' is often found in statements by employers' organisations regarding their opposition to the government regulation on retirement age.[5] In terms of the active ageing policy, it is important to underline the practical meaning of the prevalent belief in the so-called lump of labour. As argued earlier, despite the apparent competition of older and younger workers in the labour market, jobs for the two age groups do not usually overlap. This false belief may therefore obstruct effective policies for older workers. It can be argued that the issue of age discrimination against both younger and older workers should be fundamentally addressed to smooth the intergenerational co-existence in the labour market. In this sense, it is important to review the 'intergenerational equity thesis' to understand the relationship between different age groups.

Intergenerational Equity Thesis

There has been an argument that older people are viewed as an economic and social burden on society, in particular on the younger generation. Faced by an aging population, more and

more policymakers are concerned about the financial consequences of ageing on the welfare state, raising the problem of generations competing for scarce resources (Walker 1996). This generational struggle has been waged over public pensions, healthcare, even employment (Phillipson 1996; Silverstein *et al*. 2001). As a result, generational contracts in societies are in the course of 'renegotiation' in most of the developed countries, in which social security for older people is criticised as the main cause of government financial deficits, and this assertion has played an important role on social welfare retrenchment (Walker 1996).

However, Walker (1996: 24) argues that 'intergenerational equity rhetoric' is a product of neo-liberal politics. A pessimistic view towards the welfare state focuses on the public sector's 'unproductive, non-contributory' burden on the private sector. Public financing of pensions and healthcare services for older people in a population ageing period has been a main target of this neo-liberal economic approach (Spencer and Fredman 2003: 37-8). In addition, there are individualistic functional views based on the simple life-cycle approach. From this point of view, the younger generation has productive potential, but older people who have retired do not contribute to their family and society. This biased viewpoint is the main cause for the unbalanced attitude of the government towards different age groups. Alcock and his colleagues (2003) reveal that the UK government's distribution of ALMP budget was disproportionately skewed to younger generations. Finally, this negative view of older people as a public burden is reinforced by the public policy. On the one hand, the UK government's negative approach can be found in its policy leaflet, such as:

> … governments play a key role in the provision of pensions. Ageing populations create pressure for higher expenditure on pensions…. governments cannot increase taxes … individuals will not be able to look to the state to fund improvements in their living standards in old age… (DTI 1995: Para 6.2, quoted in Walker 1996: 5).

On the other hand, some IGOs such as the OECD and the World Bank have also played a significant role on the spread of this negative view (Deacon 2007).

However, there is a lot of evidence showing strong solidarity in the intergenerational relationship (Walker 1996). Intergenerational relationships are not based on a dichotomy, but on changing status with age. As we can see in the above-mentioned survey, younger generations are likely to change their attitudes towards older people more favourably as they age (Silverstein *et al*. 2001: S36), often called 'maturation effects'. Intergenerational solidarity is one of the most important principles for the politics in older age and policy responses in the future, as the WHO stresses the reciprocal relationship between older and younger

individuals as well as their generations (Taylor 2008). Ironically, intergenerational equity discourses have developed in North America, where the pressure of population ageing is smaller than in Europe (Cookes 2006). This shows that different ageing discourses are not directly consistent with specific demographic structure, but are dependent on differing traditions in each country's national politics or culture. In conclusion, solidarity and integration are the key words for future policy directions.

Phillipson (1996) suggests that the old perspective based on the conflict between younger and older generations cannot contribute to a renewal of generational politics and a new economic and social policy. The perspective of 'workers versus pensioners' overlooks fundamental changes in the distribution of labour through life-courses in the late twentieth century. The generational inequity thesis in the changing labour market can be overcome by the new generational politics. The responsibilities in the population ageing should be equally distributed among generations. Particular age groups should not be burdened with the responsibility, irrespective of their age. In conclusion, while there may be many justifications for age discrimination, employers' stereotype of older workers' job performance has been a particular motivation to this discriminatory behaviour. Therefore, the relationship between age discrimination and job performance in employment will be investigated in the next section.

Ageing and Productivity

Productivity has great significance in understanding the relationship between ageing and employment. The relationship between age and productivity is, on the one hand, a critical issue in terms of the employer's perspective, since 'competitiveness in the private sector and efficiency in the public sector will rest increasingly on the performance and productivity of ageing workforces' (Walker 2005a: 691). On the other hand, this association is one of the main bases for developing an individual's workability, which is essential for older people's working longer. Furthermore, and as already examined, employers' perceptions towards older workers' capabilities are also related to age discrimination.

Definitions of Productivity

Productivity can be defined not only in a simple, narrow term, but also in a broader human resource context, which enables us to make a distinction between, for example, gross

productivity and partial productivity (Ilmarinen 2006). Productivity is defined as 'a ratio of a volume measure of output to a volume measure of inputs, and measures how efficiently production inputs are being used in the economy to produce outputs' (OECD 2006c: 11). In a simple economic model, it is supposed that inputs are composed of three elements: labour, capital and materials (Rogers 1998). In the early twentieth century, Taylor (1915) argued that the efficiency of individual workers can be measured mainly by the quantity of the product by individual workers and their cost, which comprises productivity (Radnor and Barnes 2007). Despite its historical contribution to a scientific approach to managerial decision making (Locke 1982), Taylorism faces many critiques, which come mainly from the human resources movement. In this movement, workers' motivation is the most important factor in increasing job performance, and the unit of work measurement is accordingly enlarged form the individual workers to the collective working group or the entire workplace (Radnor and Barnes 2007; See also Kelly 1978; Nakazawa 1993; Thayer 1972).

Concerning the employment issue of older workers in the labour market, it is useful to introduce the definition of Shephard (2000: 536), in which productivity is defined 'as the output of goods and/or services per unit investment of human capital'. From this definition, he argues that workers' performance is examined not only by the input of human capital and the effectiveness of the individual, but also by how much time is lost owing to absenteeism or sickness, and the long-term loss of human capital through early retirement or death. It can be argued that, in terms of an evolutionary concept of active ageing, productivity should be understood cautiously, for, as discussed in the next chapter, it is closely related to the concept of 'productive ageing'.

Individual Productivity with Age

On the one hand, many surveys conclude that the performance of older workers declines with age. Such surveys show that the physical and mental abilities of individual workers decrease at a certain age, despite the fact that there is a wide range of deviation across individual worker's productivity (Skirbekk 2003; Verhaegen and Salthouse 1997; Lindenberger and Baltes 1994). Therefore, from this point of view, an employer's concern that the labour costs of older workers are relatively higher than their work performance seems rational (e.g. Higuchi 2002; OECD 2006a). The productivity-wage profile on age is negatively related to the employment of older people, since employers' negative perceptions of older workers can

be seen as one of the 'objective factors' which prevents older workers from remaining in the labour market (OECD 2006a: 63).

On the other hand, many other studies conclude that there is no scientific evidence for the relationship between age and work performance, or that the performance of older workers is no less than their younger counterparts (e.g. Rhodes 1983; Waldman and Avolio 1986; McEvoy and Cascio 1989; Warr 1994; Salthouse and Maurer 1996; Griffiths 1997, 2006; Benjamin and Wilson 2005; Ilmarinen 2006). Meta-analysis of 96 independent surveys by McEvoy and Cascio (1989) reveals that age and job performance, in general, are not significantly related (see also Rhodes 1983). While many laboratory-based studies show the declining tendency of some cognitive abilities with ages, research also demonstrates that the estimate of 'fluid ability (perceptual speed)' and 'crystallized ability (knowledge)' is different, as the relationship between the latter and age is either insignificant or low (Griffiths 1997; Shimamura *et al.* 1995). Moreover, in many cases, older workers show higher productivity than their younger counterparts 'by means of experience and mental and physical load-reducing strategies' which will compensate for decreases in their 'fluid ability (perceptual speed)' and physical capabilities — 'skeletal, neuromuscular and energy-delivery systems' (Griffiths 1997: 199-200; Shephard 2000: 540; Schaie 1996: 279. Unsurprisingly, these two different scenarios elicit arguments concerning methodological issues. Warr (1994: 310–1) suggests that laboratory-based research should be interpreted cautiously since they do not reflect 'the nature of the jobs'. Griffiths (2006: 123–5) also argues that many 'laboratory-based' studies do not rely on concrete matters and their findings do not fit well in the real workplace (see also Mitchell 1990).

Discussions on Productivity

First of all, it should be noted that older employees are 'diverse group' (OECD 2006a: 63). They have various characteristics on their productivity as well as inspiration and accessibility to education and transformation. Generalisation on the productivity of older workers often leads to misunderstanding (Ordell 1952; Skirbekk 2003). As discussed in Chapter One, older people should not be defined by their chronological age. Chronological age is not an appropriate indicator of productivity due to its 'dysfunctional metaphors and stereotypes' (Suzman *et al*. 1992: 12). Human ageing is 'individualistic' in terms of difference in physical and mental performance (Bass *et al.* 1993: 5). Thus, productivity deviations within a

particular age group are usually higher than those across age groups (Warr 1994; Wilkinson 2002).

A question to be explored is why these differences can be found in the literature. Firstly, it is necessary to pay attention to the differences in methods on which the studies are based. Griffiths (2006: 123–4) argues that job performance in some studies is measured to increase with age 'when using objective measures, but decreases when using supervisor ratings'. This is because supervisor's reports reflect a general bias against older workers (Waldman and Avolio 1986). What is more, governments' active ageing programmes are occasionally based on the incorrect understanding of the productivity of older workers. For example, the Finnish government's 'Report on the Future in 2005' states that productivity decreases with age since the older workforce cannot produce as much as younger workers (Ilmarinen 2006). Secondly, an approach in which job performance is confined to physical or mental (or fluid cognitive) ability is likely to lead to the misunderstanding of older workers' performance. As Salthouse and Maurer (1996) argue, job performance is significantly influenced by job experience, knowledge or crystallised cognitive ability as well as by mental (or fluid cognitive) ability, and the former, in many cases, is more significantly related to job performance than the latter. Thirdly, care should be taken in reading some studies, which are less favourable to older people's job performance. As mentioned before, 'laboratory-based' findings are considerably different from what can be found in the real workplace. Therefore, it can be concluded that many familiar beliefs about older workers' lowered performance are not founded on appropriate scientific evidence (Griffiths 2006).

In addition, Griffiths (1997: 201) points out that 'organizational behaviour' should be taken into consideration to estimate the overall job performance of older workers, who show a lower absentee and turnover rate and higher job satisfaction rate in many scientific studies (Rhodes 1983; Warr 1994; Griffiths 2006; Siu *et al.* 2003). In this respect, the concept of 'the social construction' is meaningful for researchers in interpreting this kind of stereotype, which is not based on scientific evidence (Clarke and Cochrane 1998; Lewis 1998; Saraga 1998; Clarke *et al.* 2001; Hacking 2003; Chwieroth and Sinclair 2008).

Another point to note is that a fundamental differentiation should be made between individual workers' productivity levels as they grow older and variations over time in the level of their skill (OECD 2006a). Even if the productivity level of each worker increases, their skills can become devaluated or outdated, and this depreciation of skill has a negative

effect on the productivity of older workers. Therefore, it is important to consider the significance of training in new skills and encouraging an active attitude among employees themselves. Life-long learning of workers, including at mid-career as well as older workers themselves, is essential for improving employability of older workers (OECD 2006a). Based on the optimistic view towards the productivity of older workers and new knowledge from industrial gerontology, older people are able to adjust to new technology in the workplace with the help of technological innovation in ergonomics (Macnicol 2006).

The History of Early Retirement

Based on these broader assessments of the relationship between ageing and employment, we now turn to explore more specific issues of early retirement in the labour market. Early retirement is a key term both in reviewing labour market participation in the 1970s and 1980s and in examining the policy response to this since the 1990s.

First of all, it is necessary to review the historical background of early retirement. It appeared a longer time ago as opposed to the common idea in which the trend of early retirement is thought to be a recent phenomenon (Macnicol 2008). As discussed in the previous section, the development of capitalist economy in the late nineteenth century and the early twentieth century deinstitutionalised older workers in the labour market. Under the modern retirement system, older workers are required to leave the workplace at a fixed age. As Kohli and Rein (1991) make clear, the historical perspective is helpful in understanding the history of early retirement. On the one hand, when economies grow at a higher rate and the supply of labour is not sufficient to meet demand, as happened during the economic boom of the Second World War and successive years in the 1950s, older workers were more popular in the labour market than they had been in the pre-war period. On the other hand, many older workers were involuntarily unemployed during the recession of the 1930s and took early retirement. As the labour market shrank again and unemployment came to be one of the most important issues due to the economic downturn of the 1970s, the phenomenon of early retirement evolved in most countries in the West. There is therefore a correlation between the spread of retirement and economic conditions, and older workers' participation in the labour market is 'very sensitive to overall economic conditions' (Macnicol 2008: 592).

Evolution of Early Retirement

First of all, there was a highly gendered trend in the employment rate of older female and male workers. The employment rate[6] of older men shows a considerable decline since 1970 in almost all OECD member states (OECD 2006a: 28; see Table 2-1).[7] According to the OECD data, three in four male workers aged 55 to 64 were employed in 1970, but the employment rate of this age group had decreased to 58.8 per cent in 1994, and then reversed to reach 63.0 per cent in 2010. By contrast with the decrease in male participation in the labour market, more women have participated in the labour market. About 36% of older women were employed in the labour market in 1970, but this had increased to around 45% in 2010. The sharp increase in older women's participation in the labour market is, as the OECD argues, mainly due to higher participation rate in consecutive cohorts of women, showing that there is significant correlation between older women's participation rate and younger women's.

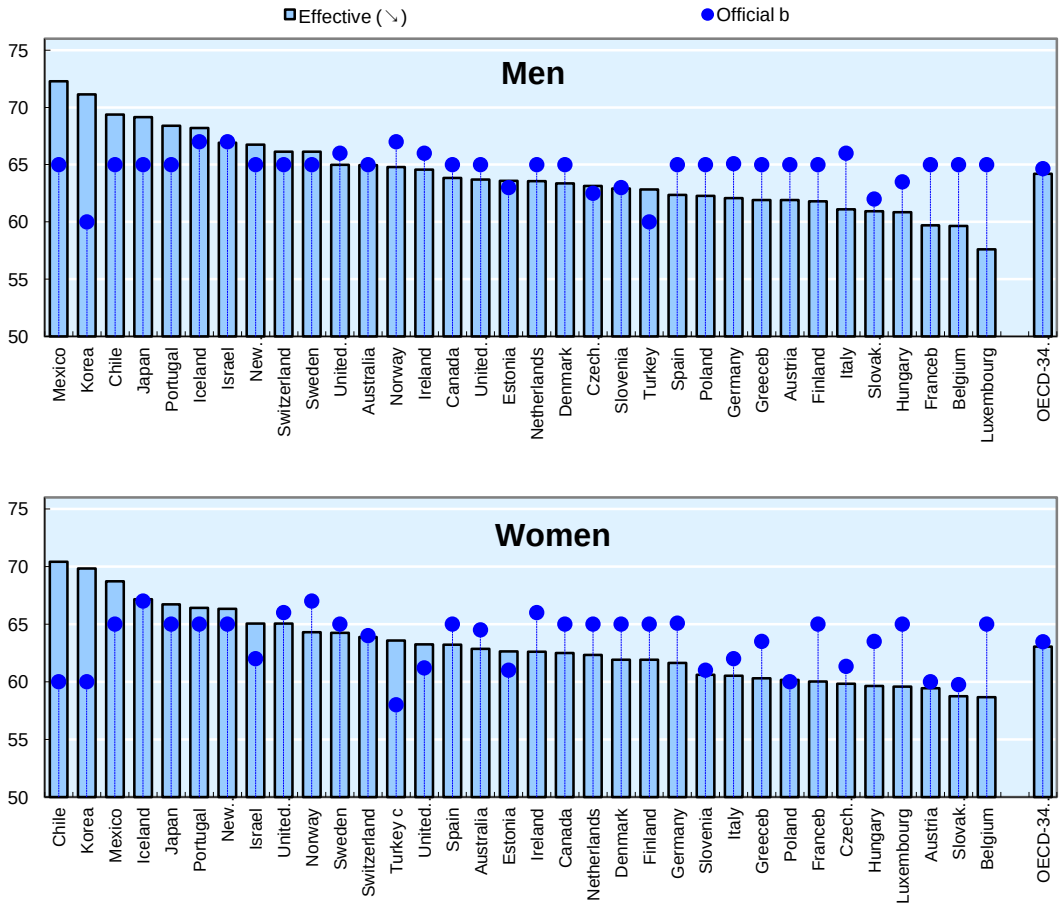
Table 2-1: Trends in Employment Rate of Older Men and Women among some OECD Countries* since the 1970s (%)

	Women					Men				
Country	1970	1980	1990	2000	2010	1970	1980	1990	2000	2010
Australia	23.0	21.2	24.1	34.5	52.8	84.3	67.0	58.8	57.7	68.6
Belgium**		11.8	9.4	15.4	29.2		47.7	34.3	35.1	45.6
Canada**	30.3	30.9	32.9	39.1	53.5	72.9	71.2	60.0	57.4	63.3
Denmark**		39.1	42.4	46.2	52.5		73.1	65.6	61.9	62.7
Finland	44.4	41.1	39.7	40.9	56.9	72.5	55.0	46.3	43.7	55.6
France	38.9	37.6	28.8	30.3	37.5	74.0	65.3	43.0	38.5	42.1
Germany	28.3	27.2	22.4	29.0	50.5	78.9	64.1	52.0	46.4	65.0
Ireland**	20.5	18.6	18.2	27.1	43.0	82.4	72.3	59.5	63.0	58.4
Italy	10.5	10.4	15.2	15.3	26.2	47.8	39.0	51.9	40.9	47.7
Japan	44.4	44.7	46.5	47.9	52.1	84.8	82.2	80.4	78.4	78.8
Korea		45.9	49.4	47.9	47.1		77.5	76.3	68.5	75.1
Luxembourg**		14.6	13.7	16.8	31.3		37.9	42.9	37.9	47.7
Netherlands**	14.6	14.0	15.9	25.5	43.3	79.3	60.9	44.2	49.7	64.8
Norway**	41.5	49.4	52.8	61.2	65.0	82.9	79.5	70.7	73.1	72.2
Portugal**	31.2	31.2	31.7	40.8	43.5	81.7	74.2	65.0	62.1	55.6
Spain**	21.8	20.7	18.0	20.1	33.2	82.7	71.3	57.3	55.2	54.7
Sweden	44.0	54.5	64.7	62.4	66.8	84.1	77.5	74.5	67.7	74.3
United Kingdom**		33.4	36.7	41.4	48. 9		62.6	62.4	59.7	64.9
United States	41.9	40.0	44.0	50.6	56.4	80.7	69.7	65.2	65.7	64.4
European Union 15	24.5	27.6	24.9	28.4	40.9	66.0	63.6	53.2	48.5	56.2
G7 countries	37.2	37.2	36.5	40.7	50.1	78.7	69.7	63.3	60.4	64.2
OECD countries	36.3	35.9	34.7	37.0	45.4	77.2	69.9	62.3	59.4	63.0

* *Source*: OECD Labour Force Statistics (MEI) Database. Available from: http://stats.oecd.org. [Accessed on 28th September 2011]. Only 21 countries are selected to show the trends, because some countries' data from the 1970s to the early 1980s are not contained in the OECD Database.

Secondly, however, it should be mentioned that early exit from the labour market is found irrespective of gender (Taylor and Walker 2003). From 1950 to 1995, the effective retirement age (the average age at which persons aged 40 and over left the labour force) of men and women workers in all of 24 OECD member states has decreased, showing that early exit has become common in both genders (Auer and Fortuny 2000). The effective retirement age has decreased considerably as early retirement of older workers has spread since the 1970s, resulting in a wider gap between the effective retirement age and the official retirement age (see Figure 2-3). On the contrary, life expectancy has increased and thereby lengthened the expected years after retirement.

Figure 2-3: Average Effective Age of Retirement versus Official Age, 2007–12*



Source: OECD estimates derived from European and national labour force surveys, OECD Pensions at a Glance (available from: www.oecd.org, accessed on 29th November 2013).

* The average effective age of retirement is defined as the average age of exit from the labour force during a 5-year period. Labour force (net) exits are estimated by taking the difference in the participation rate for each 5-year age group (40 and over) at the beginning of the period and the rate for the corresponding age group aged 5 years older at the end of the period. The official age corresponds to the age at which a pension can be received irrespective of whether a worker has a long record of years of insurance contributions.

With regard to older workers' labour market participation, Alcock *et al.* (2003) argue that there are many phenomena which cannot be easily discerned in the official labour market statistics. A substantial number of older workers feel themselves stuck in low-paid jobs or queuing at the back end of job market. Many of them finally give up job hunting, no longer regarding themselves as economically active participants. Hidden unemployment constitutes a serious problem of labour market detachment among older workers.

Reasons for Early Retirement

As stated above regarding productivity, older people are characterised as having diversity (OECD 2006a: 63). Likewise, the retirement of older workers is influenced by various kinds of factors, as listed in Macnicol (2008: 589), including 'socioeconomic status, prior work history, gender, ethnicity, age, marital status, health status, personality, community networks and so on'. It is therefore also stressed that reasons for, or factors of, early retirement can be complex (Cooke 2006).

It is often mentioned that early retirement of older workers can be explained by the combination of the two contrasting factors in the labour market (for example, Humphrey *et al*. 2003; Smeaton and McKay 2003; Lissenburgh and Smeaton 2003; OECD 2006a). 'Push' factors can shrink the demand of labour due to the change of industry. 'Pull' factors, such as economic wealth and the various pathways to early exit offered by government and employers can give more incentives to leave the labour market. However, this research adopts another frame, which seems better suited to grasp the nature of early retirement. Early retirement can be understood 'as a process rather than an event', and this process consists of demand factors, supply ones, and public policy (Walker 1985: 228). This is useful to understanding the evolution of early retirement, because it is more effective to analyse the early exit phenomenon in terms of the dynamics of labour market and that of the relationship between the labour market and institutional responses. In addition, push/pull factors are used as secondary frame to explain what the supply-side factors are.

Supply-Side Factors

First of all, supply-side has been an important factor in the spread of early exit. On the one hand, there are a range of pull factors prompting workers to leave the labour market before arriving at the State Pension Age (SPA). Economic security is one highly significant factor

behind early retirement. (Humphrey *et al.* 2003; Smeaton and McKay 2003; Lissenburgh and Smeaton 2003). The OECD (2006a: 53) summarises these financial incentives pulling older workers into retirement: economic motivation from public and private pension arrangement; official or *de facto* early retirement schemes, such as unemployment, long-term sickness and disability benefits; and even cooperative retirement choices among partners. These factors, which are mainly offered by the public sector, assume that financial incentives in the supply-side lead to pulling older workers out of the labour market.

It is apparent that variations in the financial resources of retirees worsen the problem of relative poverty or inequalities among older people (Lissenburgh and Smeaton 2003). The notion of division of early retirees enables us to recognize the context why many individual workers face difficulties in finding a job in the labour market, even though governments and social actors generally stress the importance of working later in life (Taylor 2008). The policy implication regarding this division is that, while incentive mechanisms for older worker's retirement decision need to be developed in the area of public or private pension schemes, taxation, and welfare benefit, these should be coordinated to equalise divided groups of older people in terms of financial resources. Another main 'pull' factor for some older workers can be a wish to discover a new way of life (Phillipson, 2007; Humphrey *et al.* 2003; Bass *et al.* 1993). It is proposed that the desire for leaving the labour market earlier is more related with a hope for 'a better work-life balance rather than for abundant leisure' (Grattan 2003: 4–5, quoted in Macnicol 2006: 89). According to a survey on what makes the 60–64 age group retire or remain in work, 'choice and flexibility' were the main criteria when older workers retire or attempt to extend their working lives (Vickerstaff *et al*. 2008). Those who want to work after retirement or extend their working lives commonly prefer to flexible work. There is a widespread desire to choose when they decide to retire or not.

On the other hand, ill health and disability have been recognised as the most significant factors 'pushing' older workers out of gainful employment (Humphrey *et al.* 2003; Cappellari *et al.* 2005; Barnes *et al.* 2002; McNair *et al.* 2004; Irving *et al.* 2005; Haardt 2006). However, we should be cautious not to overestimate the health factor. Walker (1985: 217–20) also points out that ill health is one of main reasons for early exit, but that ill health itself is not necessarily an 'overriding factor'. Ill health, in combination with age (especially a pension eligibility age) is likely to lead to early retirement. In this regard, the idea of 'the structural perspective focusing on push factors' and the political economy of ageing

perspective is valuable (Kohli and Rein 1991: 10). Other push factors include the reduction of older workers' human capital in view of technological advance and inadequate working conditions and the constraints of inflexible working hours (OECD 2006a). However, it should be noted that these factors, like health problems, can also be caused by employers' negative perceptions about the capacity of older workers, or by inappropriate regulations or administrative measures in the public policy area.

Finally, it is important to recognise the limitations as well as the advantages of the supply-side factors in the history of early exit. It is claimed that, in a modernised or industrialised society, retirement has been 'institutionalised' as a result of individual workers' adaptation to economic modernisation (Kohli and Rein 1991). However, supply-side factors cannot fully explain why many older workers have left the labour market early and how the process of early retirement has evolved (Walker 1985). There are many reasons for taking early retirement from the supply-side of labour market. Age, ill health, financial status, and social class are important factors to employees in deciding whether to retire. Nonetheless, these supply-side reasons are limited in accounting for early retirement. A number of studies focusing on voluntary early retirement are based on the financial status of retirees. In such research, early retirement is narrowly conceived as individual terms or individual decision-making, and sometimes understood as the outcome of 'a free choice'. However, supply-side characteristics do not reflect 'external pressures on the individuals concerned' on the demand-side of the labour market. Alcock and his colleagues (2003: 251–2) demonstrate that a large labour market detachment male workers was not based on 'voluntary withdrawal from employment', and many older workers who have involuntarily exited from employment still hope to return to the labour market.

Demand-Side Factors

Another set of factors to be investigated is the demand-side characteristics of early retirement. Early exit has been prompted by the high unemployment rates in the western economies (Kohli and Rein 1991). Since issue of unemployment was raised in the 1960s, the early retirement of older workers has been an alternative for Western societies (see also Esping-Andersen 1990). Early exit from the labour market of older workers was among the harsh measures taken against high unemployment in the 1970s and the 1980s (Kohli and Rein 1991: Phillipson 2007). From the study of steel industry redundancies in the 1980s, Walker (1985:

220–5) presents several key factors pressing older workers to retire: the redundancy scheme itself; a lack of demand for labour in the local labour market; and the official labour market institutions, such as the Jobcentre, persuading older workers to leave from the labour market. Public policy was against older workers working longer. At that time, specific initiatives, such as Job Release Scheme (JRS),[8] news media, even the political party manifestoes, were the main promoters of ageism and led to the expansion of early retirement. Finally, older people themselves internalised a negative perception to remaining in the labour market, a kind of awareness more related to supply-side rather than to demand-side. From many testimonial evidences from the 1880s, Macnicol (1998) argues that the spread of retirement has been correlated with the economic situation. The 1930s recession witnessed the spread of older workers' exclusion from the labour market. Many older workers re-entered workplace during the economic boom that followed the Second World War. However, male early retirement evolved in the labour market due to long-term recession in the 1970s and 1980s. The history of older workers' retirement therefore demonstrates that demand-side explanations are more credible in the long run.

Discussions on the Demand-Side Approach

With respect to the factors of early exit, Macnicol (2008: 589–90) introduces two contrasting approaches to analysing the history of early retirement: supply-side and demand-side. On the one hand, in a supply-side approach, which is often called the behavioural approach or rational choice theory, the 'invention of retirement' is understood as a collective or individual 'choice', a reaction to particular incentive context, including accumulated savings, state pensions and private or occupational pensions. On the other hand, the contrasting demand-side perspective stresses that individual workers' behaviour does not necessarily account for early retirement. The principal causal factor of early retirement is proposed as the contraction of the labour market niche that has employed older workers. Since the 1880s, the British industry has seen older workers 'deskilled and deindustrialised', which has speeded up the spread of early exit from the labour market. Early retirement incentives referred to in the supply-side approach (e.g. state pension, accumulated savings) can only explain so much because they only apply to a minority of wealthy retirees. The supply-side approach (or supply-side factor) is, to a certain extent, useful to account for early retirement. Supply-side factors are applied not only to the wealthiest people but also to those on lower incomes as they decide on whether to stay, enter or leave the labour market. Even if the constraints of the

job market for vulnerable workers, such as older people, are accepted, it cannot be denied that incentive policies are, to some extent, effective in their labour-market participation decision-making. Thus, the demand-side perspective may unnecessarily limit the scope of policy interventions against the early exit of older workers.

In terms of the demand-side approach, the scope of the government's intervention must be restricted to the use of the Keynesian demand management with respect to the early exit of older workers. The labour market participation of older people is ultimately influenced by labour market demand. Given that demand for labour is ultimately derived from demand for goods or services, it can logically be argued that, if new demand for labour is not created from outside the labour market, it is not possible to shift the existing demand in the labour market. If demand for labour is not produced by government or 'the third sectors', no new demand for labour can spring out of the labour market. Without these measures, governments have only to focus on a sound macro-economic policy in order to create a new demand for labour. But this kind of intervention is generally covered in economic policy rather than employment policy or social policy (OECD 2009: 13). Furthermore, most of the Western economies have experienced long-term economic recession since the 1970s and have had difficulty in using the traditional Keynesian aggregate demand management strategy, which had been widely adopted to promote economic growth during the post-war economic boom. Hence, from this demand-side perspective, with the exception of the government's intervention in the area of the macro economy, the only significant way to contribute to the employment of older people is the Keynesian-style demand management policy to create new demand for labour. However, the history of the modern economy has shown that there are always financial and political constraints to Keynesian plans, whether the pressure comes from neo-liberal monetarist economics or not. Moreover, the demand-side approach seems to underestimate human resource development policies aimed at increasing the employability of older people. Given the assertion that 'improving employability does not by itself create jobs' (Macnicol 2008: 592), this has nothing to do with the area of employment policy. Thus, it should be argued that the balance of two opposing factors in the labour market is relevant when considering the factors in and alternatives to early retirement. Neither supply-side nor demand-side should be neglected when viewing the overall picture of ageing and the labour market.

Public Policy Factors[9]

Finally, public policy has been an important factor in the spread of early exit. The state has shaped the regulations of various pathways to early retirement since the 1970s (Kohli *et al.* 1991; Blanchet *et al.* 2005; Phillipson and Smith 2005). Many routes to early exit, such as the disabled benefit, were used as an 'institutional arrangement' for reducing the burden of mass unemployment, even though they were initially introduced in order to lessen social risk (Taylor 2008; Cooke 2006). Thus, early retirement was mainly introduced by governments encouraging older workers to leave the labour market (WHO 2002). The British experience presents a number of cases in which the government, explicitly or implicitly, played a role in promoting the early exit of older workers (Phillipson 1982; Laczko and Phillipson 1991; Cooke 2006). These programmes encouraging early exit therefore show that governments play a key role in changing the labour market.

As for the role of public policy in early retirement, some points can be made. Firstly, Hartlapp and Kemmerling (2008: 366) argue that, based on 'the Belgian case', the government's early retirement plan to relieve unemployment was the cause of a 'policy reversal on early exit' from the workforce. It can therefore be argued that policies focusing on some aspects of labour market outcomes are assessed as part of a short-term approach, and this short-sighted policy perspective undoubtedly leads to other long-term problems. Secondly, the early retirement policies of the 1970s and 1980s were broadly defended by social actors. An 'alliance' of governments, trade unions and employers was made to eject older workers from the labour market for the purpose of ensuring space for the young unemployed (Taylor 2008: 92). The early exit plan was conceived as a measure for economic restructuring, workforce downsizing and global competition in the context of the high rate of unemployment, which, however, is now regarded as 'misguided short-termism' (Macnicol 2008: 581).

Like the researcher's negative stereotype towards older workers' productivity mentioned in the previous chapter, the concept of 'social construction' is helpful in understanding the interactive relationship between public policy and the mass media and the internalised ageism of older workers. Demographic ageing or old age is to some extent a socially constructed product, rather than simply a biological or chronological matter, and the existing perception of older workers and their physical condition is changing (Baldock *et al.* 2003). Given the expectation that old people in the future may be significantly healthier and

more active than in the past because of developments in diet and life style, older people who are regarded as economically less productive at certain times (usually during economic recession) can be viewed as an active and productive labourer in society. With regard to the relationship between public policy and early retirement, it is helpful to introduce 'the two-way' association proposed by Lewis (1998), who proposed that these policies have been socially constructed and, in turn, play a dynamic role in constructing related social issues. The negative attitude of public policy and the mass media has promoted early exit from the labour market by creating a social context in which the unemployment of the younger generation is promoted at the expense of older workers' employment. By contrast, it is interesting to note that 'active ageing policy', especially where campaign strategy is concerned, has contributed to the recent emergence of the concept of 'active ageing' (Walker 2006, 2009).

Responses to Early Retirement

Consequences of Early Retirement

Since the 1970s, despite population ageing, older workers of almost all OECD countries have exited the workplace earlier than their predecessors, and there have been problems of various kinds in almost all industrialised countries. First of all, in the economic dimension, population ageing has exerted severe pressure on public expenditure including state pensions, long-term care and public health expenses. If the participation of older workers in the labour market is not increased, there must be an increase of social security contributions and other taxes, or a decrease in this kind of social welfare benefits. In general, additional labour supply gives the state more fiscal capability for social protection finance, including tax and social insurance contributions, which has been one of the main focuses of government policy responses to encourage older people's labour participation since the late 1990s (Casey 2004). However, fiscal difficulties were more serious than ever in almost all industrialised countries as early retirement took hold. It was therefore widely accepted by policymakers that early exit in the labour market could not coexist with population ageing.

Secondly, the negative consequences of early retirement can be observed inside the workplace. The withdrawal of older workers from the labour market at an earlier age results in a shortage of skilled employees and human capital in the workplace, often referred to as

the ‘corporate memory loss’ (Cabinet Office 2000: 53), which also has a negative impact on sustainable economic growth (Employers Forum on Age 2002; Flynn 2010). Therefore, it can be argued that early exit from the workplace represents a threat to a sustainable business environment. Lastly, it is necessary to evaluate problems of older workers themselves. The economic aspects of active ageing are emphasised and the policy-centred idea of active ageing is understood as ‘a rather inflexible view of activity’ (Clarke and Warren 2007: 466, 468). Early retirement has made older workers ‘deindustrialised’, which deprives them of their work-based identities (Macnicol 2006: 12). As well as economic reasons, social factors should also be taken into consideration (Walker 1990c). Discriminatory behaviour and policies imposed by employers and governments made many older people feel disgraced and raised a social justice issue as a key feature in the response to early retirement.

Responses to Early Retirement

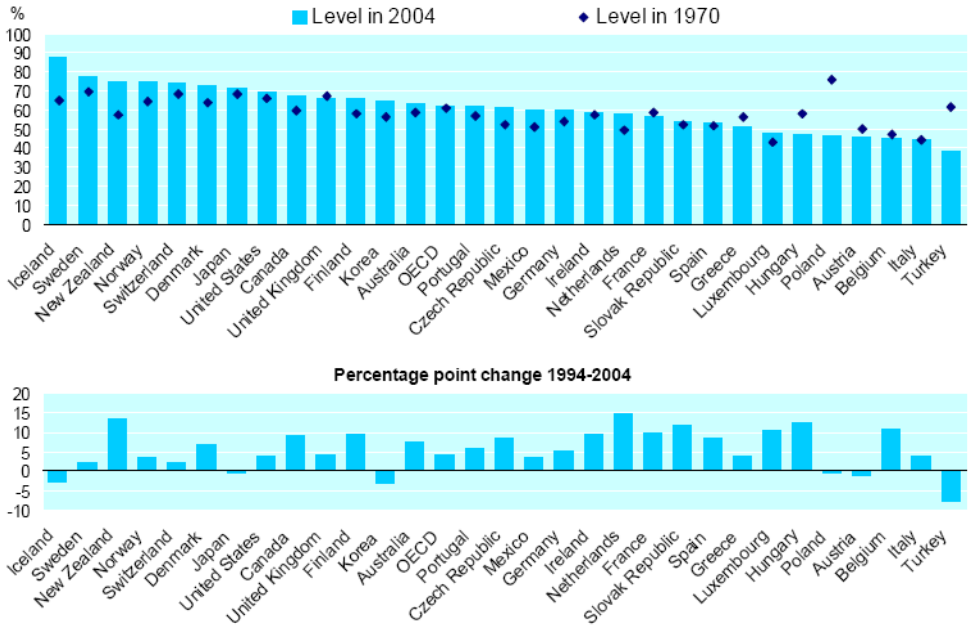
Responding to this downward trend of labour market participation among older people, many countries tried to reverse these unsustainable social policies, prompting ‘a remarkable shift’ (Walker 2006a: 80) in government policy towards early exit trends in many developed countries (Reday-Mulvey 2005; Taylor 2008). Why did public policymakers turn their negative attitude to a positive one towards the employment of older workers? There were many motives, but economic concern over future labour supply shortage was a crucial element for the change in policy directions (Taylor 2008). The governments’ desire to control their financial resources for social security programmes was closely related to these policy reversals. During this policy reversal, the IGOs played an active role in establishing new policy initiatives and spreading them across the world (Walker 2006a).

Various kinds of reforms were made. The OECD (2006a) identifies three types of reforms. First, flexible pathways were introduced or promoted for retirement purposes (e.g. part-time employment). Second, employers’ attitudes and employment practices have changed through information campaigns by key social players, including employers’ organisations, trade unions, and third-sector organisations, inspirited by many scientific findings. Third, older workers’ employability has been enhanced through life-course training and the Public Employment Services (PES). These policy reactions, coupled with the economic boom, are said to have lead to a recent slight upward trend in the participation rate of older people in the labour market (Phillipson 2007).

Reversal of the Upward Trend of Employment

In most of the OECD countries, participation rates have shown a considerable increase since the mid-1990s after a 30-year decline in the employment of older people, especially for men (Grattan 2007). The labour force participation rate among older people in the OECD countries increased by 5 per cent from 1994 to 2004 (OECD 2006a: 28-9; see Figure 2-4).[10]

Figure 2-4: Employment Rate Trends of People Aged 50–64 in some OECD Countries



Source: OECD (2006a: 29)

First of all, the increase in labour market participation of older workers was, to some extent, caused by the policy response, though economic recovery must be a key factor for the recent popularity of older workers (Taylor 2008). However, as Phillipson (2007: 186) argues, this increase, partly due to economic recovery, can be attributed to several causes: the constraint of 'pathways' promoting early retirement, the improvement of programmes encouraging training and returning to work, the support of gradual pathways to retirement and, finally, increasing work incentives in pension schemes. Despite the increasing number of older people in the labour market, it is not clear that their status is secured in terms of their working condition (Phillipson 2007; Grattan 2007). Hirsch (2003) also raised an issue of labour market failure in relation to older people, showing that fewer than four in ten men are still participating in economic activity before arriving at the SPA. This rate compares with six out

of ten in 1980. Accordingly, it is argued that the development of older workers' status in the labour market is still going on, requiring numerous issues to be addressed.

Conclusion

This first chapter in the literature review examined the overall picture of the research topic focusing on the relationship between ageing and employment. The establishment of modern capitalism saw the widespread establishment of a fixed retirement age at a predictable stage in the life course. Consequently, older people in Western societies have seen their economic position significantly affected by overall economic conditions. The changing nature of the industrial world has been a significant factor in the exclusion of older workers from the workplace, while discriminatory behaviour in employment based on chronological age has also played a key role. In particular, employers' stereotypical view of older workers' productivity has been a key driver in discriminatory behaviour, although scientific evidence shows little relationship between age and productivity and between job performance and employee's growing age.

The history of early retirement shows that older workers' employment is greatly influenced by economic conditions. There are supply-side factors to early exit, including financial security, ill health, and a wish for new way of life. However, these characteristics do not fully explain why many older workers leave the workplace involuntarily. On the contrary, demand-side factors in the labour market offer compelling explanations to early retirement among older people. Public policy has also played an important role in promoting early retirement for the purpose of decreasing the pressure of mass unemployment, especially, youth unemployment. The balance between the supply-side and demand-side approaches to the labour market is therefore significant and an unbiased perspective is needed to explain the relationship between the labour market and institutions. There has been a U-turn in the employment pattern of older workers since the 1990s and recent economic history will positively affect the employment of older people. Public responses to the problems of ageing populations and workforces vary, and these are the main focus of the present research.

Notes

[1] In the case of the UK's New Deal programme in 1997, the 'high-risk groups' in labour markets consisted of single parents, the long-term unemployed, early retired and disabled people (Taylor-Gooby 2008: 16). They are interchangeably labelled as 'vulnerable workers', 'vulnerable groups' or 'the less established groups' in the labour market (Taylor-Gooby 2008: 19) in this thesis.

[2] 'The (potential) support ratio' is used as an alternative term, which is defined by the number of people aged from 15 to 64 per people aged 65 or older (Coleman 2000). It has been popularly used in the United Nations policy reports (e.g. Coleman 2000), while dependency ratio is still widely used by the OECD (e.g. OECD 2006a).

[3] Attendance Allowance is a tax-free benefit given to those who are aged 65 or over who need help with personal care because they are physically or mentally disabled. Family Tax Benefit is an incentive system in Australia in which caregivers of children can be paid on the basis of the family's taxable income. Source: Directgov website of the UK government (available from: http://www.direct.gov.uk and the Family Assistance Office website (available from: http://www.familyassist.gov.au [Accessed on 28th February 2010].

[4] The OES [산업·직업별 고용구조조사] is a survey for providing a basic employment statistics, essential for the government's active labour market policies. Data for employment structure can be collected by industry and job category, and the size of surveyed households is roughly 75,000 in 2006. Sources available from: http://www.keis.or.kr [Accessed on 4th March 2010].

[5] For example, 'business organizations … have called the government's announcement absurd as it comes at a time when even those in their 30s and 40s are battling fears of being laid off and a large portion of college graduates cannot find jobs' (*The Korea Herald*, "Employers oppose raising retirement age", 27th January 2004). Available from: http://www.koreaherald.co.kr. [Accessed on 14th March 2010].

[6] The employment rate, which is defined as the proportion of working age adults employed, is preferred to the labour force participation rate as an the indicator of labour market in this thesis, because the former is considered the most appropriate index reflecting the outcome of each country's labour market, especially when employment performance of countries is compared internationally (OECD 1996: Scharpf 1997).

[7] Source: OECD Labour Force Statistics (MEI) Database. Available from: http://stats.OECD.org [Accessed on 28th September 2011].

[8] In terms of government policies, the JRS of the UK government in the 1970s and 1980s can be regarded as representative case. Walker (1985: 223) argues that 'those policies aimed at older workers have been intended to positively encourage them to withdraw from the labour market'. The JRS was established in 1977 as a temporary measure to ease youth unemployment by replacing older workers with younger workers (first men aged 64 and women aged 59 were covered, being extended in 1981 and 1982 to cover disabled men aged 60–63 and other men aged 62–63).

[9] Logically enough, the term 'public policy factors' is not used exclusively with the terms 'demand-side' and 'supply-side factors' because public policies are located in both the demand side and supply side of the labour market, or sometimes in both areas. Nevertheless, I am using this term and framework due to its importance in explaining the dynamics of early retirement:

Demand-Side	Supply-Side
Macro-economic policy Regional economic policy Job creation programmes Employment subsidies to employers	Public Employment Service Labour market training and education Employment subsidies to employees

[10] Korea, along with other three countries, Iceland, Australia and Turkey, shows a 3 per cent decrease in the labour force participation rate of older people during the same period.

Chapter Three

The Development of Active Ageing Policy

Introduction

As argued in the previous chapter, public policy is a key factor behind early retirement, and governments can influence almost every aspect of older people's lives (Bass *et al*. 1993). Before investigating the characteristics of the active ageing policy in Korea, it is necessary to provide a broader understanding of active ageing policy.

This chapter is structured by the three main research questions proposed in Chapter One. First, to explore the nature of active ageing policies, this chapter deals with the conceptual development of the active ageing discourses. The emergence and the evolution of different ageing discourses are discussed, followed by a discussion of the strategy of active ageing. As a result, a comprehensive approach based on the well-being of older people will be used as a means to understand the term of active ageing. The development of active ageing policies will also be approached through its application to the real world of policymaking. Second, this chapter focuses on internal factors in the development of active ageing policy. The key questions are, firstly, how did the issue of active ageing come to the top of policy agenda? Secondly, what are the main factors behind governments developing an interest in this area? The evolution of ageing policy is reviewed with specific focus on the UK and other European countries, and major areas of active ageing policy will be highlighted. Third, this chapter also examines the external factors behind ageing policies. What is the role of the IGOs with regard to a government's policy? How did these organisations influence each country's policymaking process? A critical understanding of these main facets of active ageing policymaking will provide the essential background to look into the Korean case. In other words, the main purpose of this chapter is to examine the theoretical aspect of active ageing and how it has been applied in the real world of policymaking.

The Concept of Active Ageing

Although active ageing has emerged as the most important policy response to population ageing, the meaning of active ageing is significantly different (Walker 2009: 75). In particular, there are two dominant but contrasting discourses on active ageing: the European discourse on active ageing based on a comprehensive approach and the United State's model which lays great emphasis on productivity. Before examining these different concepts, the background of active ageing favoured by policymakers must be explored.

Background to Active Ageing

Why have policymakers and academics been interested in active ageing? Walker (2006a) suggests several key factors for the emergence of active ageing with a focus on employment. First of all, in view of overall population ageing, an ageing workforce has been proposed as a main background of active ageing. The central issue is how employers can adapt their organisations to this changing workforce composition and socio-economic environment. Secondly, despite the increased need of participation by older workers in the labour market, there were three decades of early retirement in the countries in the West from the 1960s. This trend heightened concerns in the government sector and policymakers began to view this contradictory situation as a critical issue in terms of the sustainability of social protection systems. The economic recession prompted by the 1973 oil crisis made policymakers rethink the existing welfare state. As the neo-liberal discourse acquired more popularity, the critical attitude to welfare spending became influential (Casey 2004). Thirdly, although implemented by many employers (Walker 1997a), good practices were commonly espoused by a minority of employers, and a 'do-nothing policy' dominated the mainstream in workplaces (Gallup 1990: 27). Last but not least, ageism in society as a whole or age discrimination in workplaces as discussed in the previous chapter remains a key issue. This deeply entrenched practice must be resisted in pursuit of economic productivity and 'social justice' (Walker 2006a: 81). For these reasons, active ageing emerged as a key subject in policy and academics. A brief history of the evolution of active ageing is in order.

Evolution of Active Ageing

In the early 1960s there were arguments for the way to 'successful ageing', in which the main concern was to maintain older people's activity from the middle age (Havighurst 1963). The

successful ageing discourse came mainly as a reaction to then-popular theories of ageing, such as disengagement theory, in which 'the older person is less involved in the life … (and) ageing is an inevitable mutual withdrawal or disengagement' (Cumming and Henry 1961: 14) because a process of disengagement is 'primarily intrinsic' (Cumming *et al*. 1960: 34). This pessimistic image of old age was criticised for being unsupported in empirical studies (Havighurst 1963). The 'successful ageing' paradigm is regarded as being too unrealistic because there is an expectation on older people to maintain the activity level of middle aged to older age (Walker 2006a). 'Successful ageing' is inevitably criticised for its negative description of older people. More importantly, the theory hardly embraces the socio-economic structure behind ageing.

Faced by the macro-economic uncertainties and financial crises in the West in the 1970s, the concept of 'productive ageing' emerged as the mainstream of ageing discourse in the 1980s (Walker 2006a). The advocates of productive ageing searched for something more positive than leisure and retirement, and thus the issue of the economic and social role of healthy and energetic older people was raised (Bass *et al*. 1993). In particular, policymakers concentrated on the issue of older people's economic contribution by way of paid employment in the labour market in order to address the increasing social security budget for an ageing population. Unlike the perspective of successful ageing, the socioeconomic viewpoint rather than individualistic one is emphasised, in which older people's role in society is highlighted. Productive ageing is defined as 'any activity by an older individual that produces goods or services, or develops the capacity to produce them, whether they are paid for or not' (Bass *et al*. 1993: 6). From this perspective, productive activities include not only paid employment in the labour market but also volunteering, education and learning for productive activity. Thus, productive ageing was believed to contribute to ageing discourse in a sense that it gave a socio-economic view in lieu of the individualistic perspective of the successful ageing paradigm (Walker 2009). However, productive ageing is also criticised for its narrow focus on the production of goods and services in the labour market (Walker 2006a). Despite the contribution of the life-course perspective to the ageing discussion (Cooke 2006), it still lacks a broader vision of well-being in the whole life course. The weakness of the productive ageing argument is, to some degree, attributed to its limited understanding of 'productivity', which is clearly shown in the protagonist's own terms.

> The definition excludes many … constructive activities … such as … visiting with family and friends, travelling … [because] they simply are outside the bounds of

productive aging as we define it (Bass *et al.* 1993: 7).

Older people who can contribute less valuable things or nothing to a society must therefore be ruled out in this narrow interpretation. They are undoubtedly listed as less contributing groups of the society.

As discussed in Chapter Two, it is critical to define the broader terms of productivity in order to recognise its comprehensive meaning in the workplace. A narrow definition of productivity (for example, OECD 2006a: 11) cannot grasp the importance of organisational renewal, such as technological improvements and human resource developments, aside from the traditional three input elements (labour, capital and materials). It can therefore be proposed that the limited aspect of productive ageing may reasonably associated with the restricted understanding of productivity. This rather economic-focused perspective also reflects the emergence of the international economic agencies in the area of ageing policy (Walker 2006a). In the late 1990s, the issue of active ageing appeared in the most powerful political debate in the world (e.g. the G8 Summit). Since then, related agenda about how to promote the older workers' labour force participation have been main subjects of the leading IGOs. Under this background, the productivist approach to active ageing, based on the concept of 'productive ageing', has been proposed and disseminated by some IGOs.

Productivist Approach to Active Ageing

Some global economic agencies have vigorously reacted to the changing socio-economic environment brought by population ageing (OECD 1988a, 1988b; World Bank 1994; Orenstein 2005). Foremost among them, the OECD played an important role in spreading economic-focused ageing discourses across the world. Dubbed an 'economic organisation' by itself, it has focused, not surprisingly, on economic prescriptions on population ageing on the basis of a productivist paradigm.[1] In the OECD research paper published in the 1990s, active ageing was defined as 'the capability of people as they grow older to lead productive lives in the society and economy' (OECD 1998: 84). This definition suggests that its perspective was still in the paradigm of productive ageing. The OECD overwhelmingly focuses on the narrow aspect of population ageing, namely employment in the labour market. Its discussion usually starts with the 'public burden' discourse on ageing, along with behavioural solutions of older workers (OECD 2006a: Yang, Y. 2010). Based on the prospective economic load of older people on the working population, usually called as 'dependency ratio', the OECD stresses

increasing strain on public finances for social welfare spending. The OECD warns that, without an increase of older workers' participation in the labour market, there must be an increase in social security contributions and other taxes or a decrease in the benefits of this kind of social welfare.

Secondly, the general principle of the OECD's social and economic policy can be concisely summarised as the primacy of markets and market-based solutions (Casey 2004). Deregulation of the social institution is strongly promoted.[2] The OECD (OECD 1992: paragraph 13) stresses that 'flexible and efficient labour market is key to achieving non-inflationary economic and employment growth' (OECD 1992: paragraph 13), rendering the traditional supply-side approach (Casey 2004).

Thirdly, as for the specific area of employment policy for older workers, the OECD is concerned primarily with labour market participation (OECD 2006a). The main solution is, as the title of the report literally stresses, to 'work longer' in older age. Most proposals are restricted to the supply side measures for managing work incentives in the area of paid employment. Programmes for improving older worker's employability are mainly limited to training and employment service. There is, to some extent, a consideration of the demand-side of labour market in the OECD report. It discusses how to increase the demand for older workers by changing 'employer attitudes and employment practices' by way of age-awareness campaigns or by matching older workers' wages with their productivity (OECD 2006a: 103). This usually means the flexible downsizing of older workers' wage levels.

Fourthly, the OECD does not take the principle of social inclusion or the close relationship among social partners as seriously as the EU does. There is a prior consultation process with its social partner organisations,[3] but the actual social partnership is not regarded as important as that of the EU. For the OECD, social exclusion is referred to only in passing reference, and the role of the social dialogues seems to be weak (Casey 2004). The prescriptions and the philosophy behind these solutions of the OECD have an important impact not only on its member states but also many non-member states (Deacon 2007). Analysis and recommendations for ageing policies based on the negative 'burden of ageing' discourses has strongly influenced individual countries.

Lastly, however, the productivist approach to active ageing is criticised for its narrow focus on the working lives of people and therefore only on the employment and the labour

market, and for its neglect of the broader well-being of older people based on their life course (Walker 2009). A new perspective to active ageing was therefore proposed by other IGOs.

Comprehensive Approach to Active Ageing

It was the WHO that prompted a new approach to the ageing discourse in the 1990s (Walker 2009). As an authority responsible for global health matters within the UN, the WHO naturally focuses on health issues of older people. From research on the relationship between activity and health, the WHO has insisted on the importance of healthy ageing, and submitted its strategy on active ageing to the UN's Second World Assembly on Ageing in Madrid, 2002 (WHO 2002). Here, active ageing was defined as 'the process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age' (WHO 2002: 12). From this concise clarification, there was as a 'paradigm shift' from the existing productive ageing discourse.

The first key component of this definition is that a life-course perspective is emphasised. It is not activity but process that has to be conceptualised. Research shows that the origins of risks for chronic diseases in later life start at much earlier ages and socio-economic factors across the life course accelerate or decelerate this risk. The well-being of older people also obviously reflects life course factors as well as current socio-economic ones. The second element of active ageing is that it encompasses a wide range of human life which extends beyond the area of employment. As Bass and his colleagues (1993) argue, many social institutions such as education, family, mass communication, and religion and work, establish the status of older people. In terms of public policy, there are many factors closely related to active ageing: employment, income security, finance, public health, education and training, housing, transportation, justice, rural and urban development and so on. For example, as discussed in Chapter Two, health is closely related to economic activity as well as overall quality of life in older age. This relationship ensures that health policy plays a significant role in active ageing (See also WHO 2002; DWP 2002). Based on its comprehensive approach, the WHO (2002: 45–53) proposes that 'intersectoral' perspective is essential for active ageing. For longer and higher quality lives, 'preventativeness' is fundamental for tackling chronic and functional diseases. In order to ensure this, the pillars of 'participation' and 'security' are also stressed, in which various social and economic policy areas are mobilised. Given their

comprehensive ‘intersectoral actions’, health and social services are key areas to be addressed, but the various policy areas mentioned above should not be underestimated. However, despite its contribution to the understanding of active ageing, the approach of the WHO has also some weaknesses. It is natural that the WHO as a global health organisation has a vision of ageing issues from the point of health. Thus, it does not suggest a more detailed strategy for the improvement of older people’s participation in the labour market or other key policies in the economic and social policy area. A wide-ranging framework covering different parts of policies is not established.

Under the influence of the WHO, the European Union (EU) also contributed to the development of a new understanding of active ageing. From its own research initiatives (e.g. the EC Observatory on Ageing and Older People), the EU stressed not only the importance of the close link between ageing and employment but also a broader, preventative strategy of age management across the life course (European Commission 1999). In reviewing the Lisbon Strategy, the High-Level Group chaired by former Dutch Prime Minister Wim Kok proposed to EU member states that ‘a comprehensive active ageing strategy’ should be developed, which included a fundamental policy and cultural change from early retirement with a focus on incentive schemes for older workers and lifelong learning for all ages (Kok 2004: 34). Although still an overly employment-focused recommendation, the comprehensive remit of the active ageing strategy was hereby formally introduced to the European policy area (see also Byrne 2004). The 2006 EU policy report (European Commission 2006) clearly acknowledged active aging as a broader term well beyond employment in the labour market:

> “Active ageing” constitutes in itself a comprehensive and sustainable approach which must employ a range of tools beyond retirement reforms. … In order to be able to seriously consider working longer, people must not be faced with discriminatory prejudices, they must have been prepared to update and make the most of the skills … and they must not only be in good physical and mental health but also have good prospects of remaining so for a long time to come (European Commission 2006: 8–9).

However, this strategy still focused mostly on the employment issue (for example, a ten-year employment rate target for older workers established at the Lisbon Summit in 2000). Compared to the OECD, a close connection between various policy areas is essential for the EU discourse on active ageing (European Commission 1999). Here, the sphere of active ageing stretches from employment and economic policy to policies on health, social security, public and private pensions.

There are other aspects to the comprehensive approach to active ageing which relate specifically to employment policy. 'Age management' of the diverse dimensions of human resources within corporate organisations has been increasingly important, from job recruitment, training, ergonomics and job design, and retirement (Walker 2005a). In particular, the age barrier of retirement should be more flexible to ensure anti-age discrimination policies in the workplace (Walker 2006a). Opportunities for life-long education and training are also essential to enhance the job capabilities for older workers throughout their life courses. In order to understand the comprehensive approach in the area of employment policy more clearly, the meaning of paid employment of the labour market should be discussed in more detail.

The Status of Paid Employment

The status of paid work in the area of active ageing may have many meanings. It is undoubtedly true that employment is a core factor for active ageing. However, paid work should be positioned from a wider perspective. The WHO (2002: 32) clearly argues that:

> Concentrating only on work in the formal labour market tends to ignore the valuable contribution that older people make in work in the informal sector (e.g. small-scale, self-employed activities and domestic work) and unpaid work in the home.

There are numerous cases in which employment is considered alongside other key factors for active ageing. A 'positive attitude towards life', 'success of adult children', and 'relationships with others' are identified as key factors for in the well-being of older people (Chung and Park 2008; see also Yang, Y. 2010) along with material or social success (Kirk and Rittner 1993; Son and Jung 1999). The successful experience of local labour market policy in Vienna, Austria, demonstrates that it is essential to organise local resources from short-term based labour market programmes (e.g. job search) to long-term based preventative measures for supporting employees in developing their human capital (Atzmüller 2009; Bonvin and Farvaque 2003).[4] Thus, in terms quality of life in older age, while economic circumstances are still the most essential factors, other diverse aspects such as psychological well-being, health, social relations, support, leisure activities, and mobility, are also significant (Mollenkopf and Walker 2007).

The criticism of the work-focused approach can be understood from the life-course perspective. Cooke (2006) argues that current active ageing policies are often overwhelmingly focused on the later period of the life course, which prevents policymakers

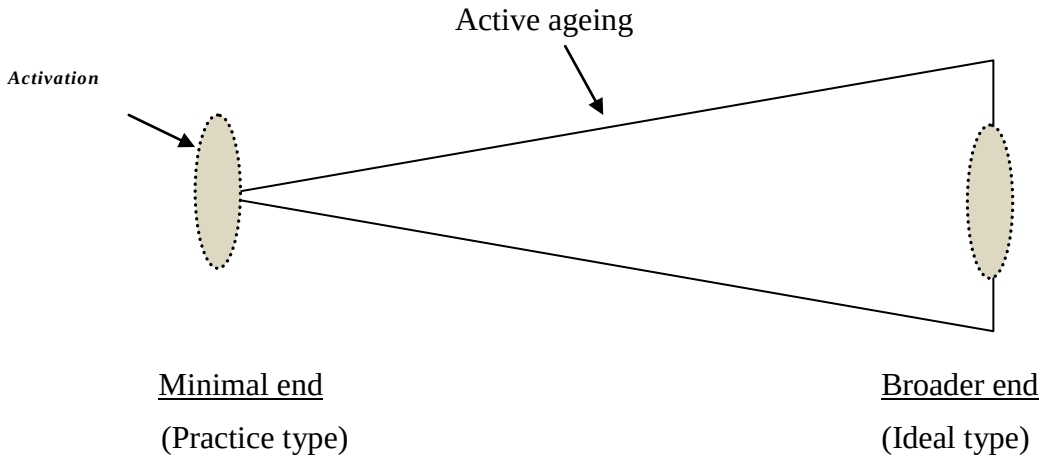
from linking the interconnected policy areas from work to education, family, and health. Thus, simple work-focused approach, which is not based on the life-course perspective, is likely to fail to obtain its declared policy outcomes of increasing labour participation of older workers. In addition, active ageing should be recognised as that which 'requires good quality paid employment and social protection to guarantee living standards and access to resources: income, education, healthcare, social services, environment, public health, personal safety, and so on' (Walker 2006b: 72). Securing the human rights of older workers enables them to remain healthy and cut the health and social care costs on the one hand, and remain in employment longer and reduce pension costs on the other hand (Stenner *et al*. 2011). Consequently, I would argue that if active ageing policy is adopted as a limited term of activation,[5] or simply with a strict focus on employment, it can be a distorted construct which merely stresses the importance of working longer in older age. Even though the philosophy of active ageing is much more diverse, being based on and supportive of human rights (well-being), the specific implementation of active ageing policy is likely to lead to a limited focus on employment that cannot ultimately provide any guarantee of health or longer employment.

The Varied Interpretations of Active Ageing

There are two differing interpretations of the concept of active ageing: one is narrowly constructed, and the other is much more comprehensive. The differentiation is useful for a conceptual understanding of the varied range of active ageing, especially in comparison with the term of activation.[6] In the former, active ageing is understood as a small part of the overall activation of older workers. In this approach, active ageing is regarded as limited in implementation and only means making people work longer. Such an approach can be appreciated for the 'realistic' scope and perception of active ageing, because there are widespread policy trends that overwhelmingly emphasise active labour market participation of older workers. On the other hand, when we focus on its wide range of policy areas, active ageing can be understood as a broader term which stretches beyond a narrow interpretation of activation. Even if we accept the limitations on its implementation, the potential and ideal dynamic of active ageing is not necessarily considered as a restricted, specific aspect of activation. If we take this broader approach, the aforementioned various policies can be regarded as closely related.

It should be also noted that these two interpretations of active ageing are ideal types formulated on the basis of theoretical argument and empirical observation, and, as such, do not exist in such extremes. In the real world, there are many variants between these two ideal types. A broader understanding of active ageing lacks, and it behoves to call them 'ideal types' rather than 'realistic types'.[7] In this sense, Figure 3-1 is useful to illustrate the interpretation of active ageing policy between the two extreme perspectives. From a minimal approach (on the left), it simply means making older people work longer and can be seen as a subset of activation policy. When it continues towards the broader end (on the right), it is a comprehensive approach. This ideal type of active ageing is not just about the labour market, but also health, housing and others. Here active ageing is clearly understood in terms of the diverse aspects of older people's lives with particular focus on employment in the labour market on the basis of a distinction between activation and ALMPs. This alternative, broader perspective is important when we review what should be key values of an active ageing strategy.

Figure 3-1: Varied Understanding of the Concept of Active Ageing



Politics in Older Age

In terms of the politics of older people, there is a strong relationship between public policy and older people, especially in Europe (Walker 2009). During the economic boom following the Second World War, the welfare state was established in every Western European country with a focus on social security for older people. Two contrasting results of public policy ensued for older people. The positive outcome was, of course, the improvement in older people's way of life. More and more older people lived longer than their predecessors in

better health and financial condition. The negative consequence was that welfare provision partly rendered them economically and socially fragile and dependent and created a strong basis for stereotypical ageism in society (see Chapter One and Two). This ageist view, along with the welfare crisis after the economic slump in the 1970s was an important factor in the emergence of neo-liberal ideology, which was likely to deny the active role of the welfare state for the quality of life in old age.

Under these outcomes, the civil movement for older people emerged in the 1980s (Walker and Naegele 1999). On the one hand, welfare retrenchment, especially social security cuts in old age based on an ageist view and neo-liberal ideology, mobilised older people in political arenas and led to the establishment of many new organisations for and by older people. Political movements and demonstrations against social welfare cuts in pensions and social services have increased since the 1980s. Moreover, the increasing number of older people in better health contributed to their collective capability to organise and gave a strong voice to politics. The newly established politics of older people gave the opportunity for them and their NGOs to participate in the policymaking process. For example, in a response to the increasing demand from older people, many advisory committees in government became open to older people owing to strong policy recommendations (Taylor 2008; WHO 2002; EC 2006; DWP 2009b). The case of the Korean civil movement for older people is discussed in Chapter Nine. Consequently, there has been strong relationship between public policy for older people and civil movement in older age. Public policy has been a key factor for civil movement of older people, which in turn contributed to the policymaking on ageing. Such interaction promotes the existence of a virtuous circle between them. It is necessary to build a strong partnership between social actors in order to foster an effective and comprehensive approach towards active ageing (Taylor 2008: 14). The voice of older people through their political or civil participation is also significant for showing their status and needs. Thus, there is a strong need for interaction between these social actors with a focus on comprehensive strategy for active ageing.

The Strategy of Active Ageing

Based on a comprehensive interpretation of the concept of active ageing, this section investigates a more instrumental approach for implementing a policy of active ageing. It is necessary to bridge the conceptual discussion of active ageing and the more practical aspects

of active ageing. As proposed by Walker (2006a: 86), a comprehensive interpretation of active ageing leads to a strategy of active ageing based on 'comprehensive, preventative and participative' principles.

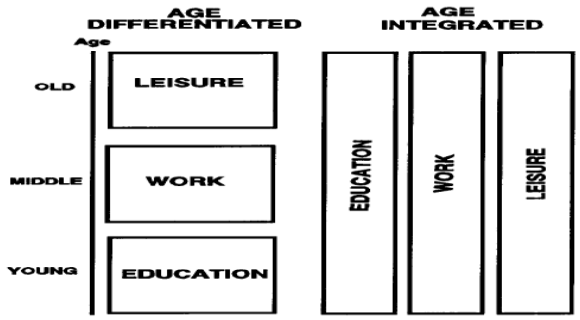
Firstly, every facet of our lives and policy areas is inextricably related to each other, and the strategy for active ageing should be based on this relationship. In the European Union Framework, a comprehensive active ageing strategy was tasked with challenging the European Commission's own traditional administrative partition, and a joint review of two important EU policy guidelines (the Broad Economic Policy Guidelines and the Employment Guidelines) was recommended. There were two concepts of policy action proposed in the UN's Madrid International Plan of Action on Ageing (MIPAA). The first is 'ageing-mainstreaming', in which the issues of active ageing should permeate into all of key national policy plans (UN 2002b: 8). The second one is 'ageing-specific' in which policies are designed to deal with the needs of older people (Sidorenko and Walker 2004: 155–6). These two policy approaches are distinct because encompassing numerous policy measures allows us to maximise the outcome of active ageing policy (Cabinet Office 2000). Despite many ambitious national plans for active ageing (OECD 2006a: 131–3), they have hardly succeeded in integrating related policy areas (Comptroller and Auditor General 2003). Although some local governments and communities have been actively involved in local partnerships to develop services for older people in local areas (NAO 2007: 9–10; Sullivan and Warren 2007), a coherent 'joining-up' of related governmental departments was still unsatisfactory as many public agencies were not always connected with related ones under a well-coordinated policy framework (Audit Commission and Better Government for Older People 2004; DWP 2005). Several key elements are listed by the National Audit Office (NAO): strong leadership, often by high-ranking personnel; new skills and incentives to work together; resolute funding schedules; and coordinated programmes (Comptroller and Auditor General 2003: 6). Beyond this 'managerial' advice, Walker (2009: 90) points out that the existing, narrow economic perspective on ageing should be replaced with a new approach 'to reorient active aging discourses … to a broader, more comprehensive' way. Again, it can be argued that the failure to coordinate the full capacity of society towards active ageing is fundamentally inappropriate due to the simple employment-focused perspective.

Secondly, the comprehensive approach to active aging proposed in this chapter is, logically and practically, related to another aspect of active ageing, 'participation'. By its

very nature, active ageing calls for advantage to be taken of the full capacity of society and older people, meaning that a wide range of social actors concerned are required to actively engage in policymaking and implementation process. As the UK government developed its policy response to population ageing from the late 1990s, several attempts were made to promote policymaking participation. An Inter-Ministerial Group on Older People was firstly launched to coordinate the government's main initiatives (DWP 2009a). The Better Government for Older People (BGOP) was set up in 1998 to supervise 28 research projects for the engagement of older people in service delivery (Reed Business Information Limited 2009). The BGOP also established an Older People's Advisory Group for hearing their voice directly. In 2001, the Inter-Ministerial Group was replaced by an official Cabinet Sub-Committee on Older People chaired by the Secretary of State for Work and Pensions to develop the government's strategic plan for older people.

Thirdly, 'a preventative approach' based on a life-course perspective is essential to understanding and implementing active ageing policies. Above all, it is clear that human ageing, especially in older ages, can be better understood from the whole life-course process . All aspects of our human life, including health, behaviour, financial environment, and employability, reflect the characteristics of our younger ages. From the life-course perspective, it is important to acknowledge the transformation from the existing 'age-differentiated society' to a new 'age-integrated one' (Riley 1994) (Figure 3-2). The age-differentiated structure is composed of the three basic, inflexible age boxes (education for young age, work for middle age, and leisure or retirement for older age). The anticipated role for each age stage does not allow people to keep a balance between education, work and leisure. The dilemma is that persons, families and a society do not use their whole capacity, but waste excessive time for the specific role at the specific ages. This modern age structure cannot correspond to a changing society and economy. As an alternative type, an age-integrated structure has been proposed, in which role opportunities in all age boxes are open to people of all ages, allowing people to enjoy their time and resources to maximise their well-being or to support family by optimising their portfolio selection among education, work and leisure, such as mature students having returned to higher education from full-time work and middle-aged women workers combining part-time work and childcare.[8]

Figure 3-2: Riley's Types of Social Structure



Source: Riley (1994: 445)

In conclusion, the three dimensions of active ageing strategy discussed in this section, are equally important to establishing and implementing active ageing policies. A comprehensive approach to active ageing is essential to containing all meaningful aspects of human ageing and related services for older people. Based on an understanding of the dynamic relationship between public policy for older people and their own civil movement, active engagement in the partnership is another key factor in the active ageing strategy. Last but not least, any preventative measures influencing the well-being of older people should be considered from a life-course perspective.

Employment Policy for Older Workers

Based on the interpretation of active ageing as a concept and strategy in the previous sections, this section investigates the real aspect of active ageing policy. Active ageing policies are broadly divided into two groups. The first includes policies, directly or indirectly, related to older people in the employment area. The main focus here is on the ALMPs, which are usually classified into three main types (Robinson 2000: 17): the PES for matching jobseekers with vacant jobs in the labour market; training and education for improving the skills of the workers; and subsidised employment schemes. With regard to the ALMPs, there are three main approaches to the understanding of the labour market failures (Daguerre 2007: 4-6). The first one is a Scandinavian social-democratic tradition-based Human Capital approach, which stresses individual obstacles to employment, such as professional ability shortage, and focuses on labour market training and education programmes for improving jobseekers' employability. The second one is a Work First approach. This comes from the liberal tradition, in which unemployment is understood as a voluntary one due to a

behavioural issue rather than a systematic market failure. In this individualistic approach, financial incentives and disincentives are regarded as important for a quick return to paid work (a stick and carrot approach), and one of the main instruments is the PES. The third one is a Social Integration Approach, rooted in the French tradition, in which the state is an employer of temporary subsidised jobs for increasing social integration of the vulnerable workers caused by the structural problem in the labour market. These three approaches will be applied to the analysis of the Korean ALMPs for older workers in Chapter Six. In addition, from a more comprehensive perspective, anti-age discrimination policy also can be included in this group. These policies are traditionally at the boundary of the employment or employment-related organisations of the government. The other group is traditionally categorised as non-employment policies, such as health and transportation policy, which are also associated with improving the well-being of older people (other examples are policies for community participation, information and technology, and so forth). These areas of policies are not usually under the jurisdiction of employment departments in the government.[9] Given the specific background and aims of this research, it is the first group which is of particular interest in this thesis, to which I will now turn.

Active Labour Market Policies for Older People

Public Employment Service

The PES usually plays a comprehensive role in ALMP service provision. In addition to the traditional role of job matching and placement and unemployment benefit office (the first type of ALMPs), the PES gives customers information on training and education opportunities (the second type of ALMPs) and places job applicants in publically-funded jobs (the third type). Empirical studies among the OECD countries show that personalised assistance for job search along with the rigid conditionality systems is the most cost-effective programme among all ALMPs (Daguerre and Etherington 2009). Since the 1990s, an individual action plan has been introduced as a centre of the service to promote the beneficiaries' compliance with programme requirements and their self-esteem. In this regard, sufficient numbers of committed and highly qualified personal advisors are essential not only for PES performance but also the overall success of ALMPs (Lindsay *et al*. 2007).

High-risk groups including older workers should be given particular attention by the PES. Without careful attention by the PES they are likely to drop out of the programmes

(Daguerre and Etherington 2009). Older workers, like other 'hard-to-reach groups' are likely to have complicated obstacles to employment, such as a low level of self-esteem and skills. They may also have difficulties in mobility and the burden of caring for other family members which prevents them from getting access to the PES services. Thus, the PES should introduce more flexible support packages for people with multi-faceted requirements. Older people are classified as one of a specific target group (Nunn *et al*. 2009), and prioritised support based on individual profiling system has been developed (Tergeist and Grubb 2006). The PES has the mission to provide coordinated support with various measures to older workers with various difficulties, such as ill health, low certification, and low confidence. However, it is clear that PES service levels for older workers are still very low (TAEN 2009: 6), which clearly reflects a low priority given to older people in the PES.

Training and Education Programmes

The twin aim of training policy is not only to increase the possibility of getting jobs, but also to provide them with skills to compete for higher quality jobs and thereby enable them to get higher earnings. From the Human Capital approach of ALMPs, individual barriers to employment exist largely because of the low qualification of their skills (Daguerre 2007). However, despite its importance not many countries invest sufficient resources to the labour market training programme. The expenditure on training programmes by the UK government significantly decreased from 0.35 per cent of GDP in 1990 to 0.02 per cent in 2008, while PES spending increased from 0.18 per cent of GDP to 0.27 per cent over the same period.[10] As far as the Western European countries are concerned (EU 15),[11] the proportion of labour market training spending fell from 40 per cent in 1997 to 35 per cent in 2003 (Daguerre 2007: 155). The European Labour Force Survey 1997 shows that the participation rate in education and training for those aged 50–64 is highest in the Scandinavian countries (Sweden, Denmark, Finland) and the Netherlands (Cabinet Office 2000: 63), where the Human Capital approach is stressed. The reasons for the low investment on labour market training are low post-employment rates based on an empirical study (OECD 2005) and overwhelming focus on a short-term Work First approach rather than long-term education and training for disadvantaged groups (Lindsay *et al*. 2007).

With regard to older workers, the UK government has invested disproportionately on training programmes for different age groups (Cooke 2006). The New Deal 50 plus

programmes for older beneficiaries do not provide direct financial assistance for participants. By contrast, the New Deal for Young People provides full support for participants (Wilkinson 2003). There are many ageist prejudices in workplace training. For example, that older workers learn more slowly than younger workers, that older workers do not want job training, that older workers are unable to grasp new technologies, and, moreover, that older workers cost more to teach (Moseley and Dessinger 2007). However, these beliefs are not grounded in empirical research (Casey 1998). Training programmes should therefore be delivered to all workers in terms of more flexible measures for all age groups according to their skills, aspirations and needs, and life-long learning should be centred on the key principle of training policy (Cabinet Office 2000).

Subsidised Employment Schemes

Publicly funded employment programmes for high-risk groups can be classified into two types (Robinson 2000: 17). Firstly, there is a work programme in which jobseekers are placed into job posts provided by public or voluntary agencies (usually funded by the state). This job-creation scheme is the most traditional kind of ALMPs. Until the early 1980s, employment policies were usually based on such demand-side programmes in order to address temporary unemployment due to the business cycle (Peck 2001). In most of the Western European countries, there was a considerable reduction in expenditure on direct job creation schemes except for France, which was influenced by the Social Integration approach for ALMPs (Daguerre 2007). The New Deal programme, the representative ALMPs of the UK, was characterised by its overwhelming focus on the supply-side based Work First approach, in which the traditional Keynesian-style job creation programmes were phased out.

Secondly, as an alternative measure, financial incentives have been introduced in order to encourage private, or in some cases public, employers to hire jobseekers of the target group or retain them (Robinson 2000). The OECD's empirical study shows that subsidised work placements have good post-employment results only if implemented with on-the-job training and other proper measures (Daguerre and Etherington 2009). Contrary to direct job-creation programmes, the proportion of employment incentives in ALMPs spending increased from 15 per cent in 1998 to 20 per cent in 2003 in the EU 15 counties (Daguerre 2007: 155). The main weakness of this programme is that it requires a huge amount of public spending. Despite its long history, the role of the subsidised employment scheme has steadily

decreased (Robinson 2000). The effect of employment programmes is generally criticised for its side effects, such as deadweight, displacement and substitute effect (OECD 2006a: 112–3).[12] The alternative proposed is that it should not be based on age alone, but aimed more carefully at the older long-term unemployed or at older low-income workers. Despite these negative effects, recent statistics show that the position of subsidised employment programmes in ALMPs has steadily increased in the European countries except for the UK, where it fell sharply from 10 per cent to less than 2 per cent between 1998 and 2003 (Robinson 2000:18).

Subsidised employment has an additional but more fundamental problem. In order to avoid the displacement effect on regular economic activity, jobs provided by public schemes are usually low paid, often with short-term contracts in specific areas such as environmental work and social and community services (Robinson 2000). The jobs are estimated to have marginal social and economic value, especially in the area of welfare-related public service. Older jobseekers with low reserved wage levels are likely to take on this kind of work.

Anti-Age Discrimination Initiatives

As proposed in Chapter Two, age discrimination in the workplace plays a big role in the exclusion of older workers from the labour market. Anti-age discrimination policy is therefore fundamentally based on the human rights of older workers who have an authentic right to be fairly treated by their employers irrespective of their age. Various policies have been introduced to change employers' stereotypical attitudes based on chronological age. Two broad approaches can be found (OECD 2006a: 104–10). One is a non-compulsory approach via public campaigns and guidelines, the other is anti-age discrimination legislation.

Information Campaigns

Many governments have instituted information campaigns to address age discrimination in the workplace as well as ageist culture in society (OECD 2006a: 104–7). Along with the public campaigns on age awareness, there is widespread specific guidance for age management in the workplace. Various social partners such as employers, trade unions and older people's organisations, are closely engaged with government campaigns. Since the late 1990s the UK has led an information campaign (OECD 2006a: 106) called 'The Code of Practice on Age Diversity in Employment' which was established via a consultation process

with social partners in 1999. However, policy evaluation surveys showed limited effect (Employers Forum on Age 1999; Education and Employment Committee 2001; Goldstone and Jones 2001). The scant success of the information campaign was followed by the more determined Age Positive campaign in 2001. Age management in the workplace based on the principle of age diversity was backed by various activities, such as research, publications, press releases, seminars, and workshops. The '2012 European Year for Active Ageing' proposed by the European Commission was a vigorous campaign across the Europe, in which older people's increasing participation of labour market and society was emphasised along with independent living for older people (European Commission 2010; 2012).

Anti-Age Discrimination Legislation

With the accession of new European Union member states after 2000 and 40 years after the Age Discrimination in Employment Act (ADEA) 1967 in the United States, the majority of OECD countries have the anti-age discrimination legislation (ADL) (OECD 2006a: 105). Arguments have been made both for age awareness campaigns and regulations as the best response to age discrimination. As noted above, information campaigns did not succeed in changing employers' attitudes. In the UK, after a keen discussion between 'a soft law' approach and 'a legal binding regulation' approach in the late 1990s (Macnicol 2006), the turning point was the European Council (EC) Directive on equal treatment in the workplace.[13] According to the Directive, equal treatment legislation based on age had to be implemented by December 2006 (Cabinet Office 2001).[14] After a long debate between different social partners and the ministries, the Employment Equality (Age) Regulations finally came into force on 1 October 2006. Under the Equality Act 2010, which replaced previous anti-discrimination regulations with a single Act, most public sector organisations including government ministries and schools must publish information on their compliance with the equality regulations every year (Government Equalities Office 2011).[15]

There are many studies on the effect of the ADEA 1967 in the US. Although there is no overwhelming evidence, economics-based research show a statistically positive relationship between the ADL and older workers' employment (Neumark and Stock 1999; Adams 2001). In particular, it is claimed that the act stimulates employers to place more long-term commitments on older workers, and so strengthen long-term relationships between employees and their organisations (Neumark 2003). However, there are also critical views on

the regulations. It can be proposed that, in a certain situation, the regulations, be they legislative or administrative rule, may produce unintended results. In other words, regulations which aim to increase the employment of older workers can reduce the quantity of employment mainly due to employers' response to the regulation. Furthermore, it is worth noting that discrimination is generally hard to prove. As discussed in Chapter Two, employers' discriminatory behaviour usually takes the form of neutral provision, particularly indirect discrimination. Thus, the plaintiff in a legal case (usually the employee) is not likely to submit effective evidence. Here, more detailed-description can be suggested, but stricter rules can make it harder due to employers' more covert and 'clever' escape.

Global Factors behind Active Ageing Policies

The purpose of this section is to investigate the meaning of active ageing with a specific focus on the global ageing discourse. In order to address the third research question on the influence of IGOs on the active ageing policies in individual countries, this section deals with the way in which active ageing discourses have been applied by some leading IGOs, and examines how their policies are competing with each other to influence individual countries' ageing policies.

In this thesis, globalisation has two meanings for the development of active ageing policies. First of all, it is 'neo-liberal economic globalisation' that has made a huge impact on the lives of older workers across the world (Walker 2005b: 817). As global mobility increases, employers search all over the world for 'younger, cheaper and skilled labour forces', with a negative effect on the older worker's employment prospects (Taylor 2008: 210). Secondly, as globalisation deepens, the increasing power of some IGOs such as the OECD and the UN has exerted a considerable impact not only on individual countries' labour markets but also their ageing policies (Walker 2005b). As Orenstein (2005: 177) argues, active ageing policies and specific pension policies are covered by 'policy communities' increasingly open to global influence and interwoven by 'global policy actors' from IGOs to multi-national companies and professional associations. Their roles are to review existing policies, suggest policy recommendations, and/or take part in policy implementation in individual countries, thereby helping them promote their own positions and spread their policy frameworks and discourses across the world.

Active ageing policies are usually implemented on a national basis, but may also be viewed from the global perspective shaped by global policy actors (the case of pension policy in Orenstein 2005). As discussed above, when ALMPs emerged as one of the alternative tools against early retirement in the 1990s, the IGOs played a key role in spreading specific programmes and policy discourses on active ageing in individual countries (Daguerre and Etherington 2009). Much like the pension policy as a 'global social policy' (Jung, C. L. 2009: 7-8), active ageing policies also have evolved in the globalised context by the efforts of certain leading IGOs. As argued earlier, different and often contrasting perspectives on active ageing policy are found in global institutions. Two distinct ageing discourses are pursued by the leading IGOs (Deacon 1999, 2007; Walker and Deacon 2003; Sidorenko and Walker 2004; Jung, C. L. 2009). One is a narrowly focused economic view of productivist ageing discourse, usually found in the OECD, the World Bank and the IMF. The other is a comprehensive active ageing discourse that places more weight on social values, commonly seen in the EU, the International Labour Organisation (ILO), and the UN.[16]

The UN and the WHO

As leading international organisations, the UN and the WHO have had a significant influence on the development of ageing policies. Both organisations have a similar perspective on ageing issues, characterised by comprehensive, participative and preventative views on active ageing.

The UN has made a significant contribution to the world ageing discourses and policy responses. In particular, since the UN adoption of the MIPAA at the 2002 Madrid World Assembly on Ageing, economic security in old age has been emphasised across the world by some IGOs (e.g. the EU and the WHO). The main purpose of the MIPAA was to directly introduce global policy action on ageing based on a systematic framework for active ageing, which stressed the four dimensions of 'individual lifelong development; multigenerational relationships; the interrelationship between population ageing and development; and the situation of older persons,' and underlined 'efforts to integrate the issue of ageing in all sectors and foster opportunities integral to all phases of life' (Paragraph 11, UN 2002b: 7). As a developmental guide, the MIPAA proposed highly organised policies to be implemented, which were three priority directions, eighteen priority issues, 35 objectives, and 239 recommendations for action. Proposals were complemented by a systematic implementation

process including monitoring and evaluation (Sidorenko and Walker 2004). After the Madrid Assembly, crucial advances in ageing policies were made in a number of regions.

The WHO is also a key international contributor to active ageing policies. Based on scientific research, the WHO (2002) promoted the aforementioned definition of active ageing which thereafter influenced the ageing discourse among academics as well as official organisations from states to IGOs. A particular contribution has been made in changing the ageing paradigm from the previously predominant productivist ageing discourse to a new active ageing discourse. Using its comprehensive policy framework, the WHO promoted a linkage between employment, health and participation which constitutes the three pillars of its framework for active ageing (WHO 2002: 45).

However, the UN and the WHO had less impact with respect to practical influence on individual governments' ageing policies. It is cautiously assumed that the UN and the WHO did not permeate successfully, especially in developed countries. Despite the fact that the UN is a leading international political organisation as well as the main social policy agency, it can be claimed that the content of the Madrid Plan did not successfully influence global ageing discourses. In addition, given that the Plan has various kinds of useful policy content based on systematic implementation and monitoring processes, it is worth asking why it is so unpopular. This is also the case with the WHO. In spite of its contribution to the concept and strategy of active ageing using the comprehensive life-course perspective, the WHO also seems incapable of influencing policymakers in individual countries.

Several explanations are possible for this unpopularity. First, it can be assumed that the capacity of the UN is well behind that of the competing IGOs, such as the OECD and the World Bank. IGOs have different capacities to influence individual countries' public policies in terms of available instruments (Deacon 2007), including financial resources, human resource capacities, knowledge base, and, what is more important, planning and coordinating abilities to organise international trends. The capacity issue does not detract from the quality of MIPAA and the resulting UN policy documents for active ageing. Instead, the implication is that the UN has not been able to effectively organise its resources to persuade its member states to follow its guidelines. Second, contrary to the earlier Vienna Plan focusing on economically and demographically 'advanced' countries, the MIPAA focused on developing countries, which might explain lower interest in many developed or semi-industrialised countries. This argument can be approached by another form of question. If key policymakers

in individual countries have a neo-liberal biased perspective, they would presumably be unlikely to adopt the UN's ageing discourse which is characterised by a more social rights-based and comprehensive approach than that of the economic-biased IGOs, such as the OECD. Given the limited evidence available on active ageing, the assumptions regarding lack of UN and WHO influence are not tested here. These assumptions will instead be examined in Chapter Eight on the specific Korean case study.

The European Union

Despite being regarded as an organisation with a comprehensive approach to active ageing, the EU has also experienced the two competing views on active ageing in developing its ageing discourse since the 1990s: 'a narrow productivist one focusing wholly or mainly on employment and a more comprehensive one' (Walker 2009: 83). On the one hand, the EU clearly supported a comprehensive perspective on active ageing policy (e.g. Kok 2004; European Commission 2006). However, a broad aspect of active ageing was not fully carried out in EU policy. On the other hand, an increased employment rate has been an invaluable target of the EU policy since the Helsinki Summit in 1999. This shows its inherited productivist perspective on ageing discourse. The employment-centred policy discourse on ageing can be well understood from the overall EU framework on ALMPs (European Employment Strategy in 1997). While the advice of the OECD is characterised by a more traditional 'supply-side' interpretation, as Casey (2004: 340) argues, the European pursuit of 'employability' cannot be viewed solely from the supply-side perspective. In the European commitment to 'active welfare state', rights are balanced by obligations, and the role of social partners is heavily stressed in the policymaking process. Thus, dynamics, compromise or balanced attitudes between these two paradigms are key terms to understanding the evolution of active ageing policy in the EU.

There are various interactions among leading IGOs and the EU over ageing policies (Walker 2009). In the first place, it was the WHO that influenced the EU. The UN also had a considerable impact on European countries via the Madrid World Summit on Ageing. On the other side of the ageing discourse, it was the OECD that had a lively interaction with the EU, with particular focus on its economic viewpoint. First, the OECD's supply-side approach has increasingly been popular in the EU policy discourse. In particular, the negative view on ageing from the OECD was influential on the EU's ageing policy. The rhetoric of the 'burden

of ageing' has spread among the European policymakers. For example, a strong focus on the reduction of public PAYG systems and occupational defined-benefit pension schemes from the World Bank and the OECD was attractive to many political leaders and civil servants in public finance. Second, the Work First approach towards ALMPs was present in the European ageing discourses. Financial incentives and disincentives based on the behavioural understanding of human activities are widely accepted by EU policymakers. Conversely, despite the emphasis on balance and variations across countries, the Human Capital approach and the Social Inclusion approach have been reduced in the policy discourse on ALMPs and active ageing in the European region.

The OECD

As argued above, the OECD is one of the leading IGOs in the area of ageing discourse based on the productivist approach. It is regarded solely as a coordinating agency or think-tank for its member states (Casey 2004). Unlike the EU, it does not define itself as a political organisation, and therefore has neither autonomous budget nor sanctions. Its influence stems from the reliability of its analyses. Its recommendation can have moral power to implement in the individual member states, but no financial incentives to support the recommendations can be offered. In this regard, questions arise as to how and why OECD policies have been popular in many countries. It can be assumed that the credibility of policy recommendations, or organisational or personal familiarity with OECD policy trends is one of the main reasons, and that there may be significant factors within each country favouring OECD policy. These assumptions will be discussed in Chapter Eight on the influence of the global policy actors in Korean active ageing policy.

The ILO and the World Bank in the Pension Policy

The ILO and the World Bank are seen as two representative competing organisations in the area of global pension policy (Orenstein 2003, 2005). After the Second World War it was the ILO which took the lead in international pension policy discourse, in which the PAYG state pension was favoured. However, since the 1980s, the World Bank has had a dominant role in formulating multi-pillar pension reform, replacing the existing PAYG state pension with systems of privately managed individual accounts on the basis of the strong neo-liberal philosophy (Orenstein 2003; Deacon 2007). Contrary to the ILO, the World Bank (1994)

emphasises that the pension system should not only help older people but also the broader economy by way of savings (Jung, C. L. 2009).[17]

Standing (2008) argues that, despite having a strong instrument in setting international labour standards,[18] the ILO as a leading global institution has not succeeded in adapting itself to the changing globalised world mainly due to its low capability as a knowledge agency. Compared to the ILO's poor record, the World Bank has had a huge impact on the New Pension Reforms as one of the key global advocacy coalition actors since the 1990s (Jung, C. L. and Walker 2010; Orenstein 2005, 2008). Orenstein (2005) illustrates the way in which the World Bank-led global advocacy coalition has changed the pension policy of every government. The New Pension Reforms originally started with the Chilean model in the early 1970s. Chilean economists trained as hard-line market-oriented policy advocates in the neo-liberal 'Chicago School' radically changed their public pension systems with the help of US economists, and the United States Agency for International Development (USAID). In the 1990s, as the World Bank emerged as an influential advocate for pension reform agenda (World Bank 1994), it successfully launched an international pension policy campaign by forming a global policy advocate coalition composed of neo-liberal economists, US government agencies or US-sponsored organisations (e.g. the Inter-American Development Bank), and other international governmental organisations (e.g. the IMF). This global policy coalition played an important role in new pension policy diffusion by delivering its resources and giving legitimacy to new policy ideas. Various measures were mobilised: scholarship for students worldwide; technical assistance (seminars, conferences and publishing); and long-term loans for smooth transition. In conclusion, in terms of intellectual power and coordinating capacity of global policy actors, the World Bank has had much more appeal to policymakers in many countries than its competitor. In addition, there were internal factors favouring the spread of the New Pension Reform idea, such as business interest, academics trained in various social sciences in the US neo-liberal tradition as well as economics, and civil servants and political advisers likely to be influenced by the dominant ideas together with interest in society were among main players.

Interactions between Internal and External Forces

This section has discussed how IGOs have served as global policy actors in the area of active ageing, and how the two contrasting paradigms have competed with each other. Internal

factors in individual countries as well as the external influence of the IGOs are important in the development of the welfare state (Barbier 2001). Likewise, it can be argued that as an individual country's ageing policy has increasingly assumed a global form, there may be dynamic interactions between policymakers in nation states and IGOs in the area of active ageing policy. However, there is not enough evidence or existing research on this issue except for the pension policy of the World Bank and the ILO. The exchanges between the IGOs and the Korean policymakers will be examined in the Chapter Eight.

Conclusion

This chapter has discussed the conceptual and practical aspects of active ageing. The need for a comprehensive understanding of active ageing is the most important point, while the limitations of focusing only on the labour market should be recognised. In particular, this broad perspective on active ageing is based on a balanced approach between economic and social needs. The key strategy of active ageing is a comprehensive, participative, and preventative approach. On the basis of an understanding of the concept and the strategy of active ageing, this chapter examined the actual development of active ageing policy with a focus on the employment arena. The main point is that a comprehensive and life-course perspective is essential, and that a balanced approach between employment and other policy areas should be emphasised. With regard to the role of several IGOs on active ageing policy, there has been a vigorous contest between two contrasting ageing discourses. It is proposed that studies contained in this chapter point to the core of this thesis which concerns internal factors in the nation state and the interaction of these with global agencies on active ageing.

Notes

[1] It is necessary to differentiate the term 'productivist approach to active ageing' and 'productive welfare regime'. The first is used to identify a specific perspective towards active ageing, which overwhelmingly focuses on the issue of employment of older workers. The second one is used to describe a particular welfare regime, in which social policy is used as an instrumental measure for economic growth or political stability (Kwon, S. and Holliday 2007). Given the importance of the issue of economic growth and employment in the labour market, these two terms are very similar, but their meaning should be differentiated. Chapter Eight contains discussions on the changing welfare regime in Korea from the perspective of active ageing policies.

[2] In contemporary sociology, 'social institution' is used to refer to complex social forms that reproduce themselves including governments, the family, human languages, universities, hospitals, business corporations, and legal systems. As Giddens (1984: 24) says, 'Institutions by definition are the more enduring features of social life' (Available from: http://plato.stanford.edu, accessed on 13th September 2010).

[3] The Trade Union Advisory Committee (TUAC) and its counterpart, the Business and Industry Advisory Committee (BIAC) are the main social consultative partners in the OECD.

[4] In 1995, the Vienna Employee Support Fund (WAFF; Wiener ArbeitnehmerInnen Förderungsfonds) was established for addressing increasing labour market attachment under the economic and environmental change and for rebuilding local labour market policies in Vienna, Austria. One of the main aims was to implement more preventative local labour market policies under the coordination of the Austrian Public Employment Service. Atzmüller (2009: 602) suggests that a limited stress on workfare policy is not equal to coordinating economic demand with social inclusive demand of local labour forces and that a new institution building for coordination of a wide range of labour market policies is essential. From this case study, he also argues that the narrow understanding of workfare strategy should be expanded to 'a productivist reordering of welfare systems' (Atzmüller 2009: 602). See also http://www.wien.gv.at/arbeit/waff/

[5] Among different definitions (e.g. Walker 2005: 303; Lindsay 2001: 37; Daguerre 2007:10), the definition of Heikkilä (1998) is used in this thesis. First of all, the concept of activation is applied to the labour market context. On the one hand, as a limited meaning of 'a positive, non-financial incentive or opportunity offered to unemployed people' (Heikkilä 1998: 8), it is a similar term of ALMPs. On the other hand, activation can be seen as a more comprehensive concept including both the narrow meaning and the punitive sanctions, such as a temporary denial of benefits or a decline in benefits (Daguerre 2007: 10). Secondly, 'activation' is used in other broader contexts such as social integration. In this thesis, activation is used by the first labour market-focused perspective.

[6] In terms of the abstract unit, it is less logical to compare the 'concept' of active ageing and activation 'policy' because these two are not on the same abstract level. In my argument, an activation 'policy' for older people represents a kind of active ageing 'policies' specifically implemented to attain the status of the 'concept' of active ageing.

[7] Ideal types, originally raised by a German sociologist Max Weber, refers to a typological term stressing specific characteristics of the given social phenomena, and does not intend to match all of the characteristics of any specific case (Calhoun *et al.* 2007: 211–17).

[8] Based on Riley's age integrated society model, an ambitious new life-learning strategy was introduced by a Korean institute (Lee, W. D. *et al*. 2007), which will be discussed in Chapter Six.

[9] The Department for Work and Pensions (DWP) in the UK as well as its counterparts in other countries like Japan and Germany takes charge of both pension and employment policies.

[10] Source: OECD.StatExtracts. Available from: http://stats.oecd.org [Accessed on 23rd January 2011].

[11] 'EU 15' refers to some member states in the EU before the accession of ten candidate countries on 1st May 2004: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom (OECD 2007b).

[12] A deadweight effect of the employment subsidy is a negative outcome which some recipients would have found jobs without the subsidy. The subsidy also has the possibility of 'displacing' jobs in other enterprises in the larger economy or may 'substitute' other jobseekers.

[13] The Directive is officially known as the 'Council Directive 2000/78/EC of 27th November 2000 establishing a general framework for equal treatment in employment and occupation'. Source: European Union. Available from: http://www.europa.eu [Accessed on 13th October 2011].

[14] Source: http://europa.eu.int/eur-lex/en/lif/dat/2000/en-300L0078.html

[15] Source: Stationery Office. Available from http://www.legislation.gov.uk [Accessed 28th September 2010]. It is illegal for employers to make decisions based on age in the area of recruitment, selection and promotion at the workplace, if their discriminatory action lacks 'objective justification'. The age of 65 is considered as a default retirement age, and compulsory retirement age of 65 would not be regarded as a discriminatory act (Filinson 2008: 226–7).

[16] However, this classification is based on the ideal type of these two views. That is to say, in reality, there are contrasting perspectives found in each organisation. For example, even though it emphasises the principle of social inclusion, the EU also stresses the employment aspect of its strategy.

[17] The traditional social security pension system is based on state and/or employer administration, PAYG-type financing (payroll tax contributions are used to pay current beneficiaries), defined benefits, redistribution role against poverty, and socially hedged risk. By contrast, the New Pension Reforms, as a neo-liberal economic reform agenda (Orenstein 2005), are characterised by mandatory savings in privately-managed individual accounts.

[18] The ILO has strong, important international instruments which set international labour standards (International Labour Office 2002: 12–7). Contrary to non-binding Recommendations, the Conventions are, if ratified by each country, legally binding obligations. This means that individual member states should observe and be regularly monitored for proper compliance. These leading instruments are regarded as key guidelines, along with technical assistance, research and publications for around 180 member states' 'tripartite partners', namely, the government, employers, and trade unions.

Chapter Four

Methodology and Methods

Introduction

As was broadly set out in Chapter One, the main purpose of this thesis is to expand our understanding of the application of active ageing policy in Korea. The significance of this research lies not only in the empirical examination of the individual country's ageing policy in relation to the specific ageing discourses but also in a theoretical understanding of the interactive relationships among policy actors including global and local interest groups. This chapter discusses the methodology and the methods of analysis which were employed in this thesis. First of all, it focuses on the methodological issues, in which the political economy of ageing is proposed as the main approach. An actor-oriented approach is also adopted in order to examine the characteristics of Korean active ageing policy. The second section discusses the detailed research methods undertaken in this research. The strategy for validating the research and three main research methods will be introduced. The final section discusses the ethical issues with a focus on the dual position of the researcher in this research process.

Methodology

Although methodology and research methods are often used interchangeably (Grix 2002), these two terms are closely related, but distinct. Methodology is the study of research methods, focusing on the philosophical assumptions on which the research process is based (Wilson 1999). It is defined as 'the logic of scientific inquiry; in particular with investigating the potentialities and limitations of particular techniques or procedures' (Grix 2002: 179). Under specific philosophical assumptions, research methods are defined as specific 'techniques or procedures used to collate and analyse data' (Blaikie 2000: 8). The analytical approach used in this thesis is based mainly on the political economy of ageing.

Political Economy of Ageing

There are various kinds of political economy approach across the discipline, which is adapted to the purpose of each research (Jung, C. L. 2009). On the one hand, in the classical, orthodox tradition of economics, the term 'political economy' has been often considered as a theoretical approach in its own right, whereby economic relations are understood as the outcome of the exchange of individual actions in the market.[1] On the other hand, non-neoclassical scholars usually use the term differently, as in the case of this thesis. The main arguments are 'the primacy of production over relations of exchange, value theory, social classes and the interrelationship between the economic and the political sphere' (Mavroudeas 2006: 499–500). This perspective, which is mainly attributed to neo-Keynesian or Marxist theories, focuses on a close examination of the relationship between different socio-political contexts by criticising model-driven 'pure economics' or the formal politics and policy focus of 'political science' (Anderson 2004: 135).

In the area of social gerontology, since the 1970s the 'political economy of ageing' has developed mainly from an awareness of the socio-economic constraints limiting the lives of older people (Phillipson 2005). Despite a significant decrease in public spending on older people due mainly to the economic crisis of the 1970s, the predominant research was largely focused on the individual aspects of older people, such as role, disengagement, continuity, and life-cycle theories. The main limitation of that dominant paradigm was its inability to accept the influence of social structures and policies on the lives of older people (Estes 1999). From the perspective of the political economy of ageing, a close relationship is stressed between ageing and social, economic and political structures. One of the main potentialities of the political economy approach is that it enables us to distinguish the interest behind different policies rather than take on the policies at face value.

The political economy of ageing contributes to social gerontology in various ways. First, the 'social creation of dependent status' in older age (Walker 1981: 80) or 'structured dependency' (Townsend 1981: 5) is understood as the result of the compulsory exclusion of older people from the labour market by way of mandatory retirement. As discussed in the earlier chapters, early exit of older workers from the labour market is largely the outcome of the structural exclusion of workplaces, society, and the state. There are various kinds of push factors which prevent older workers from participating in labour market. For example, ill health is usually considered a significant cause of early retirement along with chronological

age. Kohli and Rein (1991: 10) therefore stress the idea of 'the structural perspective'. In this process, the role of the state in affecting the lives of older people is questioned. Based on the influence of Marxism, in which the state represents 'a site of struggle and the expression of dominant class interests' (Phillipson 2005: 503), political economy criticises the view that the state is neutral in the lives of older people, because of its role in allocating resources and regulating their socio-economic status. Second, the 'generational inequity thesis' discussed in Chapter Two is seriously challenged by the political economy of ageing. It is clear that pessimistic views based on the public burden of older age underestimate the role of older people in society, and there are numerous examples of reciprocal help among generations. Third, the political economy of ageing has been expanded to the study of the relationship between globalisation and ageing. Transnational actors and communities now play an important role in establishing an individual country's national policies for older people, as discussed in Chapter Three. Fourth, there have been political responses from older people themselves, which may be regarded as a fundamental base for active ageing policies (Walker and Naegele 1999).

It is possible to criticise the political economy of ageing perspective, including the cultures of ageing thesis which claims that it overemphasises structure over agency (Gilleard and Higgs 2000). However, the political economy approach only stresses the structural constraints of the ageing process, while denying that policy explains everything (Walker 2006b). In this sense, despite its contribution to the understanding of the cultural image of the ageing body from a micro-perspective (Gilleard and Higgs 2005), the cultures of ageing discourse fails to grasp the essence of the political economy of ageing, which tries to balance the theoretical framework between the socio-economic structures that older people face and the individuals who have adapted themselves to specific social constraints. In this vein, the argument of Chwieroth and Sinclair (2008: 4) is crucial in understanding the relationship between structure and agency under the social construction approach:

> … agents and structures … are developed and shaped through an ongoing process of mutual constitution. Intersubjective understandings shape agent interests and behaviour but they also are sustained and transformed through the social interaction of agents. In contrast to rationalist approaches, the ontology of social construction thus makes it attentive to process that can generate changes in agent preferences.

Based on the wider methodological view of political economy of ageing, a more detailed approach is required in order to analyse the development of active ageing policy in Korea.

Actor-Oriented Approach

In the political economy approach, there are two main trends to explain the policymaking process for older people, especially in pension reform politics (Jung, C. L. 2009). On the one hand, the political-institutional approach is said to be the popular framework, in which constitutions and political institutions such as party and electoral systems are the main variables to be analysed. On the other hand, the actor-oriented approach is also accepted as a useful tool to understand the pension reform process across the world. In this approach, the interaction between policy actors and institutions is stressed. In his analysis of the Korean pension reform process, Jung, C. L. (2009) argues that the political-institutional approach is a limited tool because of the immaturity and disorder of the Korean political system and the low priority given to pension reform in Korean politics. Instead, the actor-oriented approach enables us to analyse Korean pension reform more clearly with a more accurate explanation of the interplay between related stakeholders, such as the IGOs, neo-classical economists and economic bureaucrats along with the conservative ideology. Song, I. B. (2010) also applied an actor-oriented approach to his analysis of the Korean civil service pension reform process by focusing on dynamic interactions among policy actors having political power. As explained in detail in Chapter Five, Korean active ageing policymaking in employment is also considered in view of the similarities found in diverse interactions among key policy actors. Therefore, the actor-oriented approach is employed as a main approach to be analysed.

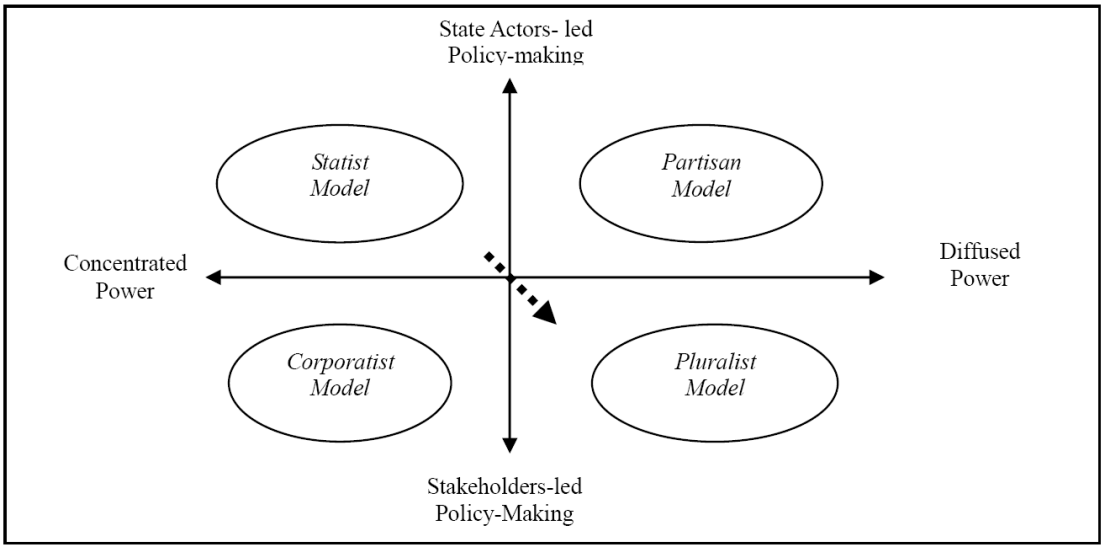
Policy-Making Process Models

There are many analytical approaches to explain the public policymaking process that focus on the characteristics of the interaction between the policy actors engaged in the process. In the field of political economy, there are four main representative models to explain the various aspects of capitalism in highly industrialized countries: ‘liberal’ or ‘pluralist’ capitalism in the United States and the UK, ‘corporatist’ economies in Germany and Sweden, ‘statist’ model in Japan and France, including the ‘state-led’ developmental states in Korea and Taiwan (Hall 2006). It is certain that a variety of capitalist models reflect different characteristics in their domestic economic organisations.

Likewise, the types of policymaking process vary in different socio-economic circumstances. Hall (2006) suggests four ideal models of the policymaking process on the basis of different relationships between factor mobility and executive-legislative relations:

partisan, pluralist, corporatist, and interventionist. Based on this typology, four policymaking models can be proposed based on the degree of two variables — the distribution of political power and the location of policymaking initiative: statist, partisan, corporatist and pluralist model (Song, I. B. 2010) (Figure 4-1).

Figure 4-1: Analytical Comparisons of Public Policy-Making Models



Source: Song, I. B. (2010: 79)

The statist model is usually considered a useful tool to analyse the policymaking process in a highly centralised government, in which social power is centred on a few elite groups. In the partisan model, political parties primarily stand for the interest of diverse groups in society, and policy outcomes are mainly determined by political competitions among the parties and their inter-party negotiations. The corporatist model is valid when policy outcomes are generally determined by coordinated bargaining among peak associations, thereby emphasising the influence of organised interest groups in the policymaking process. Lastly, the pluralist model is opposite to the statist model in the sense that societal power is widely distributed and various policy actors appear in the policymaking process. In the classical version of this model, the state is usually considered a neutral referee among the competing interest groups. However, neo-pluralists (i.e., Smith 1995) assert that the state is not a neutral agent, and 'elite pluralism' argues that political power is mainly held by the ruling elites despite numerous interest groups (Yee, A. 2004). Here, elite is not limited to traditional political powers, but includes, for example, members of the government and high-level officers in the military (Hill 2009).

However, a single model cannot fully explain the policymaking process. Each model has its own advantages and disadvantages in analysing a specific socio-political situation (Anderson 2004). For example, 'developmentalism', an example of the statist model, is popular in accounting for East Asian economic growth since the 1970s given its emphasis on the key role of the state during the economic transformation (Johnson 1999). By contrast, those having strong parliamentary influence on the policymaking process, such as many countries in the West, have been closely related to the partisan model (Immergut and Anderson 2007). The corporatist model is popular in analysing social policies in those countries where organised trade unions and business representatives are key stakeholders in the policy process (Ebbinghaus and Hassel 2000). In contrast, the pluralist model is usually accepted in those countries where policymaking is shaped by interest groups without any strong trade unions, such as the United States.

When it comes to Korea, it is not easy to explain the development of active ageing policy in employment with just one model. As will be described in the next chapter, civil servants were largely responsible for active ageing policy. Thus, the statist model can be a useful framework to describe the history of Korean active ageing policy. However, the statist model cannot fully explain the policy process discussed in this thesis. President Roh Moo Hyun energetically initiated the first stage of policymaking process of Korean active ageing policy by establishing a special taskforce and committee in the Presidential Office. This cannot be regarded as part of a statist model. In addition, the government's policymaking process, at least in the official phase, was undertaken on an open basis with a focus on ongoing communication between the government and the public. The corporatist model is also far from adequate in explaining this approach, since the Korean older people's civil movement is relatively inactive, and trade unions are not seriously interested in the matter. Nor is the partisan model fully effective because the active ageing policy, especially in the area of employment policy, was not a significant issue in the Parliament. Lastly, the pluralist model is apparently the most appropriate one to describe the active ageing policymaking given the policymaking process undertaken during the post-democratisation period with the increasing power of civil society, but this also fails to explain the fact that Korean civil servants still have a considerable power in the policymaking process (Yoon, S. W. 2007). Thus, in this thesis, the elite pluralist model is considered as the main approach in analysing the Korean policymaking process. While the influence of civil servants as key policy actors in active ageing policy is stressed, other principal actors are included such as trade unionists,

higher ranking policy advisors in business, and civil movement organisers for older people. Nevertheless, it should be stressed that the aforementioned accounts of the policymaking process are based on an ideal, and actual policymaking is usually extended and conceived over two or more models. In addition, the changing nature of the dynamic transition should be stressed in assessing the development of Korean social policy.

Therefore, when it comes to analysing active ageing policy during the Roh administration (Chapter Six), the term of 'policy networks' will be used to explain how civil servants took the initiative to formulate the policy agenda in response to the president's strong leadership. The idea of policy network has been influenced by various disciplines from corporatist theory (e.g. iron triangle), pluralist theory (competition between interest groups with ideas) to exchange theory (exchange between the state and civil society) (Hill 2009). By adopting various analytical methods, it should be stressed that one of the main strategies of the research method in this thesis is the 'fit for purpose' strategy (Boaz and Ashby 2003:15).

Research Methods

Three main research methods are employed in this case study to address the aforementioned research questions.[2] First, a comprehensive survey of the literature was made to grasp the overall background of the topic and, in particular, active ageing policy in both the global and Korean dimensions. Second, specific Korean literatures were analysed: academic literature in Korean and secondary data from various organisations, including the 'grey literature' of the government. Third, qualitative interviews were used to identify different opinions and experiences from various parts of the policy arena. In order to ensure the reliability and validity of the research, 'triangulation' is placed as the main research strategy (Bryman 2004). By conducting these three main research methods, three key perspectives have been examined: a global perspective (macro level): a national political economy perspective (meso level), and a micro-level perspective based on the views of the policymakers involved. These approaches are also closely related to the three main data sources.

Data and Material

A key research method is a comprehensive survey of the literature. To this end, various kinds of documents from academics, government papers, and news media were uncovered and analysed and efforts made to extract the main social, cultural, and political framework behind

the documents. The main data analysis task was asking what systematic belief and practice constituted the government's policy agenda, for which interpretative and discursive approaches were regarded as being significant. Documents from government organisations consisted mainly of policy reports usually submitted to official meetings in order to promote practical debate and establish specific policy agendas. These are classified into secondary documents, meaning that they were not produced on a daily basis of their own daily activity. The practical purpose of these documents is apparently the same as that of academic literature, in the sense that they provide useful information and try to exert influence on the specific policy framework. Government documents are useful for research in that they serve to reveal the government's policy direction. As shown in Chapter Five, the briefing document to the new Presidential Transition Team was based on the law and therefore permits a clear examination of the attitude of civil servants towards specific policy in a transitional period. It is important to notice that governments do not usually focus on theoretical or conceptual issues, since theoretical argument is not their main purpose. Inside government, academic discussion is usually thought to cause needless disputes between the parties concerned and militate against reaching an agreement. Nevertheless, one of my main aims is to reveal the specific framework underpinning these official documents.

Grey Literature

Many documents from the Korean government are regarded as grey literature, which are also called 'hidden resources'. This researcher has worked for the Korean government for more than 17 years as a middle-ranking permanent civil servant. From diverse experience at the Ministry of Labour [노동부] (MOL, which was renamed the Ministry of Employment and Labour, MOEL) [고용노동부] in June 2010), the National Labour Relations Commissions [중앙노동위원회], the Korean Tripartite Commission [노사정위원회] and a local jobcentre, the author has been in a privileged position to obtain this kind of documents. Grey literature is defined as 'information produced at all levels of government, academic, business and industry in electronic and print formats not controlled by commercial publishing i.e. where publishing is not the primary activity of the producing body' (4th International Conference on Grey Literature 1997, quoted by Tillett and Newbold 2006: 70). It is usually difficult to find and/or acquire, because it is not deliberately published and usually has no bibliographical data. This kind of literature has been written for a particular reason and reader, and the

organisation uses its own distribution channels and is not necessarily conscious of the interest and potential use outside its own area. In Korea, on the one hand, the Act on Disclosure of Information by Public Agencies (ADIPA) [공공기관의 정보공개에 관한 법률] makes government grey literature legally accessible by the public, unless it is classified into confidential documents. On the other hand, it is effectively hardly accessible due to the complicated process for obtaining it by people outside the government. The main difficulty is that outsiders do not know what kinds of document exist, where they are located, and how to access them. However, as a government official and an insider in the organisation, this researcher took advantage of the opportunity to use grey literature.

There are two issues with regard to the access to the government documents. First, when the thesis examines the intentional interpretation carried out by the Korean diplomats in the Permanent Delegation to the OECD in Paris in Chapter Five, the issue of the confidentiality with regard to data of the government data is raised. From the analysis of the documents based on neo-liberal principles, it was believed that many members of the Delegation had postgraduate degrees in economics courses in the United States' universities. However, the detailed data regarding individual diplomats is usually considered to be confidential. According to the ADIPA, the public agencies should not open certain kinds of personal information, such as name and resident registration number, disclosures of which is regarded as a violation of the personal privacy and confidentiality (Article 9-1-2). Based on this regulation, the Ministry of Foreign Affairs and Trade[3] has detailed guidelines.[4] Civil servants' personal data, including his or her home address, telephone number, and educational background, which are not related to his or her public work, should not be open to the public. In addition, the interview questions on this subject are controversial for the potential interviewees. It has therefore been decided that the overall outline of the evidence with regard to the details of the specific academic background of the diplomats has to be collected from media articles, not from documents or interviews, in order to settle conflicts between legal and ethical issues and the supporting evidence. The second issue is related to the researcher's dual position in the research process, as discussed in the later sub-section on ethical issues.

Qualitative Interview

Qualitative interviews were employed as a key research method in order to establish different interpretations and experiences of policy actors. In social science research, the qualitative interview is 'overwhelmingly based on common-sense activities' (Douglas 1985: 12, quoted in Arksey and Knight 1999: 2). First, a strategy of 'purposive sampling' was adopted, in which those who are fairly knowledgeable in this research have been contacted (Bryman 2004: 334). There are several advantages in this sampling method. Purposive sampling is a strategy that enables the researcher to appreciate research questions in the qualitative study (Creswell 2003). This sampling strategy is also justified by the 'elite pluralist' approach, which is regarded as a key methodological approach in the previous section. Data acquired from key policy actors in the policymaking process was used to enrich the empirical discussion of the characteristics of active ageing policy in Korea. Organisations related to active ageing policy were selected according to their significance, and then potential interviewees in crucial positions in this area were chosen (Table 4-1). During the interview process, an interview with a civil servant from the Ministry for Health, Welfare [보건복지부] (MOHW) was cancelled because of limited association with this topic and difficulty in contacting an appropriate person. An interview with a UN official was also not carried out owing to difficulties in making arrangements. Finally, a total of eleven persons from government organisations, interest groups, IGOs, and expert groups were interviewed (Table 4-2).

Table 4-1: Interview Sample (Original)

Types (No. of potential interviewees)	Organisation
IGOs (2)	UN OECD
Korean Government (3)	MOHW MOL Presidential Committee on Ageing and Future Society (PCAFS)
Related-organisations (3)	Federation of Korean Trade Unions (FKTU) Korea Employers Federation (KEF) Korean Association of Retired Persons (KARP)
Experts (3)	Undecided

Table 4-2: Interview Sample (Conducted)

Types (No. of potential interviewees)	Organisation
IGOs (1)	OECD*
Korean Government (6)	MOL (including one job counsellor in a local jobcentre) PCAFS*
Related-organisations (3)	FKTU KEF KARP
Experts (2)	Korean Labour Institute Korean Institute of Health and Social Affairs

* The number of total interviewees is ten, because one interviewee of the MOL, who was despatched to the OECD for three years as a policy advisor, is counted twice (OECD and MOL). Another MOL interviewee was also despatched to the PCAFS, but he is counted only once.

One of the main weaknesses faced by qualitative researchers in the purposive sampling strategy is that it is not easy to predict how many interviewees are required before 'theoretical saturation' has been attained (Bryman 2004: 334). Warren (2002) suggests that a minimum of twenty to thirty interviewees should be necessary for supporting convincing conclusions, and Gerson and Horowitz (2002) assert at least sixty interviewees. Thus, in one sense, the proposed number of eleven interviewees was not enough. However, firstly, that number can be justified by constraints of time, money and space that the researcher had to consider. The research environment meant that, with limited financial support, the interviewer and the expected interviewees were widely separated geographically. Secondly, and more importantly, the research design can be regarded as being optimal because specific data from the interviewees closely involved in Korean active ageing policy in employment was sufficient to address the research questions in the thesis. One exception was that the number of interviewees from the Korean civil movement for older people (one from the KARP) was not sufficient to describe the development of this specific area of civil activities in detail. Though it may not be sufficient in some respects, the original research design is believed to be legitimate given that this researcher was able to draw an overall picture of Korean politics regarding active ageing policy in employment.

Second, the interview schedule took the form of a practical guide that included major considerations and interview questions prepared for my research (Appendix 3). Semi-structured interviewing was chosen to encourage more flexible and in-depth responses from

interviewees. After conducting the interviews, it was apparent that semi-structured interviews gave the researcher opportunities to manage a flexible process in acquiring data. Interview dynamics like driving a car could be the key to a successful interview, and the interviewer personally enjoyed interviews structured like a guided talk (Rubin and Rubin 1995). Furthermore, several interviewees themselves also raised additional issues, which could be a significant base for data analysis (Bryman 2001).

Third, written consent was signed by participants and the interviewer prior to the interviews. For the interviewees to understand the overall purpose of the research and the interview questions, an information sheet reviewed by the University Ethics Committee was provided (Appendix 4).

Each interview was then conducted by phone, which caused several methodological issues. Firstly, geographical limitations were taken into consideration. None of the prospective interviewees were in the UK. A telephone interview was a cost-effective approach due to time and cost constraints associated with travelling. However, there are several limitations to telephone interviews (Bryman 2004: 115–6). The interviewer must recognise and mitigate the limits of this kind of interview method. First of all, those who are not contactable by telephone obviously cannot be interviewed. The next limitation is that the interviewer can be less engaged than would be the case in a face-to-face interview, giving less 'reciprocity between interviewer and interviewee' (McNair et al. 2008: 1; Pillow and Mayo 2007: 162–3), and tending to miss non-verbal behaviour or nuances by interviewees. An alternative method was devised when the research design was first made. The aforementioned limitations of telephone interview can to some extent be offset by new telecommunication methods. In this research the private telecommunication software called Skype was used which allows users to make video calls over the internet, as well as instant messaging and file transfer, so long as both parties can use this software without difficulty. However, when I asked if interviewees had used this software, the responses were always negative and this researcher did not use video calls over the internet. The only way of conducting the interview was by carrying it out over the phone, supported mainly by the Skype internet phone.

Given that the research topic is directly related to public policy matters, a face-to-face interview environment is not always essential. Most of the main interviews were therefore conducted by telephone interview. Although its varied functions such as video calls were not

used, Skype was used as a key interview software and service, being accessed at low cost (or even without charge between Skype.com users, who enjoy free membership).[5] One of the key advantages of using Skype was the availability of automatic audio-recording (and even video-recording in some instances) as digital files with the help of PC recording software (Power Gramo). This was helpful for data transcription and analysis and no trouble was experienced in recording the interviews.[6] All of the participants clearly acknowledged that the interview could be recorded with the participant's full consent as stated on the information sheet given out in advance (see Appendix 4, no. 6). Online (email) interviews were used with an official of the MOL for complementary survey.

All of the interview recordings were transcribed from recorded files. Free transcription software for audio and video recordings called 'f4' was utilised. Most of the Korean transcripts were translated into English, except a few paragraphs without importance. Finally, during the coding and analysis process, NVivo, a Computer-Assisted Qualitative Data Analysis Software was used, though this researcher had difficulty using NVivo, because it was not easy to extract the main ideas from interview transcripts even when using the Trees and Nodes function. The main reason must be my inexperience in using the software. In addition, it did not provide a non-English service, which made me uncomfortable in analysing Korean scripts. As a native Korean speaker, the researcher was able to understand Korean scripts more clearly when not using NVivo. In analysing translated scripts in NVivo software, I experienced more difficulty in finding varied meanings and nuances than the Korean interviews had suggested.

During the Research Training Programme at the University, a pilot survey was undertaken. An interviewee of the pilot interview was a former colleague of the researcher at the MOL (Civil Servant A of the MOL, on 8th October 2009). The pilot interview was helpful, since it gave some useful advice for the future interview: time control, how to use the software and interview schedule, and some adjustment of interview questions. For example, in the pilot survey, to the question of 'what is the nature of the active ageing strategy?', the interviewee replied in a very normal way. He did not give his own personal view of active ageing strategy that the researcher had originally expected. Instead, his response was mostly from the official policy reports. From this experience, the researcher acknowledged that the interview question did not always lead to the research question. After this pilot survey, the question of 'what is the nature of the active ageing strategy?' was mostly used as an open question leading to the specific questions, which can be found in the interview questions of Interview Schedule (Appendix 3).

In relation to data collection and analysis, an epistemological issue has arisen. How can I truly understand older people, even though I as a researcher am not an 'over fifty'?[7] The researcher's age is significant in the research process, because many people have a stereotype that older workers are not productive and their physical and mental capability is too weak for jobs in the labour market. It should be admitted that I am also affected by this kind of myth. For example, even after my literature review on the relationship between ageing and productivity, I, as a member of the younger generation, am also likely to think that older people are too physically and mentally weak to extend their working lives. This issue can be applied to the various stages of research; for example, how I can grasp the difficulties older workers are facing in the labour market, and how I am able to understand to what extent they have difficulties in subsisting on low incomes? To address this epistemological issue in any research project, it is necessary that 'sensitivity' should be a key approach to the object of study (Fay 1996). Fay (1996) argues that knowing others means having the feeling of others' experiences by 'interpretive understanding'. He stresses that knowing others implies that we have the capability of translating the implication of situations, associations, and processes which constitute their or our lives. 'Being one is neither a necessary nor a sufficient condition' to know others (Fay 1996: 17): Thus, we should develop a way of understanding people's lives and their meanings by acquiring various social theories on individual action, social structures and relationships and by being more 'sensitive' to the lives and meaning of people whom we attempt to examine in our research. In this sense, the statement 'you have to be one to know one' may be, paradoxically speaking, true to the extent that sensitivity is crucial in grasping older people's situations and lives.

Ethical Issues

During the PhD Upgrade Process held in October and November 2009, the ethical issues were reviewed using the University's ethics review procedure. Based on a brief summary of the research project, this researcher used the Department of Sociological Studies Research Ethics Application Form to consider any ethical issues in the project such as personal safety, the range of potential participants, how to obtain written consent from the participants, and the sample information sheet sent to participants.

With regard to the confidentiality of personal data, including original interview transcript and audio files, all data acquired in the project has been securely managed through the whole research process. The storage and use of research data was carried out in compliance with the Data Protection Act 1998. All data from interviews was immediately stored on the researcher's personal computer and protected by a password. These password-protected files have also been copied to an external hard disc for further storage. Apart from the digital documents, all written research material produced in the course of the interview such as consent forms and notes have been kept securely in a lockable storage space in the department (until December 2011) or in the researcher's personal study room (from January 2012).

Insider or Outsider?

When I faced the grey documents from the government, there was also another issue in my role as researcher. In this case, I was an insider of the organisation. This gave me a privileged position to access government literature and was helpful for my research. At the same time, this unique status also raised concerns about the social scientist's objective view. Thus, a conflict arose in trying to maintain a research perspective and full organisational membership role simultaneously (Coghlan 2007). It is not easy to draw the line between the two positions when researchers are based in the social settings of the study (Gray 2004). In fact, this issue was originally raised by a member of my PhD upgrade examination panel who argued that the researcher's boundary should be recognised. My tentative solution was to take notice of the researcher's own social position towards the object of the research, which appeared at different locations in different research methods. Two approaches were considered.

Firstly, it was essential during the whole process of the research to establish my position as an outsider in order to ensure an objective posture towards the research object, even though my advantageous position to acquire internal documents would be fully utilised. Data would be interpreted from the perspective of a social scientist, not a government official. Secondly, however, I had no choice but to admit that my personal career as an insider of the organisation has affected and will affect, explicitly or implicitly, the view of the researcher. Experiences in the government for a decade and a half and my future career path as a civil servant are likely to influence the research process, positively or negatively. While a policy-driven attitude would give a constructive result, the status may also have a negative effect on the research — so called 'insider dealing'. It was proposed that I needed to acknowledge the boundary between the researcher and the object of the study throughout the investigation. In addition, I did not need to avoid discussing my specific position in the PhD research, since it was proposed that I show my specific awareness about how my insider position affected the findings I reached. One day I raised a question in a meeting with my supervisor:

> *Question:* When I look into the specific history of my ministry, there are comments, reports made by my colleagues, my boss, and my seniors. I discovered some critical issues. Is it dangerous or not as an insider of the government?

In response to this question, my supervisor said that this was crucial point, and proposed to take a note when there was were ethical challenges in my mind. After that meeting, I took a note on this issue:

> When I look into the history of my organisation (MOL), there are comments, reports which are made by my colleagues, my bosses and my seniors. I found out some

> critical issues. Even though I declared at the initial stage of my PhD research and at the upgrade session at the second year that I would make an every effort to position myself as a researcher (government outsider), I sometimes found that I was likely to screen myself: when I select interview scripts and interpret them, I do not always position myself as an outsider. Occasionally, I tend to avoid too much criticism of the MOL (from the researcher's own notes taken on 28th March 2011).

From my notes recorded in the Notes in my Facebook[8] account after the meeting, I concluded that my approach to the research process should be between an outsider (researcher) and an insider (civil servant) to the organisation. First, I had to establish my position as an outsider to the organisation while taking advantage of my position as an insider to obtain research data. By the term 'outsider' I meant that I, as a researcher, in taking an objective attitude to the research subject, had to critically approach the object and analyse it. 'Insider' means that I was able to access unpublished internal documents more easily when I needed to acquire them and without difficulty arrange interview meetings with civil servants who had experience of this issue by utilising my own experience in government. I did not have to discard the potential influence of my position as an insider in the research process. What I needed was to acknowledge this matter thoroughly throughout the research process, and make an every effort to maintain my position as a researcher. The thesis has to include all of the conflicts and negotiations that occurred in the research process as they were. Secondly, I decided to use pseudonyms when persons in my organisation or other organisations were mentioned in the thesis. Use of pseudonyms is not a perfect solution because they cannot hide all the identification mentioned in the thesis (Bryman 2004). It was believed that using pseudonyms was a second-best alternative to avoid the potential loss of my outsider position should a person's real name be exposed publically or internally in the organisation. Pseudonyms were randomly chosen from the Internet from common names in Korea, making it difficult for readers to differentiate (for example, Koo Yong Min, Kim Young Su, and Park Sang Cheol).

Conclusion

The political economy of ageing has been chosen as the main methodological approach in this thesis in order to reveal the close relationship between population ageing and the socio-economic and political context in modern capitalism. Furthermore, an actor-oriented approach was employed to explain the dynamic interactions between key policy actors within the policy process. With regard to the policymaking process, there are various kinds of

methodological models in which the elite pluralist approach is a more useful tool to describing Korean active ageing policy. Based on this methodological discussion, three main research methods have been used. When designing research methods, the idea of 'fitness for purpose' was regarded as an essential concept to keep in mind.

Notes

[1] 'A Contribution to the Critique of Political Economy' written by Karl Marx in 1859 (Marx 1971) was a critique of the prevalent economic theories often called 'Political Economy' formulated by classical economists such as Adam Smith and David Ricardo.

[2] With regard to research methods, it is stressed that social researchers should not adopt a *method-centred* research process, but a *question-centred* one. In other words, the specific research methods should be determined by the prearranged research questions.

[3] The Ministry of Foreign Affairs and Trade was renamed the Ministry of Foreign Affairs in 2008.

[4] Source: The Detailed Criteria on the Information Closed to the Public [외교부 비공개대상정보 세부기준], the Ministry of Foreign Affairs and Trade. Available from: http://www.mofat.go.kr [Accessed on 19th July 2011].

[5] Skype allows interviewer and interviewee to communicate face-to-face over the Internet, but this function was not used.

[6] See the website of 'dr. dresing & pehl GmbHe', available from http://www.audiotranskription.de.

[7] In many cases of the social policy area, "older workers" are defined as all workers aged 50 and over. The age of 50 is not meant to be a watershed in and of itself in terms of defining who is old and who is not, but it does correspond to the age after which labour force participation rates begin to decline in many countries (OECD 2006a).

[8] Facebook is an American-based online social networking service, which, as of September 2012, has more than one billion users worldwide (Fowler 2014). Notes is its blogging site which allows users to share their own blogs with their Facebook friends or others.

Chapter Five

Active Ageing Policy in Korea

Introduction

The Structure of the Korean Case Study Chapters

The main purpose of the Korean case study chapters (Chapters Five to Nine) is to review the Korean origin of active ageing policy with a particular interest in employment and how it has been applied in the world's most rapidly ageing society. First of all, the history of Korean active ageing policy is briefly described in Chapter Five. The next chapters then discuss the three main research questions raised in Chapter One.

Chapter Six deals with the overall assessment of employment policy for older workers, which responds to the first research question of 'what is the main characteristic of Korean active ageing policy in employment?' On the basis of the framework of the two different ageing discourses, it examines how, and to what extent, employment policy for older workers has been dominated by the productivist approach despite increasing efforts towards a comprehensive approach during the two progressive governments of the twenty-first century. The analysis in Chapter Seven focuses on the internal factors of this policy area by addressing the second research question of how the issue of active ageing became a policy agenda in Korea. What are the main factors motivating the Korean government's interest in this area? By answering these questions, the specific internal factors within the Korean policy arena can be more clearly identified. Chapter Eight highlights the external factors. It focuses on the role of the IGOs with regard to the Korean policy formation in active ageing and reviews the framing of specific policy discourses on active ageing by various IGOs.

Lastly, based on the discussions about the three main research questions, Chapter Nine attempts to synthesise the empirical evidence from the Korean chapters and the theoretical understanding from the literature review chapters. The main theme would be to find out whether the existing developmental welfare regime is transforming into a

comprehensive one, and to what extent did politics in old age play a role in this transformation. Therefore, a brief history of Korean active ageing policy is offered in Chapter Five in order that the reader may better understand the characteristics of Korean active ageing policy.

Overview of Active Ageing Policy in Korea

Despite the fact that population ageing has gone hand-in-hand with rapid economic growth since the 1960s, the issue of population ageing emerged only recently in Korea. Firstly, the thesis covers active ageing policy in the employment arena from the 1960s in order to understand the historic background of the development of active ageing policies, especially during the Kim Dae Jung (1998–2003) and the Roh Moo Hyun administrations (2003–8). Strictly speaking, it was during the Third Republic (from 1963 to October 1972) that employment policy for older workers was first introduced.[1] It was the military junta under Major General Park Chung Hee that established 'the First Five-Year Economic Development Plan' [제 1 차 경제개발 5 개년 계획], which had been originally prepared by the previous civil government headed by the Prime Minister Chang Myon during the Second Republic (1960–1). After the start of the Third Republic, newly elected President Park announced a plan focusing on export-led industrialisation strategy, under which social policy as well as employment policy were positioned as sub-categories of the overall development strategy for economic growth.

It was only after 2000 that a full-scale effort of research and policy response began in earnest in the area of active ageing (Hong, S. T. 2007). The total fertility rate (TFR) of Korea swiftly decreased after a peak of 6.0 in 1960, and reached a replacement fertility rate (2.1) in the early 1980s (Cho, N. *et al*. 2006). As the TFR declined to the lowest level in the world, along with continuous increase in life expectancy, Korea quickly became an ageing society. However, social concern as well as academic research was not clearly seen until the end of the twentieth century. Only a few demographic-based studies were conducted by academics in the early 1990s, for example, by the Population and Development Studies Centre of Seoul National University (Kwon, T. *et al.* 1993) and by the Korean Development Institute (KDI), one of the most influential publicly-funded institutions (Shin, J. *et al*. 1994). Ahead of the policy and academic responses to population ageing, the specific issue of employment in older age became a matter of distinct policy interest in the early 1990s. However, it can be

argued that the subject of ageing and employment was not properly based on a comprehensive strategy in response to population ageing. Instead, it was an impromptu response from a management perspective of labour market supply during the economic boom of the late 1980s and early 1990s. Therefore, it was not until the Kim Dae Jung government in the late 1990s that active ageing policy was truly developed, not only in employment area but also in broader policy area. Thus the first stage can be defined as the period from the 1960s to the mid-1990s.

The remaining periods are divided by the three political terms in this thesis. The rationale of this kind of division is that each government's policy was based on the different socio-economic conditions and distinct policy strategies of each government (Nam, C. S. 2008). The second stage was the Kim Dae Jung Administration (1998–2003). After the first transfer of power to a progressive party since the 1961 coup, the Kim government's socio-economic policy was clearly distinct from those implemented by previous governments in the aftermath of the historic economic meltdown of 1997. The third stage was the Roh Moo Hyun government (2003–8), because though inherited from the preceding Kim government, it had to establish a new developmental strategy focusing on a balanced approach to economic and social issues along with a fundamental response to population ageing and globalisation.

During the decade of these two administrations, Korea progressed in terms of socio-economic policy as well as political democracy as well as the relationship between South and North Korea. In a rapidly changing global economic environment and rapid population ageing, the Korean government deemed it necessary to take urgent measures in terms of social and economic policies around the turn of the century. In particular, the Roh administration was keen to establish an integrated policy in reaction to the widening gap between the rich and the poor and a significant change due to population ageing, which included a series of policy plans. In 2006, the government published its key policy proposals for population ageing: a long-term socio-economic plan called 'Vision 2030' [비전 2030]; a comprehensive active ageing policy plan called 'the First Basic Plan on Low Fertility and Ageing Society: 2006–2010' [저출산 고령사회 기본계획 (2006~2010)]; and an employment policy for older workers entitled 'the Five Year Plan for the Promotion of Employment of Older Workers (2007–2011)' [고령자 고용촉진 기본계획 ('07~'11)]. Despite the main policy areas having separate areas of focus and being carried out by

different lead organisations (Table 5-1), these policy plans were closely related. They were established in a similar period with almost parallel processes and officially concluded between June and September 2006. This thesis is concerned with Korean active ageing policy with specific focus on the employment arena in the context of a broader policy response including the first two policy reports mentioned above.

Table 5-1: Three Major Plans in the Area of Active Ageing in Korea, 2006.

Title	Main characteristic	Organisation
Vision 2030	Long-term planning on overall socio-economic policy area	Working Group (Initiated by the Ministry of Planning and Budget)
First Basic Plan on Low Fertility and Ageing Society	Mid-term active ageing policies covering a wide area of policy areas	PCAFS (Lead organisation: MOHW)
Five Year Plan for the Promotion of Employment of Older Workers	Mid-term plan in the area of employment policy for older workers	MOL

The fourth stage was the conservative Lee Myung Bak administration (2008–13) that changed many policies from the earlier governments. After a brief description of those in the early 1960s to the mid-1990s, this chapter illustrates the development of Korean ageing policy since the late 1990s, which can be divided into two periods based on the differing but consecutive administrations of Kim and Roh. Though it is not the main research focus, as noted in Chapter One, recent policy trends under the Lee administration are included to show the legacy of policies from the two preceding administrations.

The First Stage: From the 1960s to the Mid 1990s

The 1960s and the 1970s

As indicated in the introductory section, despite rapid population ageing along with rapid economic growth since the 1960s, the issue of population ageing was not a significant matter in Korea until the late 1990s. First of all, there was no genuine welfare programme for older people before the late 1990s. In fact, it was in the area of employment that the issue of older people emerged in earnest. Since Korea began government-led industrialisation in the 1960s,

there had been abundant cheap labour (Jang, J. H. 2005). Thus there was limited need to establish employment policy for older workers. For the most part, employment policy had been considered an economic measure to manage supply and demand for labour in order to achieve rapid economic growth (Kim, S. and Seong, J. 2005). There was little interest in employment policy from the perspective of social policy. For example, when the government established the Fourth Five-Year Economic Development Plan in the mid-1970s (Government of Republic of Korea 1976), the programmes and instruments of employment policy focused solely on vocational training necessary to increase labour supply for economic growth. In this plan, 'Overall economic growth' was aimed at an average rate of about 9 per cent in order to 'generate sufficient demand for labo[u]r' (Government of Republic of Korea 1976: 73). Instead, the KDI (1978) proposed more vigorous employment programmes under which the government would establish a national network of the PES and an unemployment insurance system for efficient labour distribution and the protection of workers in the case of recession.[2] However, none of these suggestions were effectively implemented until the early 1990s.

The Early and Mid-1980s

Employment first emerged as a key element in government strategic planning in the early 1980s. On coming to power after the successful but bloody suppression of civil movements in May 1980, the Chun Doo Hwan Government (1981–8) established a new national development plan called 'the 5th Economic and *Social* Development Plan (1982–1986)' (EPB 1981; italics supplied), which placed more weight on social issues than the previous government. However, in the new plan, the issue of employment appeared in a restricted framework which stressed the objective of continuous economic growth. In the first main chapter of the Plan, the government proposed 'continuous economic growth at around 7 to 8 per cent of annual GDP in order to attain employment security' (EPB 1981: 17). This clearly shows that employment security was regarded as the automatic result of economic growth. The majority of the Plan contained macro-economic policies from the traditional development paradigm, including investment, savings, fiscal and monetary policy, export promotion policy, industrial and energy policy. Thus, we can assume that the status of employment policy was still subordinate to the overall macro-economic policy. Nevertheless, it is significant that the issue of social development was emphasised more than in existing plans. In particular, in order to tackle the widening income gap between different income

brackets in the late 1970s, a balanced development among different earning groups and regional areas was proposed as a key aim of the Plan in order to increase the welfare of citizens (EPB 1981: 11). In chapter five of the Plan, called 'the Expansion of Social Development', the government proposed that it should change the main strategy of social development (EPB 1981: 11). The Plan stressed that the government should manage labour supply in order to respond to rapid economic growth. Labour market training was highlighted (for example, developing five new public vocational institutions), and a public job security organisation should be established across the country (EPB 1981: 91). However, the employment of older people was not covered in the Plan at all, even though the MOL supported it (Kim, S. and Seong, J. 2005).

Under this changing environment, the MOL effected a significant review of the Employment Security Act in 1982. Older people, along with women and the disabled persons, were for the first time listed as part of the government's employment policy.[3] This new clause indicates that the government began considering the importance of employment for these vulnerable workers, and the value of social welfare was partly mixed with employment policy. However, there was no specific statement for guaranteeing the implementation of the clause, thus it was estimated as proclamatory one, neither legally binding nor practically effective (Kim, S. and Seong, J. 2005: 250).

From the Late 1980s to the Mid-1990s

Welfare Explosion

During the Roh Tae Woo administration (1988–93) and the Kim Young Sam administration (1993–8), government social expenditure increased dramatically by 18.9 per cent from 1990 to 1992 and 19.4 per cent from 1992 to 1997 (Nam, C. S. 2008). Many welfare systems were set up during the Roh Tae Woo administration. The National Pension System (NPS) was implemented in 1988, and the National Health Insurance (NHI) was extended to all citizens in 1989.[4] Seong, K. R. (1993) called it a 'welfare explosion' and stated that there was a rapid movement towards a welfare state. However, the development of welfare systems during that time was not due to deliberate government policy but mainly to the democratisation movement (Nam, C. S. 2008). After the nationwide June Democracy Movement [6 월 민주항쟁] of 1987, the demand for social welfare highly increased. Under such social

pressure and the economic growth in the late 1980s, the Korean government turned to employment policy more actively in the 1990s.

Employment Policy under the Tight Labour Market

The issue of older people appeared more prominently in the area of employment policy on the basis of the historic economic boom and a tight labour market. Korea achieved an average of 9.2 per cent real growth between 1982 and 1987 and 12.5 per cent between 1986 and 1988. The shortage of labour supply was seen as one of the most important difficulties in the Korean economy. The government had to respond swiftly to respond to this constrained labour market. For example, in July 1992, the MOL directly reported its urgent countermeasures for manpower supply and demand to President Roh Tae Woo (Kim, S. and Seong, J. 2005). The main targets were various inactive groups who were not fully mobilised in the labour market, such as housewives (1.1 million), unemployed youths (0.75 million), older workers (0.2 million) and the disabled (0.33 million). For older people, the key measures were: provision of tax incentives to employers to hire a relatively larger number of older workers; establishment of the 'Manpower Bank for Older Workers' [고령자 인재은행] a job placement agency for older people partly funded by the government; provision of subsidies to older jobseekers for short-term adaptation training; funding of research on older workers' employability; and launching public campaigns.

On 31st December 1991, the enactment of the Aged Employment Promotion Act [고령자고용촉진법] provided the legal foundation for the employment of older people.[5] The motivation and purpose of the new legislation can be clearly seen:

> Despite the fact that the proportion of older people in total population has increased with the extension of average life expectancy, the employment of older people has remained low while *the shortage of manpower in industrial area has been worsening.* Accordingly, the Act intends to enhance employment security of older workers and *the development of the national economy by supporting and promoting the employment of the aged* so that they can have jobs suitable for their abilities (The Purpose of Enactment, the Aged Employment Promotion Act; italics supplied).

First, the population ageing of Korean society, however simply expressed, was one of the main reasons for the enactment. The paradox of low labour market participation during rapid population ageing was regarded as a broader societal factor for the emergence of employment policy for older workers. Second, the act was explicitly and directly dedicated to 'the development of the national economy'. The statement is usually found in most employment-

related regulations in Korea and may be regarded as one of the crucial indicators of 'productivist' welfare programmes. Third, adjusting the increasing mismatch in the labour market was the straightforward mission of the Act.

The Act has four main sections. First, employers who hire not less than 300 workers should strive to employ older people defined as those who are 55 and over at not less than the standard employment rate (3 per cent).[6] This is called the 'quota system', which is unique among OECD member states (OECD 2004a: 112). Second, the Minister of Labour shall announce the list of the 'preferred jobs' suitable for older people (Article 15 and 16), which is also unusual among the OECD countries.[7] Third, when employers set a retirement age, they shall endeavour to set it at 60 years of age or above (Article 19). As with the quota system, this is not a mandatory requirement but a voluntary one because no formal measure is implemented. Lastly, several provisions stated the government's support for older workers. Also included was collection and dissemination of labour market information on older workers to provide training, provision of counselling service, subsidies to employers who hire more older workers than the requirement, and establishment of special job agencies for older workers (Article 5 to 11 and 14).

Despite a wide range of areas covered, the Act had little effect on the employment of older workers. On the one hand, the Act included radical provisions regarding the role of employers, such as the quota system and preferred occupations. However, implementation was left completely to employer discretion. It can therefore be argued that the role of employers in the Act was used as a 'camouflage' by the state. There is a belief that the regulation of employer practice may restrict efforts to hire more workers and result in an inflexible labour market. The provisions concerned show that the government paradoxically reflected the liberal approach to labour market policy. In some sense, by taking the voluntary approach, the government showed its fear of criticism for being too laissez-faire with the public. Thus, embellished but invalid regulations concerning the roles of employers were decreed. The other significant issue was that it did not mention age discrimination at all. The Act was not based on a comprehensive understanding of employment practices in workplaces full of ageist discriminatory behaviour. On the other hand, many provisions required the government to implement ALMPs for older workers. The Act stated that older workers should be an important target for the employment service, public or private, labour market training, and subsidised employment schemes.

Despite its limited effect on employers, the Act did have some beneficial spin-offs. With this new regulation as a driving force, many new initiatives for older workers were taken in the 1990s. The MOL took several measures to improve the PES for older workers, such as setting up the Manpower Banks for Older Workers (hereinafter 'Banks') [고령자 인재은행] in 1993 and the Aged Service Centres [고급인력정보센터] in 1996 (Kim, S. and Seong, J. 2005). In 1995, the Human Resources Development Service of Korea [한국산업인력공단], a publicly-funded HR specialist agency, began short-term training for older people. To summarise, owing to the tight labour market situation due to the economic boom, in the 1990s the Korean government launched an employment policy for older workers in earnest by establishing a legislative basis and initiating several active labour market programmes.

However, despite these achievements there were many problems. As far as the PES was concerned, the government investment was far short of the demand (Shin, Y. 1999). For example, due to the shortage of expert counsellors in local jobcentres, the job placement service for older people was not fully implemented. An experienced job counsellor starting his job in a local jobcentre in the late 1990s remarked that:

> … we don't have enough capacity in terms of time and manpower. … older workers are difficult to place. … there is a lower priority to place them in the local jobcentre (A job counsellor in a local jobcentre, on 25th May 2011).

The service of the NGOs, which was partially funded by the government, was also disappointing because of the limited financial support from the MOL.[8] Labour market training programmes were also well below the demand of older workers. Subsidies for the employment of older workers also had some weaknesses (OECD 2004a: 77–81). For example, the schemes were too generous for the employment effect, resulting in a high deadweight effect or low employment effect. The subsidy required to rearrange the terms and conditions for re-hiring retired workers was used in a small number of cases. In conclusion, the government established the new legal foundation and the ALMPs to adapt to changing labour market in the early 1990s, which faced another big challenge attributed to the economic crises in the late 1990s.

Other than the Act, one of the most important achievements in the mid-1990s was the Korean government's introduction of the Employment Insurance System (EIS) in 1995. After a long controversy among the government ministries since the late 1970s, the MOL finally

succeeded in persuading other economic departments to accept the MOL's suggestion, as discussed in the next chapter. The last point during this period was that after a lengthy accession process, Korea became the 29th member of the OECD in 1996, as discussed in Chapter Eight on the IGOs' influence on active ageing policy in Korea.

The Second Stage: From 1998 to 2003 (Kim Dae Jung Administration)

Even though it did not explicitly establish active ageing policy, the Kim Dae Jung Administration was significant in the development of active ageing policy in Korea. As the first progressive government after the 1961 military coup d'état, it opened up new avenues for the Korean welfare state and contributed to establishing the active ageing policy initiated by the following Roh Moo Hyun Administration.

Economic Crisis and Early Retirement of Older Workers

In the late 1990s, Korea suffered from a social and economic crisis following the Asian Financial Crisis. In November 1997 the value of Korean Won dramatically fell on the foreign exchange market and there was an urgent liquidity crunch in short-term foreign debt, mainly due to the vicious behaviour of the financial sectors and the moral hazards and failure of government intervention (Chossudovsky 1997). In December 1997, the Korean government and the IMF concluded a historic bail-out agreement to rescue Korea from insolvency subject to various kinds of neo-liberal economic and social reforms (Kwon, H. 2003). Since then, most Koreans have suffered a variety of economic and social problems. The newly-launched Kim Dae Jung Government adopted stringent monetary and fiscal policies compelled by the IMF, which made economic conditions much worse by compressing internal credit and increasing interest rates, thereby transforming 'what had so far been a liquidity crisis of the financial sector into a crisis of the real economy' (Bullard *et al*. 1998: 548). The high interest rate purposely enforced by the IMF led to a huge number of business bankruptcies (438,465 in 1998). The GDP recorded a historic decline of 5.7 per cent in 1998,[9] and factories in the manufacturing industry operated at only 70 per cent of capacity in 1998, compared to 80 per cent in the previous year (Ministry of Finance and Economy 1998).

The economic crisis had the worst impact on the labour market. Unemployment rate skyrocketed from 2.1 per cent in October 1997 to 8.8 per cent in February 1999. The economically inactive population increased from 13 million in October 1997 to 15 million in

February 1999.[10] Since the 1987 Great Trade Unionist Movement, annual wage increases rate had been recorded at over 10 per cent every year until 1996, but decreased to single-digit level (7.0%) in 1997, and 1998 saw the first decrease of 2.5 per cent since the survey started (MOL 1999). The labour market statistics of older workers was not positive. The labour participation rate of older people in Korea decreased by about 3 per cent from 1994 to 2004. One of the main changes in the labour market was involuntary early retirement of mid- and older workers after the economic crisis (MOL 2006a). However, it should be noted that the Korean government did not intentionally promote the early retirement of older workers since the early 1960s. Unlike the countries in the West that encouraged early retirement by way of various welfare and labour market programmes during the 1970s and the 1980s, the Korean government, as discussed in the previous section, was not interested in employment of older workers in the tight labour market due to the rapid economic growth. In addition, there was no welfare programmes for older workers leading to early retirement during those times. Even after the introduction of the NPS and EIS in the late 1980s and mid-1990s, eligibility was too strict to be used as a bridge to early retirement. During the economic crisis, there was no 'pathway to early retirement' in the government welfare programmes and labour market measures in Korea.

The 'Productive Welfare' Strategy

It is significant that the Kim Dae Jung Administration was inaugurated during this socio-economic transition. President Kim Dae Jung was a life-long leader of opposition parties and involved in the civil movement against the military dictatorship from the 1970s. His victory in the presidential election of December 1997 happened just three weeks after the bail-out deal with the IMF. For a long time, he had not only fought against the military government, but also criticised its developmental policy paradigm which overemphasised economic growth over social welfare (Kwon, H. 2003). Thus, Kim Dae Jung's assumption of power brought about the shift in policy paradigm of the top policymakers. However, the new administration had to establish and implement the economic reform under the condition of the IMF bail-out, which was biased with neo-liberal economic reform agenda. Four main areas of restructuring reform were the financial market, corporate governance, bureaucratic structure and the labour market (Ministry of Finance and Economy *et al*. 1999).

Not only did the Kim Government implement these neo-liberal proposals, but it earnestly pursued its social welfare programmes (Lee, H. K. 2004). The Kim Government established 'Productive Welfare' [생산적 복지] as part of its national agenda along with the existing ones, 'Democracy and Market Economy' (Office of the President 2000).[11] In July 1999, a taskforce under the Presidential Office was set up to formulate a new welfare agenda (Lee, C. G. 1999). The main idea of Productive Welfare was to solve the conflict between the principle of market economy and welfare, and 'welfare by way of work' was positioned as a key element (Hwang, D. S. 2000). The advocates of the Productive Welfare believed that the weaknesses of the existing Keynesian welfare, largely based on the residual principle, could be overcome by the principle of complementary cooperation between market and welfare (Office of the President 2000). As one of the key figures in the taskforce recalled:

> The main idea of Productive Welfare is based on the approach that market economy and welfare should be comprehensively integrated. From this point of view, we would like to create a welfare system which bucks the existing 'residual welfare' system and, ultimately provides the opportunity to work (Lee Jang Won, a leader of the taskforce, from the interview of *the Hankyoreh 21*, Available from Lee Chang Gon 1999).

Unlike the countries in the West, the 'Productive Welfare' in Korea should be regarded as a progressive policy agenda rather than a neo-liberal welfare retrenchment platform, as discussed in Chapter Nine on the issue of the changing Korean welfare regime.

Revolution of the Public Assistance Scheme

There were two significant improvements in the welfare reform during the Kim Dae Jung Government (Lee, H. K. 2004). The first was the introduction of the National Basic Livelihood Security (NBLS) system [국민기초생활보장제도] as a new public assistance programme in 2000. Under the NBLS, the social right of every person to decent living conditions and the legal responsibility of the state to guarantee it emerged for the first time in the history of the Korean social policy (Lee, E. 2009). The NBLS was designed to guarantee a minimum livelihood, medical service and public education and to help them escape from poverty and economic inactivity (Ministry of Finance and Economy *et al.* 1999). Thus, the establishment of the NBLS is widely accepted as an epoch-making event in the history of Korean social policy and as the fundamental development in the Korean welfare regime (Kwon, H. 2003; Lee, H. K. 2004; Lee, E. 2009; Ramesh 2003).

However, it should be also noted that there are many criticisms of the fundamental limitations of the NBLS scheme (Kwon, S. and Holliday 2007; Lee, E. 2009). 'Conditional recipients' [조건부 수급자] who are assessed to have the ability to work but whose income is lower than the minimum cost of living can be given benefits on condition that they actively search for jobs or take part in a vocational training or community service programmes. While the government attempted to develop its public assistance system appropriate for a citizenship-based comprehensive welfare society (Kwon, H. 2003; Lee, H. K. 2004), it also stressed a productive approach by explicitly using the concept of 'Workfare' in the new NBLS:

> … [this system] is to be complemented by public works and vocational training for the purpose of strengthening income support by work (Workfare). … the social safety net is to be expanded on the basis of building a future-oriented 'Productive Welfare System' (Ministry of Finance and Economy *et al*. 1999: 3).

Even though the NBLS explicitly guaranteed the social right to public assistance, its means testing provisions are much stricter with respect to family support obligations (Lee, E. 2009).[12] As a result, only 3.15 per cent of the total population is covered by the NBLS (Kim, M. 2010: 32). From this observation, Lee, E. (2009) argues that long-held selective Confucian values during the developmental regime focusing on individual and familial responsibility in welfare support over the state responsibility are still dominant in the NBLS system. Nevertheless, Kim, M. (2010) demonstrates that the poverty reduction effect of the NLBS has improved steadily, and stresses that it is still at the early stage of development.

The Expansion of the Social Insurance Systems

The second major step was the full application of population coverage of the main social insurance systems, whereby human rights based solidarity was the main principle rather than the individualistic principles (Lee, H. K. 2004; Kwon, H. 2007). First, the NPS, having been initially introduced in 1988 to employees of the large organisations, was extended to the self-employed in 1999. Moreover, a multi-pillar pension system proposed by the World Bank, was not introduced, but a single national pension scheme continued as a re-distributive mechanism (Lee, H. K. 2004). Second, the NHI was merged into a single payer in 2000, having formerly been composed of around 420 independent societies with different contribution rates and insurance funds, on the basis of different workplaces (employees) and geographical areas (the self-employed). The merger was made harder due to differences

between the interested parties. However, by way of an agreement in the Korea Tripartite Commission, all health insurance societies across the country were amalgamated into one national public organisation with the expansion of membership coverage to the total population. What the Kim administration achieved can be understood as a departure from older institutions based on the exclusion of trade unions, the principle of multiple insurance societies, and the passive redistributive role of the state (Lee, H. K. 2010). These improvements in the welfare system were reflected in a rapid increase of welfare expenditure of the state. The proportion of social expenditure per GDP increased from 3.7 per cent in 1997 to 5.11 per cent in 2003.[13] Lastly, the EIS, first introduced in 1995, extended its coverage from employees of large companies to all companies with fewer than 30 employees in 1998. It is widely accepted that the EIS played a highly important role in the social and economic recovery from the IMF crisis (Heo, J. J. 2001; Kim, S. and Seong, J. 2005: Lee, J. K. 2008).

Employment Policy in the Unemployment Crisis Period

Master Plan for Tackling Unemployment in 1998

As the unemployment crisis unfolded in the early 1998, President Kim was much concerned with employment policy when he said:

> Every day an additional ten thousand people lose their jobs, and one hundred companies go bankrupt (President Kim Dae Jung, on 1st April 1998, quoted in Kang, S. G. 1998).

He dubbed his first cabinet as an 'Unemployment Cabinet [실업내각]' (anonymous senior secretary to the President, quoted in Kim, S. G. 2002) and ordered ministers to make urgent and epoch-making countermeasures against mass unemployment. However, the government, which had been accustomed to decades of full employment due to continued rapid economic growth, was not well prepared for such unprecedented unemployment (Kim, S. and Seong, J. 2005). Civil servants in the government had little experience in managing unemployment crises, and academic researchers had little knowledge of urgent policy requirements. After a series of discussions among civil servants along with policy advisors from academia, the government filed its first employment plan in March 1998 called 'Master Plan for Tackling Unemployment' [실업문제 해결을 위한 종합대책] (MOL 1998).

The Master Plan was broadly divided into two categories. The first was to avoid mass unemployment by supporting businesses and creating new jobs: public credit guarantees were increased to small- and medium-size enterprises (SMEs), companies that resisted lay-offs were subsidised, 570 billion KRW was spent on providing 'public works',[14] and foreign direct investment and state-led investment projects were promoted. The second category was to protect the unemployed and to make them employable by various measures, such as job placement services, reemployment training for 80,000 jobseekers, subsidies for companies hiring additional internship participants, the increase of the number of Job Banks (PES), the expansion of the EIS coverage, and emergency financial support with low interest loans (MOL 1998). Public work projects were intended to offer emergent protection to a significant number of people outside the existing labour market and welfare system. Older workers, youths and women workers outside the labour market were provided with these jobs (OECD 2006a). Public work projects were transformed into the 'social works projects' [사회적 일자리 사업], and evolved into a new form of social enterprise policy during the following Roh government.

Mid-Term Employment Plan in 1999

In 1999, the number of the unemployed rapidly fell after a peak of 1.8 million in February to 1.4 million in June, due to a fast recovery of the economy and the effect of urgent unemployment measures.[15] In July 1999, ten departments and offices under the central role of the Ministry of Finance and Economy (MOFE) and the MOL developed an overall economic and social policy with respect to the employment arena called the 'Mid-Term Employment Plan' [중기실업대책][16] (MOFE *et al*. 1999). Two main areas were the overall macro-economic policy of the MOFE and the labour market programmes of the MOL. The main focus was no longer an emergency measure, but a longer-term socio-economic plan in the fear of the 'jobless growth'. Despite the positive prospect that the unemployment rate would decline from 6 per cent in 1999 to 4 per cent in 2002, it was expected that the high-risk groups in the labour market, including older workers, would have difficulty in getting jobs. As the labour market became more flexible, the issue of job insecurity was expected to intensify (MOFE *et al*. 1999).

Three main policies were proposed. The first was to create an additional 2 million jobs over three years. 'With a focus on active job creation', the government proposed to

support the business start-ups and a more determined industrial policy leading to job creation by industries, with particular stress on knowledge-based service industry, likely to produce a higher value-added and the more job creation effect (MOFE *et al*. 1999: 4–5). The Keynesian-based expansionary policy which had been dominant at the initial stage of the policy reaction to the crisis was eased, and the structural reform agenda forced by the IMF, mainly based on the neo-liberal ideas, occupied a more important position. For example:

> The structural reform … should be implemented with stability, which would serve as the base for job creation. … The direct role of the government's fiscal policy to create jobs will be increasingly eased, but it will transform the focus to support job creation in the private sector (MOFE *et al*. 1999: 4).

The labour market reform for more flexibility was proposed in consultation with the national trade unions and the employers' representatives. Determined deregulation policy was stressed for more vivid market economy in the title of 'Zero Base' regulatory reform. The second main agenda was to build up the social security network to respond to social issues such as long-term unemployment, poverty, and growing inequality during the economic crisis and the neo-liberal reform. As far as the EIS was concerned, after the extension of coverage to employees in all workplaces in 1998, various kinds of measures were taken to increase the insured workers from 4.9 million in October 1998 to 7.6 million (80 per cent of the total employees) by 2002. The introduction of the aforementioned NBLS system was also prominent in this plan. The third main content was to expand ALMPs, as covered in the next sub-section.

Employment Policy for Older Workers

While there was a clear shift in the labour market of older workers after the economic crisis, there was no comprehensible policy response during the Kim administration. Labour economist Kim, J. H. (1999: 19) pointed out in his policy report to the MOL that 'an easy-going attitude of the government is also one of reasons for' low priority of employment policy for older workers. The main policy response during the Kim administration was the revision of the Promotion of the Aged Employment Act in 2002 and the MOL's employment plan for older workers in 2001. The whole process of the revision of the Act between 2000 and 2002 shows to what extent the MOL was determined to improve the policy. It is therefore necessary to note what the initial bill was and how it was dealt with.[17]

The 2000 Bill to Revise the Act

At first, the MOL submitted a bill for minor revision regarding the Manpower Bank for Older Workers. The need for minor revision was originally raised by the Regulatory Reform Committee [규제개혁위원회]. In the course of regular evaluation process for the existing regulations, this independent governmental organisation recommended the MOL to complement administrative matter of the existing provisions. During the first reading of the bill in the National Assembly, the Minister of Labour revealed the purpose of the revision:

> … because the detailed standard and process of the assignment [of the Aged Manpower Bank] is prescribed only in the internal rule of the Ministry, the grounds for implementation [of the Bank] is not solid. Therefore, we would like to establish it … (Kim Ho Jin, Minister of Labour, at the meeting of the Environment and Labour Committee of the National Assembly on 19th February 2001, available from the National Assembly Secretariat 2001a: 3).

Given that the presidential declaration for the Productive Welfare Policy drive a year and a half prior to the submission, it was surprising to see this minor amendment of the government bill. Admittedly, this bill shows that the MOL had little devotion to active ageing policy at the time.

It was not the government (strictly speaking, the administrative branch of the government) but the legislative body that drove the revision of 2002 Act. Above all, during the first phase of the legislation process, a technical expert of the Committee halted the bill by reporting his review to the Committee Members:

> This revised bill is to provide a concrete legal basis for the existing provisions … thus there is no problem in itself. However, out of consideration for rapid population ageing, our society needs to build up a system for older people's active participation. Therefore, an overall improvement plan for the Act, including the scope of application, the level of obligation to employers, the standard employment rate, and the mandatory retirement system should be reviewed (Lee Chang Hee, Senior Technical Expert of the Environment and Labour Committee of the National Assembly, at the meeting on 19th February 2001, available from the National Assembly Secretariat 2001a: 7).[18]

During the discussion session of the Committee, several National Assembly Members (MPs in the case of the UK) criticised the MOL for being less committed to ageing issues than expected. For example, Assemblyman Oh Se Hoon, from the main opposition Grand National Party, asked the civil servant whether the Act was effective or not, and stressed that, in contrast to the government's strong interest in youth unemployment, policies for older workers were in the 'dead zone'. He disclosed that the MOL was doing almost nothing:

> *Oh Se Hoon (Member)*: I reviewed whether provisions in the Act are being effectively implemented. Has the government funded employers for the improvement of facilities [for the purpose of employing older workers]?[19]
>
> *Roh Min Kee (Director-General, Employment Policy Bureau)*: No, sir.
>
> *Oh Se Hoon*: Has the government assigned skilled job counsellors in each local jobcentre to take full charge of older workers?[20]
>
> *Roh Min Kee:* No, sir.
>
> *Oh Se Hoon*: Has the government issued recommendations to employers who failed to meet the provision of the standard employment rate?[21]
>
> *Roh Min Kee*: No, sir. (Proceedings of the meeting of the Environment and Labour Committee of the National Assembly held on 19th February 2001. Available from National Assembly Secretariat 2001a: 47).

To four other questions (tax benefit,[22] the submission of a extension the retirement age extension plan,[23] the employment expansion request and the publication of offending employers), Director-General Roh answered the same 'No, Sir'. Mr Oh concluded his questioning by saying that the Act had actually become 'a dead letter' and urged the government to take more ambitious measures based on a broader review of the existing system (National Assembly Secretariat 2001a: 47). Director-General Roh agreed to Oh's argument in the proceeding:

> *Roh Min Kee (Director-General, Employment Policy Bureau)*: Eight years and more have passed since the establishment of the Act. … we have to admit that we could not be concerned with the issue of older workers due to the IMF crisis, … We believe that it is time for a full-scale revision of the Act, however belated it seems … (National Assembly Secretariat 2001a: 47).

Finally, it was concluded that the bill would be pending in the Sub-Committee, and after a full investigation the new revised bill would be reviewed (Moon, M. 2003; National Assembly Secretariat Office 2001b: 23–4).

2001 Plan

Five months after severe criticism from the Legislature Body, the MOL (2001) filed the 'Promotion Plan for the Employment of Older workers' [고령자 고용촉진 대책] in June 2001. Most of the contents were those found in the previous plan of the 1990s, but the MOL attempted to improve the existing schemes to diversify the standard employment rate based on the different labour demands of each occupation, to strengthen administrative guidance on

the implementation of the quota system and the extension of retirement age, to expand the public labour market training schemes, and to reinforce the employment incentives (Box 5-1).

Box 5-1: Key Contents of the Promotion Plan for the Employment of Older Workers, June 2001

- The standard employment rate (quota system): to increase the employment rate based on different occupations: to strengthen administrative guidance and to report employers who failed to comply with the recommendation;
- The increase of retirement age: to impose a fine on employers who failed to submit an extension plan; to increase the retirement age of the public sector to the age 60; and to complement the subsidy for re-hiring retired workers.The development of job placement: to open an exclusive counter for older jobseekers in local jobcentres; to expand the Aged Man Power Banks across the country; and to launch comprehensive job information at the 'Work-Net'.[24]
- The renovation of job training: to increase the size of short-term adaptation training; and to establish specialised training courses for older workers.
- The development of employment subsidy scheme: to review eligibility conditions and to diversify the amount of subsidy based on each occupation.
- Anti-age discrimination initiative: to illegalise the discriminatory behaviour on the grounds of age in the workplaces; to abolish the age ceiling of the recruitment of public employees; to improve public relations (PR); and to undertake research project including a joint research with the OECD.

Source: MOL (2001:13)

The main progress was the MOL's anti-age discrimination initiative taken for the first time. It clearly stated that, for the purpose of promoting older workers' employment and job security, employers' discriminatory behaviour on the grounds of age in recruitment, employment, retirement or dismissal should be prohibited. What was more important was that the MOL explicitly stated that the anti-age discrimination provision should be newly prescribed in existing law rather than in the form of an administrative guidance, as was in the case in the quota system or the retirement age. The argument of anti-age discrimination was raised quite unexpectedly in the sense that there was no lively discussion on the age discrimination in the workplaces in public or academia before this plan, at least in the form of the official reports or published materials. The only report including the age discrimination issue was that of Heo and his colleagues' (1999:112–3), who proposed the repeal of age requirement only in

government employee recruitment but recommended it for private employers. However, it was not clear whether the new provision of anti-age discrimination would be recommendatory or compulsory with civil and criminal sanctions. The other key measure was public relations and research (MOL 2001: 16). The MOL planned to improve public awareness towards older people by way of mass media, pamphlets, the National Older Workers' Week, and others. In addition, research projects such as a joint research with the OECD's ageing and employment policy research and the review of the preferred occupations were scheduled. After the plan, both the number of research and interest in policy response to population ageing increased. Therefore, despite being driven by the National Assembly, it was obvious that employment policy for older workers, to some extent, developed in terms of ALMPs and anti-age discrimination initiatives.

2002 Revision of the Act

In April 2002, the MOL proposed a new version of the revised bill in consultation with the Technical Expert of the Committee, and the Sub-Committee made an alternative bill of the committee based on the government's new suggestion (Chairperson of the Environment and Labour Committee 2002). In November 2002, the National Assembly passed the Amendment of the Act.[25] However, anti-age discrimination provision was only proclamatory, not legal-binding (Article 4-2).

Improvements and Limitations

Along with the overall development of various socio-economic policies, there were some improvements in active ageing policy during the Kim administration. In most cases, ALMPs for older workers developed. The new programmes for older workers were created to tackle early retirement after the economic crisis, and its coverage and the amount of government spending on older workers sharply increased. In particular, the ADL was first appeared in the government initiatives.

However, in relation to other welfare and employment policy initiatives, active ageing policy in the area of employment was not well developed during the Kim administration. The government policy was not entirely rooted in its own initiatives, reflecting the low priority given to this area. In addition, the main focus was on the narrow labour market policies confined to the boundary of the MOL. The vast majority of potential measures were not

incorporated, but treated separately by different government departments. It can therefore be said that no comprehensive approach on active ageing policy can be found in the government's initiatives.

The last thing to note is important progress in the area of human rights policy resulting in a basis being provided for the development of the ADL for the future. After a long campaign by a group of human rights civil organisations, the government established the National Human Rights Commission (NHRC) [국가인권위원회] in November 2001. This independent governmental institution has a mission to contribute 'to the establishment of democratic social foundations … by upholding and promoting sacred basic human rights of all individuals' (NHRC 2010: 13). It significantly improved human rights issues in various areas of Korean social and political life, including labour law and discrimination against older workers.

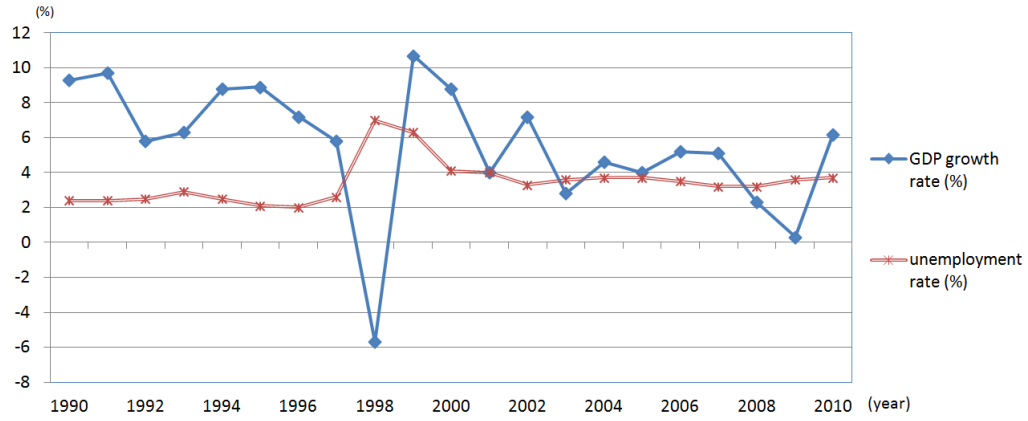
The Third Stage: From 2003 to 2008 (the Roh Moo Hyun Administration)

It was the Roh Moo Hyun administration that firstly established active ageing policy in Korea. Following the previous progressive government, the Roh administration vigorously developed its socio-economic strategy by addressing new social problems of population ageing and neo-liberal globalisation.

Social Polarisation under Ageing and Globalisation

Despite the fact that the economy and labour market recovered quickly from the economic crisis, a number of social issues emerged in post-crisis Korea. After a historic decrease of 5.7 per cent in 1998, the GDP growth rate in Korea swiftly rebounded to high levels in the remaining years of the Kim administration (Figure 5-1). The labour market indicators were also excellent. Unemployment rate fast decreased to the low level of 3 to 4 per cent after peaking in 1998–9.

Figure 5-1: GDP Growth Rate and Unemployment Rate Trends



Sources: KNSO e-Index. Available from: http://www.index.go.kr [Accessed on 12th November 2011].

However, as the gap between the rich and the poor had been widening, along with more job insecurity, the issue of 'social polarisation' appeared in political and policy area in the early stage of the Roh administration. The Gini Coefficient of urban wage earners' households, an estimate of income inequality, increased steeply from 0.279 in 1997 to 0.304 in 1999 and stayed around at 0.3 level during the Kim administration (Kim, Y. S. 2009: 170).

It is argued that labour market flexibility, deregulation, and privatisation were brought about by the neo-liberal economic reforms which had been imposed by the IMF along with neo-liberal reformers inside the Korean government (Lee, H. K. 2004). In addition, new social risks and social exclusion appeared in such areas as child poverty, multicultural families, the homeless, and the change of gender roles and family structure. Rapid population ageing and the lowest fertility rate in the world posed fundamentally new questions to Korean society that could not be addressed by old answers (Lee, H. K. 2010). Such was the changing situation that formed the background to the new strategy of the Roh administration.

'Growing Together' Strategy

The overall approach of the Roh administration was called the 'Growing Together' strategy [동반성장 전략]'. At the start of the administration in 2003, while it had an ambitious political reform plan, the Roh administration did not formulate a systematic and coordinated socio-economic policy strategy (Jeong. S. H. 2008). Of the twelve national agendas, there were 'Free and Fair Market' and 'Economic Hub of Northeast Asia', but these were considered to be general guidelines for economic development. In September 2004, as social

polarisation emerged as a serious political issue, President Roh ordered several state-funded research institutes, such as the KDI and the Korea Institute for Health and Social Affairs (KIHASA), to undertake pan-government research projects on this issue. In October 2005, based on this research project, the National Economic Advisory Council (NEAC) (2006), a constitutional institution whose role is to advise the President on national economic development policy (Article 93, the Constitution), submitted its policy report called 'New Vision and Strategy for Growing Together: Paradigm Shift for Job Creation' [동반성장을 위한 새로운 비전과 전략] to President Roh. To create sustainable growth potential and a virtuous circle between economic growth and social welfare, the report proposed a paradigm shift in the national development strategy. It proposed to replace the previous manufacturing industry, export, and large-scale company-centred growth policy with a new developmental strategy with a balanced approach to service industry, domestic demand, and SMEs. The report also stressed the establishment of a highly developed social safety net along with the innovation of human resource development system.

Vision 2030

The Growing Together strategy was developed into a more detailed, long-term National Action Strategy, called 'Vision 2030 [비전 2030]' in 2006 (Joint Working Party 2006). It was said that all the essence of the Roh administration's economic and social policy strategy was compiled into this report (Lee, H. K. 2010). The Roh administration started the process of a long-term future strategy planning immediately after its inauguration in 2003 (Joint Working Party 2006: i). In June 2005 the Ministry of Planning and Budget (MPB) [기획예산처] set up the Working Party, composed of some 60 experts from economic and social policy areas. Since then, some 60 rounds of internal discussions, five open seminars, public opinion survey and consultation meetings with representatives from civil organisations have been held.

One of the main concerns in Vision 2030 was that the existing development strategy was not able to address the newly emerged socio-economic problems. Since the 1960s, 'pro-growth' had been the most important development paradigm, which put economic growth over everything else (Woo, C. S. 2006). The fundamental change in the economic and population structure emancipated the old development strategy to boost national growth potential. The low level of welfare spending of the government has been one of the main

factors for the lowest level of the quality of life among the OECD member countries (Joint Working Party 2006: 28), which led to serious issues of social polarisation due to low fertility and population ageing. Thus, 'Growing Together' should be chosen as a primary development strategy with a balanced approach to growth and welfare. The new development paradigm stressed that welfare is no longer 'consumption' but 'investment' for future growth. Woo, C. S. (2006), one of the key authors of the report and economist from the KDI, summarised the characteristics of a new paradigm by saying that:

> In this sense, public investment on various social programmes including education and a safety net is an investment in the future, not mere spending. Investment in welfare is intended to nurture talented people … (from an article in *The Korea Herald.* 5th April 2010).

Thus, the integration of economic and social policy was regarded as an important change in policy. Social policy was included as one of the key pillars in the national development strategy.

Vision 2030 was delineated with a vision of the country as an innovative and dynamic economy and a secure and equitable society. It had five main strategies: promotion of growth momentum, improvement of human resources, advancement of the social welfare system, development of social capital, and pro-active globalisation. In this framework, the government raised 50 core policy items covering various economic and social policy areas. These policies were rearranged by each customer group on the basis of people's life-cycle. With regard to older people, economic stability and health were stressed (Joint Working Party 2006: 46). For income security, the coverage of public pension was planned to increase from 16.6 per cent in 2005 to 65.5 per cent in 2030. The increase, or the repeal, of the mandatory retirement age was listed as employment policy for older workers. For health security, the proportion of people needing long-term care services was intended to grow from 11 per cent in 2005 to 100 per cent in 2030.

As Lee, H. K. (2010) argues, Vision 2030 can be seen as the first national development strategy initiated by the progressive government. A new perspective of the virtuous circle between economic growth and social welfare was openly declared and was materialised into detailed programmes. Given that Vision 2030 was set up around the same time as other big plans, such as the First Basic Plan on Low Fertility and Ageing Society, it can be assumed that the main philosophy found in Vision 2030 was shared by other plans. As a consequence of the change in the national development strategy with a strong focus on the

investment in social welfare, the GDP proportion of public spending on social welfare increased from 3.7 per cent in 1997 to 5.1 per cent in 2002 and 7.6 per cent in 2007.[26] The last figure was still one third of the OECD average, but it had doubled in just ten years.

However, there were criticisms that the Roh administration's socio-economic drive as represented by Vision 2030 was too weak to achieve a significant upgrade in practice (Lee, J. H. 2007). The Growing Together strategy came too late and had low priority in parliamentary politics as well as in the government. Even though the Uri Party [열린우리당], then a ruling majority party, also adopted a 'social inclusive market economy' as its party platform, it did not allocate its resources to making detailed policy programmes. Due to low support from the political powers and weak policy programmes, Vision 2030 was not fully implemented as the political clout of the ruling party dwindled in the later part of the Roh administration (the so-called 'lame-duck' phenomenon).[27] This limitation of the Roh administration's social and economic policy was related to its weakness in the field of policy network, as discussed in Chapter Seven.

Development of Employment Policy

Employment policy during the Roh administration made a significant step forward with a variety of new measures. In the first year of the new administration, the MOL launched a 'Five Year Plan of Employment Policy (2004–2008) [중기고용정책 기본계획 (2004 년~2008 년)]' (MOL 2003). The existing plans in this area were based mainly on short-term proposals and focused on different customer groups, and could not respond to fundamentally changing labour market trends in the twenty-first century. The MOL had the aim of setting forth a long-term systematic policy plan focused on employment growth, population and workplace ageing and non-regular workers (MOL 2003: 1–5). Labour market statistics showed that, under economic globalisation and fierce international competition, the elasticity of employment has been falling continually from 10.6 in 1980 to 3.3 in 2005 (MOL 2003: 6)[28] with a reduced GDP growth rate. In addition to this jobless growth phenomenon, the expected decrease of labour supply due mainly to population ageing and the dual labour market was cited as the key basis for the policy response. In particular, the fact that high-risk groups had great difficulty in participating in economic activity compounded the problem with significant levels of underemployment and a widening wage gap. The previous employment policy during the Kim administration was successful in tackling mass

unemployment immediately after the 1997 economic crisis, but was not adequate to address these new issues in the labour market.

The Plan aimed to achieve a flexible labour market with decent working conditions, the so-called 'flexicurity' of the labour market. The Plan envisaged six main principles, which were job creation, the easing of job mismatches, job security for vulnerable workers, building a life-long education and training system, strengthening the social security network and developing labour market policy infrastructure (MOL 2003: 8–11). The Plan proposed that the government should create jobs by way of promoting the service industry and SMEs and supporting social service jobs and social enterprises. With regard to addressing job mismatches, the PES infrastructure was stressed in the Plan, including the rearrangement of jobcentres across the country and strengthening the capabilities of counselling experts in the jobcentres (MOL 2003: 34–5). One of the main provisions was to eliminate the so-called 'Dead Zone' of the EIS, such as day workers, seamen and construction workers. In response to workforce ageing, the EIS was newly applied to workers aged 60 to 64. Labour market training was focused on a systematic approach on the basis of human resource development of each life course. It was proposed to change the existing seniority-based pay, to improve the standard employment rate for quota system, and to pick out the new types of preferred jobs. Also proposed was building the local older workers' pool, which was rooted in the American case of the 'Senior Corps'.[29] There was an interesting statement that '[the government would] promote the connection between employment policy for older workers and welfare policy for older people by linking the upper age of the EIS with the pensionable age of the NPS' (MOL 2003: 20). However, the results of the employment policy of the Roh administration were not satisfactory. Its target of 2 million new jobs was not fulfilled, and the virtuous circle between 'growth-jobs-distribution' was not successfully created. In its own internal review, the MOL (2008c: 14) argued that, as domestic demand and investment with higher labour inducement coefficient stagnated, export-led economic growth did not result in satisfying job creation. It also concluded that its ambitious government-funded job creation was also limited mainly due to the incomplete management of overlapping subsidies from different ministries.

Active Ageing Policy

It was the Roh administration that first raised the issue of population ageing and established a comprehensive policy response. However, considering the rapidity of population ageing, it has to be admitted that the policy response came too late (Hong, S. T. 2007: 29).

Presidential Transition Committee

The active ageing policy of the Roh administration was first proposed by its Presidential Transition Committee (the 16th Presidential Transition Committee 2003). The Social, Cultural and Women's Sub-committee set up a new government mission for creating ageing policy:

> A universal welfare era, which all citizens are able to participate in and receive benefits from, should be opened by … establishing a comprehensive policy responding to population ageing (the 16th Presidential Transition Committee 2003: 98).

As noted earlier, the 'Growing Together Strategy' was proposed as one of the key national policy objectives of the new government, in which 'the virtuous circle between economic growth and social equality, the balanced development between urban and rural areas, … the increase of public value in the area of education, culture and welfare, … and the correction of various discrimination' were listed as indispensable conditions of take-off for future development (the 16th Presidential Transition Committee 2003: 235). Under this overall framework, several key ideas were proposed to tackle the population ageing. First of all, the low fertility rate,[30] which could result in the decline of the economically active population and increased social security costs, was seriously considered (the 16th Presidential Transition Committee 2003: 190–3).[31] At the workshop for the welfare policy of the new government in January 2003, then President-elect Roh stressed that 'all the ministries as well as the MOHW should establish policies for population ageing' (the 16th Presidential Transition Committee 2003: 320). In the final meeting of the Transition Committee in February 2003, he also put a strong emphasis on his own initiative of the twelve national agendas, which were key reform tasks or long-term strategic plans, such as policies on population ageing and the low fertility rate.

National Action Strategy by the Task Force in the Presidential Office

The Roh administration regarded the issue of population ageing and low fertility as among the most important on the national agenda. In 2003 it established a 'Task Force for

Population Ageing and Social Inclusion' in the Presidential Office [대통령비서실 고령사회대책 및 사회통합 기획단] (hereafter called 'Task Force'). In January 2004, the Task Force made a presentation of the overall strategy called 'National Action Strategy for Responding to Low Fertility and Population Ageing' (hereafter 'National Action Strategy') [저출산 고령사회 대응을 위한 국가실천전략] to the President in the National Agenda meeting (Task Force for Population Ageing and Social Inclusion 2004). The report discussed contained important policy material which had an enormous influence on the ensuing policy reports during the Roh administration (the First Basic Plan and the Five Year Plan). With regard to the relationship between these policy reports, one civil servant from the MOL who was actively engaged in supporting the National Action Strategy commented that 'there was a very similar context, framework or basic understanding [among these reports]' (Civil Servant C of the MOL, on 29th March 2011).

The Task Force proposed several ways of addressing population ageing with a vision of 'healthy and active ageing society' (Task Force for Population Ageing and Social Inclusion 2004: 15–72). Four main ways were proposed: to increase fertility rate via a family-friendly population policy; to strengthen the foundation of economic growth via increased employment; to guarantee safe life in older age; and to establish age-friendly financial and industrial policies. Among these, employment and human resources were identified as the second key policy (Task Force for Population Ageing and Social Inclusion 2004: 29–36). In terms of the order of the contents in the government report, it was unusual that the policy of the MOL appeared earlier than that of the MOHW, which shows the importance of employment policy in the Task Force. The aim of the chapter was 'to strengthen the foundation of economic growth via increased employment', which shows a clear distinction of policy approach from the previous one that focused on the overwhelming importance of the economic growth for making jobs (Task Force for Population Ageing and Social Inclusion 2004: 29). The main programmes were the change of wage and retirement practice in the labour market and the introduction of the retirement pension system. The development of retirement system and age-discrimination practices was emphasised. In order to increase the retirement age, financial subsidies for employers and the administrative guidance of the state and age-awareness campaign were proposed. In particular, the repeal of the retirement age was also carefully proposed along with the introduction of anti-age discrimination legislation.[32] The Strategy also proposed to introduce a longitudinal panel survey essential

for systematic understanding of the work and retirement behaviour of older workers. In the area of ALMPs, the expansion of the wage subsidies for hiring and employing older workers was proposed along with a careful adjustment of the programme requirements to avoid unnecessary side-effects. The strengthening of the PES was also claimed as a key to the employment of older workers along with various labour market training programmes.

In the area of health and welfare policy, various plans were proposed. In order to ensure older people's income security, the introduction of multi-pillar, public income security system was proposed. For the purpose of promoting more healthy lives in older age, public long-term care insurance for older people was introduced. In this area, 'the virtuous relationship between economy and welfare' was also stressed. The last main part of the policy recommendations in the report was fiscal and finance policies. Three key objectives were proposed: to maintain a long-term balance of government finance, to promote 'silver industry (senior-friendly industry)', and to enhance the efficiency of financial markets. 'Silver industry' refers to the businesses which rely on products and services for older people. It has grown to respond to the special needs of ageing people (Gerontology Interdisciplinary Program *et al*. 2011; Moody 2004). These policies show how the economic departments responded to the welfare agenda during the Roh administration, as discussed in detail in the next chapter.

First Basic Plan on Low Fertility and Ageing Society (2006–2010)

Based on a new 'Framework Act on Low Fertility and Population Policy' [저출산고령사회기본법] enacted in May 2005, the government launched 'the Presidential Committee on Ageing and Future Society [저출산고령사회위원회] (PCAFC) in September 2005 (Hong, S. T. 2007: 29). The Committee consisted of twelve ministers and twelve independent experts with the President as chair. The Minister of Health and Welfare, as a lead minister in the Committee, set up the 'Office for Low Fertility and Population Ageing' [저출산고령사회정책본부] inside the MOHW as a secretariat agency for the Committee. As of 2006, there were 109 civil servants in the Office, which was 18 per cent of the total number of the civil servants in the MOHW headquarters in Gwacheon (MOHW 2007: 873).[33] In addition, many civil officials from various ministries were dispatched to cooperate in the Committee.

After a series of discussions among the ministries and civil societies including representatives from some interest groups, the government concluded 'the First Basic Plan on Low Fertility and Ageing Society (2006–2010)' [제 1 차 저출산 고령사회 기본계획 시안 (2006–2010)] (hereafter 'Basic Plan') in July 2006 (Government of the Republic of Korea 2006). The vision proposed in the Basic Plan was to create 'a sustainable developing society for all generations.' Four main contents were proposed: to build a childbirth and childcare-friendly environment, to lay the groundwork for improving living standards in an ageing society, to ensure growth engine in an ageing society with low fertility, and to generate the social atmosphere to respond to low fertility and population ageing (Government of the Republic of Korea 2006: 19). The Basic Plan can be regarded as the first national strategy to respond to the new emerging social issues of low fertility and population ageing. Given that the change of population structure reflected the long-term transformation of socio-economic structure, an active response of the government was appraised highly (Hong, S. T. 2007). In particular, it was a comprehensive approach on which the Basic Plan was based. The paradigm shift was emphasised from the existing developmental approach, overwhelmingly based on economic growth, to a new 'welfarism' which focuses on sustainable growth and a balanced approach between welfare and economic growth (Hong, S. T. 2007). The Basic Plan covered a variety of policies from child education and the NPS to age-friendly transportation environment and silver industry. Specific programmes numbered 230 under 70 implementation targets (Government of the Republic of Korea 2006: 20). In order to implement the Plan, twenty-one ministries and government agencies had to be engaged.

The third pillar of the Basic Plan was to create the growth engine in an aged society with low fertility. Various policies were proposed, for example: to make the full use of human resources such as women, older people, migrant workers; to strengthen the link between school education and labour market and to improve lifelong education and training systems; to invest silver industries for sustainable economic growth and the quality of older people; and to develop the capital market by promoting reverse mortgage and long-term government bonds. In particular, it is rare to see the mix of social policy and economic and industrial policy, as discussed in the perspective of the competition of different discourses in the next chapter. Another issue was money. Even though the government stressed that the Plan guaranteed a huge amount of money to be distributed, the overall budget for five years

was only 32.1 trillion KRW. While the French government's spending for low fertility policies in 2005 was estimated at 2.6 per cent of total GDP, the annual budget for implementing the Basic Plan that covered active ageing policies and economic policies as well as low fertility programmes was only 0.8 per cent of the total GDP (Hong, S. T. 2007: 32). Nevertheless, the opposition party and the right-wing media criticised the government for the 'waste' of taxpayer's money. It is not surprising that this criticism reflected the existing dominant paradigm of the developmental state or pro-growth economic strategy.

Employment Policy for Older Workers

With regard to the employment of older people, there was continuous effort by the government after the Task Force team was established in 2003. After the National Agenda Meeting in January 2004, when the National Action Strategy had been proposed, President Roh incessantly stressed that population ageing should be dealt with urgently:

> Unlike many other developed countries, our country has been rapidly ageing. We are likely to face a serious problem, unless we prepare for it in advance... (President Roh, during the 57th National Agenda meeting held in Sejong Room, the Presidential Residence, Seoul, on 21st January 2005. Available from the unpublished proceedings, Anon. 2005).

In the specific area of employment policy, President Roh also emphasised the problems of early retirement, which had been widespread since the financial crisis in the late 1990s. In February 2005, President Roh openly promised that his government would address the problems due to early retirement.

> … we have another issue … that people retire from the workforce in their late forties or early fifties. There is still a debate as to whether or not those companies which do not accumulate manpower are able to maintain the high level of competitiveness. … I will prepare appropriate measures (President Roh, during his second inauguration anniversary speech in the National Assembly on 25th February 2005. Available from National Assembly Secretariat Office 2005: 9).

Based on the strong support from the highest level in the government, the MOL also started to establish its own initiative to population ageing. As mentioned earlier, the government launched the advisory committee to the President in February 2004 and the presidential committee (PCAFC) in September 2005, where the Basic Plan was discussed by several participating ministries. Around that time, the MOL also tried developing a systematic and comprehensive plan in the area of the employment policy for older workers (MOL 2006a: 2).

Developing a special division exclusively responsible for the employment policy for older workers was proposed more than a decade ago. In March 2003, one month after the inauguration of the Roh administration, a new team called the 'Older Workers Team' [고령자팀] was created in the Division of Employment Policy [고용정책과]. However, it was not an officially regulated organisation but an unofficial temporary task force. In January 2004 a new 'Division of the Employment for Youth and Older Workers' [청년고령자고용과] was launched, showing an increasing concern inside the MOL. However, the position of the employment policy for older workers in the division was not as high as that for youth unemployment; older workers were also side-lined (Civil Servant B of the MOL, 25th March 2011). In March 2006, the MOL finally established a division exclusively responsible for employment policy for older workers, called the 'Older Workers' Employment Team' [고령자고용팀] (MOL 2011), indicating that the MOL had raised the policy priority for active ageing policy in the employment area.

Five-Year Plan for the Promotion of Employment of Older Workers

In September 2006 the MOL finally completed its mid-term framework on the employment policy for older workers, named 'Five Year Plan for the Promotion of Employment of Older Workers (2007–2011)' [고령자 고용촉진 기본계획 '07~'11] (hereafter 'Five Year Plan'). The completion took longer than expected. A year after the National Action Strategy was reported to the President, 'a Draft Plan for Employment Policy for Older Workers' [고령자고용종합계획(안)] was submitted to the Minister of Labour in January 2005 (MOL 2005a; MOL 2006a: 2). It took more than a year and a half for the MOL to conclude the plan. Even given the time necessary for the consultation process with other government ministries and related groups and experts, the time taken for policy formation reflects the priority level given to this area, as discussed in the next chapter. Finally, a division exclusively responsible for the employment policy for older workers was firstly established in early 2006 (MOL 2005b). Since then the consultation and producing policy report was started to accelerate (Civil Servant A of the MOL on 25th March 2011). After two and a half years of discussions and consultation processes, a short discussion among the Cabinet Members and the MOL finally concluded the Five Year Plan.

The vision of active ageing rendered four main strategies and nine key missions (MOL 2006a: 17–18). First, to ensure the employment of older people, the government would

try to eradicate barriers to employers' retention of older workers, such as the seniority wage system, to increase retirement age gradually, and to encourage the health and safety of older workers. Second, to promote the re-employment of the unemployed older workers, the government would guarantee the older workers' opportunity for vocational training, subsidise employers for their out-placement service program, and expand the PES. Third, to provide diverse job opportunities, the government planned to fund more social service jobs for older workers. Last, to create an age-friendly social environment, the government declared to abolish age discrimination and launch age awareness campaign and social insurance reform for more work-oriented incentives. In this basic framework, 49 specific programmes were listed on five year-long timeline. Most of the programmes were under the MOL initiatives, but several items were other ministries'. The public sector's guiding role for anti-age discrimination policy was allocated to the Ministry of Government Administration and Home Affairs (MOGAHA) and the Civil Service Commission (CSC). The MOHW was responsible for increasing work incentives in the NPS.

Anti-Age Discrimination Legislation in 2007

Two years after the first suggestion in the National Action Strategy in 2006, the government decided to establish the ADL in 2006 when it filed the aforementioned main policy plans, such as the Basic Plan and the Five Year Plan. Since then, various consultation processes and research initiatives for the legislation have taken place (MOL 2007b). In addition, the MOL conducted a public opinion survey and a public hearing in February 2007. After internal discussions across the ministries, it submitted the Revised Bill of the Aged Employment Promotion Act to the National Assembly in October 2007 (Senior Technical Expert of the Environment and Labour Committee of the National Assembly 2007). Finally, the Korean ADL was enacted on 21st March 2008, four weeks after the inauguration of the new Lee Myung Bak administration. Compared with the long, and sometimes tedious, discussions from the National Action Plan in 2004 to the submission of the Bill in 2007, the legislative process of the National Assembly was swift without any significant delay or conflict.

The key contents of the new regulations were as follows (MOL 2007c): First, age discrimination was outlawed for the whole process of work from recruiting, hiring, wage, fringe benefit, placement, promotion, to retirement and dismissal (Article 4-4). Second, there were some exceptions to age discrimination (Article 4-5). When a specific age group is

unavoidably necessary because of the characteristics of the job, the principle of 'Bona Fide Occupational Qualification (BFOQ)' is to be applied (for example, age boundary for a young character in television drama).[34] Third, the detailed correction process was established in the case of age discrimination in the workplaces (Article 4-6). An employee who has been discriminated for age may file a claim to the NHRC which then investigates, renders judgment, and recommends the employer to take remedial measures in case of age discrimination violation. If the employer fails to comply with such recommendation without any justification, the Minister of Labour may issue a redress order by virtue of his/her authority or at the request of the victim (Article 4-7 and 4-8). Last, for the purpose of stressing the characteristics of the ADL, the title of the Act was changed to 'Act on Age Discrimination Prohibition in Employment and Aged Employment Promotion' [고용상 연령차별금지 및 고령자 고용촉진에 관한 법률].

The Fourth Stage: From 2008 to 2013 (the Lee Administration)

The Lee Myung Bak administration inaugurated in February 2008 is not the direct subject of the thesis. Nonetheless, it is instructive to describe policy developments during the Lee administration to understand developments during the preceding two governments.

After a landslide victory in the presidential election in December 2007, the President-elect Lee started the presidential transition process. The MOL submitted its overall policy plan for the new government to the Presidential Transition Team (hereafter 'Team') on 8th January 2008 (MOL 2008c). The Act on the Acquisition of Presidential Power [대통령직인수에관한법률] obliges all ministries to brief the Team on each Ministry's policy outline for the next five years.[35] This internal document is useful for analysing policy on ageing issues in the Lee administration. First of all, it can be proposed that, despite the rhetoric, ageing policy was located at the lowest part of the policy agendas. Such low priority shows the little consensus on active ageing policy inside the MOL. This report places the topic of employment environment improvement for older people at the last of six policy items, under the title of 'Job Creation and Protection for the Vulnerable Workers' along with other issues for high-risk workers (MOL 2008c: 23–6, 60–5). The order of the related topics suggests that the MOL still placed a low priority placed on active ageing policy. Secondly, despite this low priority, many relevant policy items can be found in the report. There were various policy options for the employment of older workers. For the creation of older workers'

employment base, the MOL briefed its plan to expand the amount of governmental subsidies for extending retirement age, to revise the public sector mandatory employment scheme, and to renovate the PES (MOL 2008c: 63). More importantly, it proposed the need for reform to enhance work-oriented employment and social security system, including the NPS. Prior to this internal report, none of the MOL documents commented on the NPS, which was traditionally acknowledged as the exclusive province of another government branch, the MOHW. However, it should be also noted that, even though a broader and comprehensive aspect of policy approach can be found, the productivist approach was still dominant in the report. The main focus was limited to the jurisdiction of the MOL, and no general coherent active ageing strategy can be discerned.

Some changes were made to the active ageing policy after the inauguration of the Lee administration. First of all, the government decided to merge a number of government committees as part of its organisational reform. As a result, the existing presidential committee (PCAFS) lost top presidential committee status and was demoted to much lower vice-ministerial committee level chaired by the Ministry of Health and Welfare. As of 2010, the committee was composed of eleven vice ministers and thirteen independent experts.[36] Along with the demotion of the committee, its secretariat office was also vastly reduced. This organisational retrenchment by the Lee administration was strongly criticised for its low commitment to active ageing policy by many civil activists and academics. For instance, the Korean Association of Retired Persons [한국은퇴자협회] (KARP) stated that 'it is a huge mistake to repeal the organisation responsible for ageing issues which requires cooperation between all the ministries under the strong concern of the President' (KARP 2008). Secondly, in April 2009, the MOL carried out the organisational reform by introducing 'the Big Division System' for its competitiveness (MOEL 2010). As a result, the old Division of Older Workers' Employment' [고령자고용과] (formerly 'Older Workers' Employment Team') was merged with the Division of Employment for the Disabled' into the new 'Division of the Employment for the Disabled and Older Workers' [장애인고령자고용과]. Given the fact that the separate division for older workers' employment was the result of long debate over many years, this division merger can be considered an organisational cutback under the overall welfare retrenchment during the Lee administration (Kim, S. Y. 2011; Lee, T. 2012; Nam, C. 2012a, 2012b). After the organisational shake-up in 2009, the number of staff charged with the employment policy for older workers was reduced from nine to six (MOL

2009e; MOL 2010). What was more, the merger of the divisions responsible for the two different customer groups made it harder to carry out effective policy formation and implementation. One civil servant with experience of the merged division gave a sceptical view towards the organisational shake-up:

> It meant that the issue of older workers' employment was only exaggerated. A real consensus for active ageing policy didn't seem to exist. … Recently, there was an organisational merger … It's really awful. Policy priority should be changed. … In Korea, the issue of older worker's employment is much more important than migrant workers, but there is no organisation wholly responsible for this matter. It seems like 'swimming against the current' (Civil Servant A of the MOL, on 8th October 2009).

In March 2011, a newly-renamed MOEL divided the Division of the Employment for the Disabled and Older Workers into two: the Division for Employment of the Aged and the Team for Human Resource Policies in Aged Society. In its unpublished document, the MOEL (2010a: 1) acknowledged that 'it is necessary to strengthen the role of employment policy in preparation for the population ageing.' However, its organisational capability was still weak. The number of its staff was only eight, and according to the 'Government Guidelines on Organisational Management' [정부조직관리지침] (Ministry of Public Administration and Security, MOPAS 2011a), the organisation is not a normal 'Division', but a 'Team'. This shows the MOEL's low commitment to this specific area. It is interesting that this document describes the related organisation in the MOHW, whereby the work for older people was managed by one Director-General and four divisions (MOEL 2010a: 11). This shows that the MOEL also admitted its lower priority on older workers than necessary. In September 2010, the Lee administration published the Second Basic Plan on Low Fertility and Ageing Society: 2011~2015' [저출산 고령사회 기본계획 (2011~2015)]. (Government of the Republic of Korea 2010b). However, the Second Basic Plan was criticised by numerous organisations, including the governing Grand National Party (Jegal, H. 2010). The main criticism was that the government did pay enough attention to the social support cost for future generations based on social solidarity, and thus its campaign was mostly oriented to individual responsibilities.

Conclusion

The chapter describes the history of Korean active ageing policy from the early 1960s to the recent development. Population ageing had occurred alongside rapid economic growth since

the 1960s. But active ageing policy in Korea only emerged in earnest in the twenty-first century. The Kim Dae Jung administration inaugurated after the 1997 economic crisis introduced various welfare reform including the expansion of the major social insurances, under the overall initiative of the Productive Welfare Strategy. Nonetheless, employment policy for older workers and the overall active ageing policy were not still prioritised. Under increasing social polarisation due to ageing and globalisation, the succeeding Roh administration launched an integrated policy reaction to the socio-economic change due to population ageing. Based on the Growing Together Strategy, it proposed a long-term socio-economic plan (Vision 2030), a comprehensive active ageing policy (Basic Plan) and an employment policy for older workers (Five Year Plan). During the decade of these two progressive administrations, many improvements were made in the area of active ageing policy including ALMPs for older workers and anti-age discrimination initiatives. The demotion of the organisational status under the Lee administration shows this conservative government's lack of enthusiasm for the development of active ageing policy. This thesis now turns to the main part of the Korean case chapters to investigate the research questions proposed in Chapter One.

Notes

[1] Employment policy did not develop during the First Republic (1948–1960) mainly due to the Korean War (1950–1953) and the ensuing social insecurity and prevailing poverty (Kim, S. and Seong, J. 2005).

[2] In 1976, the KDI published a 'Long-term Prospect for Economic and Social Development 1977–1991', which had been originally commissioned by the Economic Planning Board (EPB), a leading government ministry in economic and development planning since the 1960s (Kim, S. and Seong, J. 2005: 231) (Appendix 5).

[3] The Employment Security Act (No. 3569, amended on 3rd April 1982): Article 17-3 (2) (available from: http://www.law.go.kr, accessed on 11th February 2011).

[4] Other major achievements were the extension of existing social insurance system to small-size companies in 1992; the establishment of new welfare acts, such as the Mother and Child Household Welfare Act [모자복지법] in 1989, Infant Nursery Act [영유아보육법] in 1991, the Promotion of Employment of Disabled Persons Act [장애인고용촉진법] in 1990.

[5] The Aged Employment Promotion Act, No. 4487, implemented on 1st July 1992 (available from: http://www.law.go.kr, accessed on 11th February 2011).

[6] Article 12 of the Act and Article 2 to 4 of the Enforcement Decree of the Act.

[7] A list of the preferred occupations was published by the government in September 1991 (Kim, S. and Seong, J. 2005: 416). The specific job categories were selected on the ground that productivity in these jobs is not significantly associated with the age of workers, and the issue of labour intensity, health and safety was not significant. Twenty-two jobs were announced as preferred occupations for public sector, and seven of these were advertised for the private sector (Appendix 4).

[8] The Banks recorded a relatively high number of job placements (from 8,640 in 1993 to 21,229 in 1997), but it focused entirely on low-wage marginalised jobs. One of the main reasons was insufficient investment from the government. The subsidy for each Bank in 1997 was only KRW 600,000 per month (a minimum wage in 1997 was KRW 335,610 per month). The job placement record of the Aged Service Centre in 1997 was only 224 older workers.

[9] KNSO, Korea Statistical Information System (KOSIS), available from: http://kosis.kr, accessed on 14th February 2011.

[10] KNSO, KOSIS, available from: http://kosis.kr, accessed on 14th February 2011.

[11] It is worth noting that, unlike in the countries in the West, the principle of 'Market Economy' was regarded as progressive in Korea. This argument will be pursued in Chapter Nine based on understanding of the nature of the changing Korean welfare regime.

[12] The broader range of the 'family member(s) to be obliged to support' [부양의무자] keeps over one million people (2 per cent of the population) on income below the poverty line from participation in the system (Kwon, S. and Holliday 2007: 248).

[13] KNSO, Social Welfare Expenditure in Korea, KOSIS, available from: kosis.go.kr, accessed on 11th November 2011.

[14] 570 billion KRW was worth about 287 million pounds (GBP) at the basis of the exchange rate of 1,987.07 KRW/GBP at December 31st 1998.

[15] Despite pessimistic expectations at the time of the IMF bail-out, the Korean economy swiftly recovered from the worst economic crisis and recorded 5.4 per cent of GDP growth in the first quarter of 1999 and 10.8 per cent in the second quarter of 1999.

[16] The original title of the Master Plan in Korean was 'Mid-Term Unemployment Measures'.

[17] The Bill for the Revision of the Promotion of the Aged Employment Act was submitted by the Government in November 2000.

[18] See also the related report by the Senior Technical Expert of the Environment and Labour Committee of the National Assembly 2001

[19] Article 8 (2).

[20] As mentioned above, in the early 1990s, the MOL published several programmes for the employment of older workers including dispatching skilled job counsellors to every local jobcentre to take full charge of older workers (Kim, S. and Seong, J. 2005: 417).

[21] Article 13.

[22] Article 14 (1).

[23] Article 20.

[24] Work-Net is a national job search system provided by the Korean Employment Information Service commissioned by the MOL.

[25] Act No. 6849, amended on 30th December 2002 and enacted on 31st March 2003.

[26] OECD Social Expenditure, Aggregated data, extracted on 23rd November 2011, 13:47 UTC (GMT) from OECD.Stat.

[27] The five-year term of the Korean presidential system is regarded as one of the biggest problems of the Korean Constitution that causes 'political gridlock' (Hahm 2009: 206; Hahm and Kim 1999). Under divided government, which has repeatedly featured in Korean politics since the 1987 democratisation, this system has prevented the president from effectively leading political circles.

[28] The units in the elasticity of employment are the number of employment and 100 million KRW.

[29] 'Senior Corps' is an American non-profit organisation focusing on linking older people with various kinds of volunteering jobs. It covers more than half million Americans and their voluntary organisations; Senior Corps website, available from: www.seniorcops.gov, accessed on 13th November 2011.

[30] In 2001, the TFR of Korea was around 1.3, while the average of the OECD area was 1.6.

[31] The Committee critically stated that the existing 30-year-old childbirth control policy of the government was deeply engrained in society along with the increase of marriage age, divorce rate, and the prevalent view of having fewer children.

[32] In the National Action Strategy, anti-age legislation was a key instrument scheduled to be introduced over the next five years with a more specific implementing plan.

[33] Gwacheon, located at the southern border of the capital city, Seoul, has been home to a major administrative centre of the Korean government since the 1980s. Most of the ministries charged with economic and social policy, such as MPB and MOL, have been placed at the Gwacheon Government Complex. MOHW also has been located at Gwacheon since the 1980s, but it moved to central Seoul after the government reorganisation implemented by the Lee administration in 2008.

[34] 'Bona Fide Occupational Qualifications (BFOC)' in the United States employment law are employment qualifications that employers are permitted to consider when they decide to hire and retain employees based on race, sex, age, and national origin, if BFOCs are an essential element of the job specification and are considered necessary for the particular business (http://definitions.uslegal.com and www.businessdirectory.com, accessed on 7th January 2014).

[35] As mentioned in Chapter Four on research methods, this briefing to the Presidential Transition Team is legally based on the Clause 7, the Act on the Acquisition of Presidential Power. Thus, this document is a qualified text to reveal the approach of the government or government bureaucrats regarding active ageing policy in this transitional period.

[36] Source: MOHW website, available from: http://english.mw.go.kr, accessed on 18th March 2011.

Chapter Six

Active Ageing Policy in Employment

Introduction

Based on the policy history covered in Chapter Five, this chapter examines Korean active ageing policy with particular reference to employment. The main purpose of the Chapter Six is to assess the key characteristics of Korean employment policy for older workers, based on the reviews in Chapter Three. It then discusses its implications and limitations with regard to the overall understanding of the Korean welfare regime. One of the main questions is whether the application of active ageing in Korea was mainly influenced by the productivist framework. As introduced in Chapter Three, employment policy for older workers can largely be divided into (1) ALMPs, including the PES, labour market training and education, and employment programmes, and (2) anti-age discrimination initiatives, as discussed in the same order below.

Active Labour Market Policies for Older Workers

Public Employment Service

The PES has been extensively developed during the two progressive governments since the late 1990s. Traditionally, the PES was a poorly developed area in Korea. In February 1997, ten months before the economic crisis, there were only 52 local jobcentres across the country (Jang, H. G. 2000). After the unemployment crisis following the 1997 financial crisis, the Korean government established a considerable number of the new local jobcentres in order to respond to a sharp increase in the number of unemployed persons. In December 1998, about 2,000 staff members were working in around 100 jobcentres (MOL 2006b: 159). However, their main job was limited to the administrative work of the the EIS, such as, the application of the EIS to the individual employers and employees, collection of premiums, processing of benefit claims and provisons, running the appeal process, and even the investigation and

criminal accusation of the insurance fraud cases. Thus, the staff was unable to concentrate wholly on counselling work as PES experts. One of the biggest problems was that most members of the PES were working in unstable working conditions with fixed-term contracts and low-wages. These unstable working conditions caused unfair discrimination between regular civil servants and cousellors because of their different job status. This job insecurity also led to a low level of public service (Government of the Republic of Korea 2004). Despite a significant increase during the Kim Dae Jung administration, the number of the PES staff members (2,357 in 2002) was still small in comparison to other developed countries (MOL 2006b: 150).

After the inauguration of the Roh administration, the MOL (2003: 34–5) proposed to build up the PES infrastructure, including extending jobcentres across the country and developing the capabilities of counselling experts. President Roh several times stressed the importance of the PES with regard to the foundation of ALMPs, for example:

> The Public Employment Service will be the first to receive support, even if all other budgets would be cut (President Roh Moo Hyun, during his visit to Busan Jobcentre on 14th April 2006. Available from Voice of the People 2006).

In this favourable environment, the MOL proposed that it would develop the PES as the pivotal institution for employment policy, with broad collaboration with associated organisations and customers. For example, the MOL set out to purchase modern office buildings for the PES across the country, especially in places conveniently accessible to customers, in order to provide a variety of employment services. The other main issue was to change the status and working conditions of its staff members, in which the key aim was to ensure the appropriate organisational and HR stategy for promoting specialised and stable employment service. In 2007, the MOL changed the status of around the 2,500 PES staff members to permanent civil servants *en bloc*. This was unusual for the government's human resource administration. Under Presidential support, the MOL succeeded in persuading other government ministries responsible for the change (i.e., the MOGAHA, the MPB). The change was also supported in the other policy initiative, in which general labour market policy during the Roh administration was to promote the stability of working conditions of non-regular workers, including those in the public sector. With regard to non-regular workers, the MOL had to exhibit its role of the employer of public sector, for example, by establishing 'Policies on Non-Regular Workers in the Public Sector' [공공부문 비정규직 대책] in May 2004. As a result, PES staff members were converted into the regular civil servants (Government of the

Republic of Korea 2004). A job counsellor in a local jobcentre, whose status was changed to the regular civil servant thanks to the government initiative, deemed it a positive development:

> Personally, as job security increases, I became more immersed into my job. ... It is true that, after the change [of status], the level of the responsibility increased, and the capabilities and the contribution ultimately have improved since we were non-regular [workers] ... (A job counsellor in a local jobcentre, on 25th May 2011).

However, the overall capability of the PES and the quality of its service was still underdeveloped. The number of economically active people per PES staff member was eighteen times larger than that of Germany, and four times that of Japan (Table 6-1).

Table 6-1: Number of the PES Staff Members in Selected Countries in 2006

	Germany	UK	Japan	Korea*
Staffs	90,000	74,000	30,000	2,856
Economically Active Population Per Staff	457	405	2,217	8,199

* As of December 2008

Source: Korea Employment Information Service, quoted in Tae *et al.* (2009: 25)

In addition, the PES was not significantly developed for vulnerable persons including older workers. Given its shortage of staff, the PES did not prioritise helping older workers. Even though the MOL often ordered local jobcentres to open an exclusive customer desk for older jobseekers (e.g. the Promotion Plan for the Employment of Older Workers in June 2001), there were not many cases in the field of local jobcentres. One experienced job counsellor with over thirteen years' experience working in a local jobcentre expressed a cynical view about the job placement of older workers:

> In those days, there was a boom to open a various kinds of counters …. Frankly, from the perspective of the front line in the local jobcentre, it just looked like only a person in the head office in Gwacheon launched a new project. That's it. *Whether we have an exclusive counter or not does not influences the job placement service*. … First, … because we've got additional tasks as well as the existing ones, we don't have enough resources to do in terms of time and manpower. … [Second,] *older workers are difficult to place. ... older workers have been a lower priority in the local jobcentre* (A job counsellor in a local jobcentre, 25th May 2011, italics supplied).

To summarise, there was a rapid development of the PES during the two previous governments, due partly to a high interest of the President. However, it is also noted that the overall capability of the PES and the quality of its service was still more underdeveloped than was needed. In addition, the PES for the high-risk groups was not notably developed.

Employment Insurance System and Neo-liberalism

In order to assess the overall characteristics of Korean employment policy for older workers, it is necessary to discuss the background of the introduction and the expansion of the EIS. There is a controversy on the characteristics of the EIS as to whether it was mainly influenced by neo-liberal idea or by the social security insurance-inherited principle of expansion. As introduced earlier in Chapter Five, there was an argument that the feature of the NBLS was still inspired by productive legacy. Likewise, the introduction of the EIS during the Kim Young Sam administration in 1995 and the expansion during the Kim Dae Jung administration in 1998 was characterised by its productive or neo-liberal design. For example, Jung, C. L. (2009: 163) argues that:

> … the economic crisis and its concomitant transformation of the economic regime increased the need for unemployment insurance. To the government and neo-liberals that pursued labour market flexibility, the expansion of unemployment insurance was not optional but mandatory.

Son, H. C. (2005) also suggests that, on the basis of the fact that even the IMF asked the Korean government to strengthen its social safety network including the expansion of the EIS, welfare developments during the Kim Dae Jung Administration were much inspired by the neo-liberal initiatives.

However, first of all, it is going too far to conclude that the EIS in Korea was one or the other. As the Korean welfare state has been continually transferring from the existing developmental state to a new comprehensive one, each individual welfare system in the meantime has a mixed characteristic in its design. This is a key description of the transforming Korean welfare regime . Second, among the welfare programmes, the EIS emphasises employment in the labour market, so it is likely to be cited as evidence of productivist welfare regime by its critics. However, 'productive' or 'productivist' has been placed as the distinct feature not only in employment policy, but also the overall modern social policy (Choi, Y. J. 2010). It is necessary to examine whether this argument is based on facts. One civil servant who has long been engaged in the development of employment policy stressed the motivation of building social security system:

> The introduction of the Employment Insurance System or its expansion process was inspired by the insight that, in terms of social security system, there was an increasing demand to introduce the system as a kind of social security safety net. It was not mainly motivated by an economic rationale. Of course, there was an economic concern, but it was not major, wasn't it? As far as the expansion process was

> concerned, … it was about the expansion of coverage into the small-size companies, thus it was not closely related to … neo-liberalism. Actually, it's shameful to see that mid- and small-sized companies which should have been covered were not actually eligible. … In my understanding, *the introduction and the expansion of the Employment Insurance System was motivated mainly by its own logic in terms of the expansion of institutions. It was not clearly associated with neo-liberal ideas.* In addition, it can be said that the introduction and the expansion initiatives were not strongly challenged by opposition from neo-liberal biased policymakers in the economic department (Civil Servant D of the MOEL, on 29th March 2011; italics supplied).

Based on the tight labour market situation in the early 1990s, the Ministerial Meeting decided to introduce the EIS in order to address the shortage of labour on 23rd August 1991 (Kim, S. and Seong, J. 2005). There was harsh opposition from business organisations, especially from the Korean Federation of Small and Medium Business [중소기업협동조합중앙회]. The economic departments in the government, such as the Ministry of Finance and Economy [재정경제원] and the Ministry of Commerce, Industry and Energy [산업자원부], also responded cautiously, at least in the initial debate. The MOL finally accomplished its long-term policy objective of developing employment policy infrastructure after a final compromise in which the EIS would be applied to companies with not less than 30 employees in unemployment benefit and to companies with not less than 70 employees in labour market training schemes. The neo-liberal welfare reform argument is challenged by the fact that most of the IMF mandates on welfare reform were the same with, or at least similar to the proposals that welfare activists advocated in the 1990s (Nam, C. S. 2008). This means that what the IMF asked was not necessarily related to neo-liberal welfare reform agendas. Instead, what was more important was that the contents of welfare reform in the late 1990s and what the IMF requested reflected the low level of the Korean welfare state and its social policy development.

Training and Education

Labour market training and education is essential for increasing the employability of older workers. Since the introduction of the EIS in 1995, the Korean government has developed a new training support system covering all companies, employees and the unemployed. In particular, there was huge amount of the government investment in training and education programmes after the IMF economic crisis in the late 1990s (Table 6-2).

Table 6-2: Government Funding and the Number of Participants in the Labour Market Training and Education Programme of the MOL

Year	2002	2003	2004	2005	2006	2007
Funding (billions of KRW)	765	779	858	976	1,165	1,222
No. of Participants (thousands)	1,970	1,870	2,181	2,606	3,080	3,757

Source: MOL (2007a: 3; 2008a: 43)

However, it can be argued that the labour market training system did not work properly. The participation rate in the labour market training of Korean adults aged 25 to 64 was still only 11 per cent in 2007, compared to the OECD average of 28 per cent (Government of the Republic of Korea 2010a: 2). One of the main reasons was that the employers' awareness of training schemes for older workers was still low. From the survey of 200 companies, Son, Y. and Kim, C. (2003: 42–3) show that only 18.5 per cent of employers provide older workers with training opportunities. A job counsellor, who reflected on the negative attitude to older workers in the jobcentre, also took a pessimistic view of the situation in the training policy:

> Older workers themselves usually do not want training programmes. When I proposed some older jobseekers to take a special learning package, which is a mixed programme with training and job placement for vulnerable groups, … older workers' responses were … 'Do I need to learn this at this age?' Many older workers believe that whether they've got the job is dependent on their age, not their skills. They don't think that training is necessary. … On the contrary, when some older workers asked training programmes, it is much harder to find out proper ones for them (A job counsellor in a local jobcentre, on 25th May 2011)

It can be argued that the main reason was due to poor support systems for trainees. That is to say, the underdeveloped welfare system or labour market insurance system did not correspond to a relatively well developed labour market training system. A civil servant who was involved in this policy for several years recalled the reasons why the system did not work:

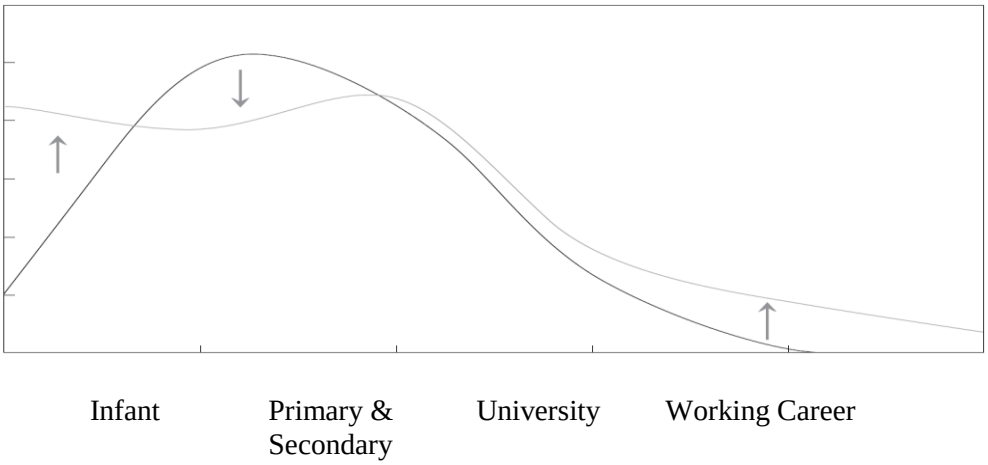
> In terms of budget and the labour market training system, no country is better than Korea. However, it does not work. The reasons are …. This should be closely related to social welfare system, such as unemployment assistance or unemployment benefit. … The replacement rate of the unemployment benefit is roughly 30 per cent. At best, four or five months are available. … Is it possible to have a training session for the job mobility? *It is not the problem of training policy, but the overall problem of social welfare system* (Civil Servant C of the MOL, on 29th March 2011; italics supplied).

According to the EIS statistics (MOEL 2010b: 255), the total amount of unemployment benefit (Jobseekers Benefit) in 2009 was 2,812,994 KRW on average, which was just 7 per

cent more than monthly average wage (2,636,260 KRW).[1] What is more, despite the sharp increase in recent years, the proportion of people applying for unemployment benefit of the total unemployed was only 42.6 per cent in 2009 (MOEL 2010b: 256). The inconsistent relationship between the labour market training system and the overall welfare systems can give us a clue to understand why older Korean older workers have difficulties in the job market and the nature of the welfare regime of the modern Korean state.

In the area of labour market training, the Roh administration pursued a determined campaign . A new career path called a 'Learning Curve Revolution' was proposed by a publicly-funded Korean institute (Lee, W. D. *et al*. 2007). This new model was mainly based on the age integrated society model of Riley (1994), as discussed in Chapter Three. This is significant in the sense that Korea is such an age-differentiated country, which is notorious for the hours 'wasted' for studying in youth (students) and working in youth and middle age (workers). In addition, the participation rate in training and education in the workplace is relatively lower among the OECD countries, and drop-out rates are high. A campaign for promoting employee training, 'Learning Curve Revolution: From University Application to Lifetime Employability' was started (Figure 6-1). However, the campaign did not achieve the desired result. One of the main weaknesses was that it did not clearly show the representative paradigm change of the overall labour policy or the specific rationale of the linkage of the education and training of older workers.

Figure 6-1: Transition to the Lifetime Employability Learning Curve



Source: Chung, J. H. (2007: 2)

The main point is that labour market training system was not highly prioritised. In this sense, a Human Capital approach stressing labour market training under the Scandinavian social-democratic tradition did not develop. This finding is closely linked to the argument that Korean active ageing policy for older workers was dominated by a Work First strategy exclusively focusing on working longer in older age. In addition to the low priority in labour market training system, there is an issue as to which group the training was for. The comment of the job counsellor in the local jobcentre clearly shows that there was a low commitment to older workers' training in Korea. (Due to a lack of quantitative data, only qualitative data from the previous interview was used.) In consideration for the contribution of the labour market training to active ageing, the low priority in labour market training policy of the government and employers' side demonstrates the underdeveloped level of active ageing policy in Korea.

Employment Programmes

In Chapter Six, public funded employment programmes were divided into two types, as Robinson (2000: 17) suggests: one is to provide employers or employees with financial incentives in order to prompt employers to hire jobseekers or existing employees of the target group, the other is a job creation scheme to place jobseekers into positions provided by public or voluntary agencies.

Employment Subsidies

With regard to the first type of employment programmes, the MOL started to provide employers with subsidies to hire and retain older workers in 1996. There were three main ways to subsidise (Table 6-3).

Table 6-3: Wage Subsidies in Korea for Hiring and Employing Older Workers

Subsidy to promote employment for many aged workers [고령자 다수고용장려금]	**Eligibility conditions**: Number of older workers (aged 55 and over) exceeds given proportion of a firm's workforce (6%). The subsidy is paid for every old worker in excess of the given share who has worked for more than one year in the firm. **Amount of subsidy** (1996): KRW 90,000 per quarter. **Duration**: Five years.
Subsidy to promote new employment of aged workers [고령자 신규고용장려금]	**Eligibility conditions**: All new hires of an older unemployed person (aged 50 and over) who have been registered as looking for work with the Public Employment Service for at least three months. The employer must not lay off any worker for economic reasons during the period of three months prior to, or six months after, applying for the subsidy. **Amount of subsidy** (1997): KRW 300,000 per month. **Duration**: Six months (one year for small- and medium-sized manufacturing firms).
Subsidy to re-hire retired workers [고령자 재고용장려금]	**Eligibility conditions**: Firms who re-hire retired workers. The retirement age must be set above 57 and the workers in question must have worked longer than 18 months before retirement. **Amount of subsidy** (1997): KRW 800,000 (Large-size firms) to 1.6 million (mid- and small-size firms in manufacturing) per month. **Duration**: Six months (one year for small- and medium-sized manufacturing firms).

Sources: Shin (1999: 29–31) and OECD (2004: 108)

However, as discussed in Chapter Three, these programmes have usually been criticised for their side-effects (OECD 2006a): deadweight, displacement, and substitute effect. The researchers of the KLI, who participated in an external assessment project, commented in the MOL's unpublished internal document that 'subsidies to promote employment for many aged workers … are necessary for revitalising the employment of older workers, but there should be further reform, such as the fine tuning of the subsidy requirements' (MOL 2007a: 7).

Job Creation Schemes

The second type of subsidised employment programme is job creation by way of various public support. While being considered as a traditional ALMP in the West, job creation was not so popular in Korea during the rapid economic growth since the early 1960s, because relatively abundant job vacancies in a tight labour market did not need this kind of demand-side programme. However, after the unemployment crisis in the late 1990s due to the economic crisis, the changing labour market situation pressured policymakers to re-think job creation schemes. Not only a high unemployment rate but also lowered job creation

capabilities in the Korean economy were key factors for this new initiative. In the Five Year Plan of Employment Policy (2004–2008), the MOL established the first goal on the subject of job creation. The Plan focused on the service industry and SMEs with higher employment elasticity, and stated that:

> [The government will] strengthen the relationship between employment policy and other policy areas including economic, industrial and welfare policy. … Employment-friendly incentive system should be built in the social insurance and tax schemes (MOL 2003: 13).

Because demand for jobs in the labour market is ultimately derived from the products and/or service market, it is reasonable to pay attention to the close relationship between various policies associated with job creation. However, despite a new idea of a comprehensive view, there was no detailed content with regard to the cooperation of different policy areas, and it was therefore likely to be rhetoric rather than practical policy guidance.

The second improvement was that the concept of 'social service jobs' [사회적 일자리] was developed to promote job creation (MOL 2003: 14). Based on the preceding 'public works programmes' in the early stage of employment policy addressing the unemployment crisis in the late 1990s, the MOL proposed to provide new kinds of social service jobs for the employment of high-risk groups:

> [The government] will support the creation of social service jobs, which are socially useful in welfare, environment and culture, but not sufficiently provided for in the [labour] market for the employment of older workers, women and the disabled (MOL 2003: 14).[2]

In the western context, it is not easy to find the exact term for social service jobs in Korea. 'Social economy' and 'social enterprise' can be understood as corresponding terms of this unique concept in the Korean welfare state (Hwang, D. S. 2004: 17). Social service jobs funded by the Korean government included nannies for newborn babies and infants, employees in nursery facilities, after-school youth activity aides, cultural tourism interpreters and care-givers for migrant families (MOSF 2007). Most of these jobs are provided by the government or the government-funded public corporations in the West. However, based on a low investment in the social service area of the public sector, there was a significant shortage of these in Korean society. Compared to other OECD member states, the proportion of jobs in the social service industry in Korea was noticeably small. While the number of workers employed in the social service industry as a percentage of total workers in the OECD area

was 21.7 per cent in 2003, the percentage in Korea was only two thirds of that of the OECD (13.6%) in 2006 (MOL 2009a: 67). As the Korean government attempted to address the unexpected unemployment crisis by creating public jobs in areas which had not been sufficiently provided, an ambitious employment policy for social service jobs was established.

In the Plan, the MOL proposed a three-step development strategy. First, among the existing public works programmes, socially useful jobs would be transformed into social service jobs. The MOL significantly increased its funding for social service jobs after its first pilot project in 2003 (Table 6-4).

Table 6-4: Social Service Jobs Funded by the MOL (2006–9)

Year	2006	2007	2008	2009
Funding (billion KRW)	52	122	140	189
No. of Participants	8,502	14,209	19,360	15,477

Source: MOL (2009b: 1–2)

The second step was that the government would like to support many NGOs developing new job projects. Hwang, D. S. (2004) stresses that it was civil society movement or grassroots movement for overcoming the poverty problem of 'the working poor' that launched numerous kinds of pilot projects for social services jobs in the late 1990s and the early 2000s. These bottom-up movements have been combined with the government's interest to overcome the employment crisis during the two progressive governments (1998–2008). The MOL has carried out support programs, such as providing business consulting services, supporting project development costs, distributing labour management guidebooks, building a network among the organisations involved in the project, and holding workshops to provide related education. The project to create social service jobs has been developed into a self-reliant project by gradually strengthening the linkage between local government, private companies and NGOs.

The third step was a mid- and long-term plan in which the government would develop social enterprises by establishing legal and institutional support systems. After the Social Enterprise Promotion Act [사회적기업 육성법] took effect in July 2007, the government provided project participants with various supports for creating decent jobs in social enterprises. These include providing a certification system, cutting corporate taxes, making a

preferential purchase, helping with the creation of social ventures, and cultivating social entrepreneurs. As of 2008, 218 organisations was certified as social enterprises by the MOL.

Social Enterprises in Korea

Based on this remarkable expansion, it is necessary to understand the background of social service jobs in Korea. Firstly, the poor provision of social services and decreasing job demand in the labour market was the main background of social service jobs. As demonstrated earlier, the low percentage of jobs in the social service jobs were not able to meet potential social and labour demand. Secondly, as the Korean economy stopped rapid economic growth, the labour market capability to absorb workforces reduced continually. This made it difficult especially for vulnerable working groups including older workers to find jobs in the labour market. This situation made it a priority for the government to introduce a new strategy to create social service jobs. Thus, social service jobs in Korea significantly developed with the help of government funding during the two progressive administrations (1998–2008) after the economic crisis in the late 1990s.

Regarding the development of social enterprises in Korea, it is worth noting the comment of Park, M. J. (2011). Based on a comparative study on social entrepreneurs in Korea and Germany, he argues that it is the state, not civil society, which overwhelmingly takes the lead in social enterprises in Korea. He also stresses that social enterprises in Korea are mainly conceived from employment or economic perspectives. In other words, the Korean approach to social enterprise is too focused on responses to youth unemployment or alternative ways of job creation. His arguments are based on the idea that social enterprises are originally rooted in social movements for economic and social progress. From this perspective, as he stresses, a Korean way toward social enterprises can be regarded as a distorted intervention of social enterprise movement.

First of all, his argument seemingly contradicts the comments of Hwang, D. S. (2004), as previously noted in this section, that the civil society movement created a series of social service jobs projects in the late 1990s and the early 2000s. The initial transition from grassroots to the state in the area of social service jobs or social enterprises can be explained by the fact that the Korean welfare state faced harsh economic recession during the first progressive government. Why and how did the state take away the initiative of emerging social enterprise from civil society? Answers are closely related to the realities of the Korean

state, social service, and employment. The state, in terms of the development of welfare state, usually provides citizens with social services to protect them from a variety of risks in society. Building the welfare state is commonly followed by the increasing numbers of jobs in the public sector, which are mainly secured by the state or state-funded institutions. By contrast, the Korean state from the 1960s to the mid-1990s followed a different course, in which it pursued a minimalistic approach in social welfare services. After the unemployment crisis due to economic recession, progressive governments launched their initiatives to develop social services and create social service jobs in the public sector. However, there was strong opposition to increasing the size of the public sector, whether it came from the inside the state (neo-liberal biased civil servants) or from outside the government (neo-liberal or developmental ideologues). As a result, there was a compromise between proponents and opponents. The first consequence was that social service jobs or social enterprises in Korea took excessive responsibility for providing social service and jobs to society, which the state should have been responsible for. The second result was that social service jobs or social enterprises were regarded as marginal or complementary to employment policy, which was apparently inconsistent with the first one. The main concern of the government was focused on the job market in the private sector. Even though the MOL stressed the importance of social service jobs, there was a great deal of emphasis on the 'small state', which was influenced by the neo-liberal ideology in the government. Thus, under this limited environment, it can be argued that social service jobs or social enterprises were mostly dealt with as a minor role in employment policy. For example, the 2003 Five Year Plan also described the issue as 'supporting *complementary* job creation' [보완적 일자리 창출지원] (MOL 2003: 14; italics supplied). A direct consequence was that social service jobs were criticised for being low-paid, insecure and precarious (Kim, H. Y. 2010; No, D. M. 2005).

The overall primacy of the state over society can be found in a variety of areas in Korea (Moon and Prasad 1994; Kwon, H. 1999). As far as active ageing policy in employment is concerned, the overall initiative of the state over society is also a significant issue. As discussed in Chapter Three, 'bottom-up' influence from civil society was an important factor in the emergence of the concept of active ageing along with 'top-down' force from the government. However, it can be argued that active ageing policy in Korea has been mainly influenced by the government's overall initiative, in which bottom-up pressures from civil societies were not well organised or influential. This argument will be discussed in

the next chapter on the issue of politics in older age in the development of active ageing policy in Korea.

Anti-Age Discrimination Policy

Until recently, Korean anti-age discrimination policies were mainly based on a voluntary approach. Since the government started its anti-age discrimination initiatives in its 2004 National Action Plan, the main item implemented was an information campaign. Even though the government's age awareness campaign was highly praised by the OECD (2006a), without legislative support, the age-awareness campaign in Korea was not able to effectively tackle the widespread age discriminatory practices in the workplace. For example, according to a survey in 2004, half of employers imposed age limitations when they recruited new employees (MOL 2007b).[3]

Even though it is still too early to assess the overall effect of the new legislation, the ADL in 2008 was a significant development in Korean active ageing policy, which made Korea the first country to adopt the ADL in East Asia. The regulation is an essential measure to counter ageist views in the labour market along with the determined age awareness campaign, which would be potentially beneficial for the employment of older workers. As a matter of fact, several judgements have been made by the NHRC since the enforcement of the Act. For example, in August 2011, the Discrimination Remedy Committee, a sub-committee of the NHRC, gave a decision that two older workers aged over 50 suspended from an engineering company had been victimised by a discriminatory personnel order without justifiable reasons.[4] Furthermore, Korean anti-age discrimination adopted a more comprehensive approach, in the sense that all discriminatory behaviour in the workplace and societies can be reviewed in the same jurisdictional organisation. The NHRC, an independent human rights organisation in Korea, is responsible for adjudicating age discrimination cases as well as other discrimination cases. Despite a dual administration structure shared with the MOL which is responsible for the correction and redress procedures in the Act, this comprehensive attitude was regarded as a considerable achievement.

However, there are also critics of the regulation. First of all, discriminatory practices based on chronological age are still prevalent in the human resource management of the majority of companies. It is easy to see news reports on 'the invisible specification' that lots of jobseekers have to face (Moon, J. M. 2009). According to a survey of 572 job applicants

conducted in July 2011, 64.3 per cent of the total interviewees reported having experience of not being able to apply due to the age requirements even though it was explicitly prevented (Career Net 2011). According to another survey of employers carried out in April 2009, nine in ten employers responded that a new ADL would not produce any actual results (Career Net 2009). Second, it can be said that there was not much conflict or debate over the ADL in Korea. Considering the fact that other countries had heated debate over the legislation, social or academic,[5] Korea did experience this kind of discussion. The bill submitted by the government was quickly passed without a strong opposition or conflict. The government submitted its anti-discrimination bill to the National Assembly on 20th October 2007, and the bill was tabled at the Environment and Labour Committee of the National Assembly on 16th November 2007. It then took just three months to pass the whole legislation process. Specifically, the Environment and Labour Committee, the main committee of the National Assembly, spent only five days for examining the bill (from 16th–20th November 2007).

Given that the legislation was to impose additional legal terms on employers, it is to some extent surprising that the employers' organisation did not strongly oppose it. One of the reasons why there was not so much debate in the legislation process was that the bill did not include the most controversial issue, the introduction of the mandatory retirement at the age of 60.[6] During the social debate before the submission of the bill, the issue was opposed by the employers' organisation. However, as the government attempted to compromise between interested groups, such as trade unionists and employers, there was ultimately no regulation on the mandatory retirement. As a result, the employers' side did not oppose the bill strongly. One high-ranking official in the employers' organisation confirmed this by saying that:

> The reason why the legislation process was so fast was that … we did not oppose it strongly. The most important content was the mandatory retirement age, … and what we continually opposed was the mandatory retirement age. However, it was not compulsory in the bill. … We gave our opinion on this issue, but we didn't respond excessively. It seemed that, due to our way of opposition, the employers' side made an excuse [for the legislation] (A high-ranking official in the employers' organisation, on 25th February 2013).

He emphasised that, under the existing seniority-based pay system, the mandatory retirement system would be a disaster to employers. Responding to the question as to whether there was 'implied consent' to the bill, he made a carefully phrased remark on the issue of the KEF's attitude to the bill by saying that:

> There is a subtle nuance in the meaning between the two words. … We didn't oppose

> it strongly, but it was not true that we agreed with the bill. Anyway, we officially provided our opposition stance [to the National Assembly]. … As a result, that kind of interpretation [implied consent] could be made … but our official position was, so to speak, passive negative (A high-ranking official in the employers' organisation, on 25th February 2013).

On the other side, a former high-ranking trade unionist of the Federation of Korean Trade Unions (FKTU) [한국노동조합총연맹] also confirmed the employers' comments. He stressed that the two main causes of anti-age discrimination in the bill were major issues:

> … what was important was that … seniority-based pay system and the mandatory retirement were listed as the main causes for anti-age discrimination. … these two things, which might cause a big burden to employers, were exempted so that employers were able to accept the bill (A former high-ranking official in the FKTU, on 26th February 2013).

He also acknowledged that, in the environment where a seniority-based system was overwhelming in the Korean labour market, trade union assertions did not win the social or by extension the legislative debate on this issue:

> … the mandatory retirement system … would give employers a lot of trouble, so they could not accept it. … Trade Unions did not have the power to break through. … It seemed that even the National Assembly members accepted the employers' claim. … Anyhow we lost the game in the overall negotiation (A former high-ranking official in the FKTU, on 26th February 2013).

As a compromise strategy, the MOL developed an option of future labour market review. During the Review Session of the Bill, a high-ranking official of the MOL explained why there was no mandatory regulation in the bill by saying that:

> Director-General Kim Tae Hong, MOL: … Last year, after an overall discussion among government ministries, there was a conclusion that the government would attempt to introduce a bill after a review of the labour market situations in 2010. During the review process of the Regulatory Reform Committee, there was controversy over the mandatory retirement, … resistance especially from the employers' side. … Ministries and employers' organisations expressed a negative view of the market shock, and we also believed that there should be a close examination of how much impact will happen in labour market. … (Proceedings of the meeting of the Sub-Committee for Bill Reviewing, the Environment and Labour Committee of the National Assembly held on 19th November, 2007. Available from National Assembly Secretariat Office 2007: 50-1; italics supplied).

When interpreting the official comment of Director-General Kim, we should be careful to overemphasise the government's intention to introduce the mandatory retirement bill. In other words, the MOL, whose main aim was to complete the ADL without too much delay, had to

handle the strong opposition of the economic ministries and employers to the mandatory retirement, so it tried to hedge against strong opposition and the failure of the bill by adding statements like 'after a review of the labour market' in later years or 'a close examination of' the labour market impact of the bill.

One civil servant who was involved in the presidential committee (PCAFC) critically commented that the unusual, smooth legislation process was mainly due to the weakness of the regulation itself:

> … without punitive damages [developed in the Common Law], anti-age discrimination legislation cannot be properly operated. … Paradoxically, it produces a contrary effect to the regulation in Korea. … the first is that the effect is not so significant. The second is that the logic of legislation was based on economic interest, such as the ineffectiveness of management, obstacles of effective job placement, … Business organisations therefore accepted it (Civil Servant C of the MOL, on 29th March 2011)

Being a legally-binding measure of anti-age discrimination initiatives, the ADL is basically relevant to the human rights of older workers. However, since the ADL is criticised as being ineffectual, the introduction of the ADL cannot provide strong evidence to support the idea that a human rights-based comprehensive approach to active ageing is prevalent in Korea. When discussing the main features of Korean active ageing policy in employment in Chapter Six, we should be cautious about considering the implication of the ADL in Korea.

The last point to mention regarding anti-age discrimination initiatives is that we can see a unique characteristic in the Korean quota system for older workers. This was introduced as one of the ALMPs, in which employers are recommended to hire older workers more than the standard employment rate (3 per cent). This can be also understood as one of affirmative action, which is regarded as positive discrimination in the workplaces. The main weakness of the Korean quota system is that it is based on a purely voluntary approach. The 'administrative guidance' of the government is the only implementation tool and has been criticised for its bureaucratic discretion (OECD 2007c). Here we can see the 'mixed attribute' which can usually be seen in Korean employment policy for older workers. The quota system is regarded as one of the affirmative schemes.[7] These schemes are considered useful tools for addressing the difficulties in proving discriminatory actions in the workplaces, as mentioned in Chapter Two. Thus, the quota system is apparently a modern policy measure. On the contrary, in terms of actual implementation, it should be regarded as a traditional but out-dated system which cannot be suited to the modern Korean workplace. The system was

originally rooted in the Japanese quota system, and the main enforceable measure is based on the old-fashioned administrative guidance. 'Administrative guidance' [행정지도] is a peculiar administrative action in Korea and Japan,[8] which is defined as 'the administrative functions of guidance, recommendations, and advice, or other acts by which an administrative agency seeks, within the scope of its duties or jurisdictional functions, certain feasance or non-feasance on the part of specified persons in order to realise administrative aims' (Article 2-1, Administrative Procedure Act). It is characterised mainly as non-official or non-binding duties on the basis of the implicit power of state agencies (Park, G. S. 2011: 362). Administrative guidance has been well used in and is commonly said to be a key characteristic of the developmental state since the 1960s. It can therefore be argued that the quota system for older workers shows the mixed characteristic of Korean active ageing policy in employment, which is commonly found in the Korean welfare state.

Conclusion

The previous sections show that there has been a significant development of active ageing policies in employment since the late 1990s. However, we are not sure whether Korean active ageing policy in employment has responded appropriately to rapid population ageing. As far as the ALMPs are concerned, despite determined investment the government was not equal to addressing widespread early retirement. One survey of 1,188 salaried employees found that they expected to lose their jobs, on average, at the age of 44, which figure was reduced by 4.5 years from the preceding year's survey (Son, J. E. 2009). With regard to subsidised employment programmes including social enterprises, there has been continuous criticism of the poor results. As far as anti-age discrimination initiatives are concerned, even though there have been a series of age awareness campaigns and recent legislation against age discrimination, age stereotypes are still prevalent in the workplace. Although too early to examine, the effect of the ADL is broadly questioned, especially outside the government (KARP 2010).[9] In addition, it can be suggested that active ageing policy in employment is still dominated by a narrow, employment-focused perspective. One of the most noticeable results of the ALMPs is the expansion of the PES, which is often stressed in the Work First approach. The area of social service jobs, including a recent boom in social enterprises, is overwhelmingly dominated by the short-term-based employment outcomes. It is also suggested that the alternative approaches towards ALMPs, such as Human Development and

Social Inclusion perspectives, have been pursued, especially in social service jobs and labour market training schemes, respectively. Nevertheless, a comprehensive approach is not well established in ALMPs for older workers. Park, M. J. (2011) criticises the disproportionate primacy of the state over civil society and the issue of employment over overall human well-being in the case of social enterprises, mentioned in the earlier section, and it can be argued that the primacy of employment is also overwhelmingly found in ALMPs for older works. As discussed in Chapter Three on the issue of ALMPs for older workers, if active ageing is understood as the narrow frame of activation in labour market, it is likely to focus solely on 'working longer' in older age. The idea of active ageing was not originally based on paid work for older people, but on human well-being in a various areas, and it is important to stress the balance between paid employment in labour market and social well-being of older people. In this regard, despite some meaningful efforts based on the alternative framework, ALMPs for older workers are predominantly based on a productivist approach.

As for the anti-age discrimination initiatives, a human rights-based comprehensive approach has been more pronounced. However, we cannot easily say that these alternative perspectives have dominated Korean ageing policies in employment. Despite a huge amount of public investment and regulations, labour market training and education programmes have not been fully utilised for high-risk labour market participants, mainly due to their inconsistency with an underdeveloped social welfare system. Anti-age discrimination initiatives are also criticised given their low impact on the workplace, which can support the argument that the economic-centred approach is still prevalent in this human rights area.

In conclusion, it can be said that the Korean active ageing policies in employment have been dominated by the narrow, employment-focused approach, despite the fact that alternative approaches are also present. Thus, the next chapter will raise the question as to whether there has been meaningful competition in the different ageing discourses by investigating a dynamic aspect of the policy process.

Notes

[1] Source: KNSO, KOSIS, based on the Report on the Labour Force Survey at Establishments [사업체 노동력 조사]. Available from: http://kosis.kr, accessed on 16th November 2011.

[2] The MOL (2009b: 67) defines social service jobs in its English pamphlet titled '2009 Employment and Labour Policy in Korea' as 'Jobs socially useful but not provided enough in the Labour market because of their low profitability'.

[3] Age discrimination was third largest among the total number of the discrimination claim cases filed to the NHRC from November 2001 to March 2007.

[4] Decision of the Discrimination Remedy Committee, the NHRC, made on 26th August 2011, Case No. 10Jinjung0766100. Other examples are cases on the tour guides of a local authorities (No. 11Jinjung 0105800, 10th June 2011), on the social service workers of the Korea Forest Service (No. 10Jikkwon200, 19th November 2010), and others.

[5] An exemplary case is the UK (see Macnicol 2006, 2008).

[6] In April 2013, the Korean National Assembly finally passed a bill stating that the mandatory retirement age of 60 would be effected in 2016 (Jun, J. H. 2013). Due to the extent of the thesis, the 2013 legislation is not covered in earnest.

[7] 'Affirmative action' refers to positive measures in order to attain a goal for employing older people, women and other minority workers (Reynolds *et al*. 1991: 583). The basic idea lies in the difficulty of proving discriminatory behaviour, and while anti-discrimination legislation primarily focuses on the employment process, affirmative action stresses the results of the composition of the labour force. Affirmative action has been traditionally developed in the United States, where the Office of Federal Contract Compliance Program (OFCCP) established in 1965, requires federal contractors to analyse the number of women and minorities in their workplace, and make an in-depth action plan how to fix their under-represented employment of women and minorities workers.

[8] 'Administrative guidance' originated in the Japanese practice known as '行政指導' or [gyosei shido] in Japanese.

[9] On 12th April 2010, the Korean Association of Retired Persons, a civil organisation representing older people, criticised the government for its age requirements on the invigilators of the National Qualification Exams (source available from http://www.karpkr.org, accessed on 19th November 2011).

Chapter Seven

Policy Process: Initiatives and Competing Discourses

Introduction

Based on the overall assessment of the employment policy for older workers in the previous chapter, Chapter Seven attempts to analyse the policy process in order to answer how active ageing policy in employment came to feature at the top of the Korean government's policy agenda and whether there was competition between the two representative discourses on active ageing. The main focus will be on to what extent policy priorities were placed in this specific area, and which ageing discourses were dominant.

Policy Priorities

The Legacy of the Old Days

When we discuss the policy priorities in the employment policy for older workers, the first thing to consider is the indifference to the employment of older workers inherited from the earlier stages of the government policy since the 1960s. First, unlike the countries in the West, the Korean government did not intentionally promote early retirement of older workers in the period of the economic growth since the 1960s. The Korean government was little interested in employment policy for older workers, or occasionally focused only on the effective labour supply of older workers. As clearly shown from the discussion at the National Assembly in Chapter Five, policymakers in the MOL were not seriously concerned with the importance of ageing issues even at the start of the twenty-first century. Second, there was no welfare and labour market programme pathway to early retirement in Korea as exist in the West. It can be argued that the lack of concern was inherited from the previous policy responses during the four decades of industrialisation. Even after the inauguration of the progressive government, it is not certain that this policy was truly prioritised. As noted earlier, it took two and a half

years to establish the Five Year Plan, and it seemed that counsellors in local jobcentres did not feel such a high priority for older workers.

Despite the fact that there was rapid population ageing, why was there low priority for active ageing among the Korean policymakers? It can be proposed that policymakers did not recognize the issues enough to drive them toward more fundamental actions. In this regard, the idea of an economist published in the mid-1990s was way ahead of its time:

> Population ageing cannot be regarded as the constraints of the economy. It gives us a question as to a foundation of a newly-emerging society. In a world where the average longevity is prolonged, it is the matter of how to design a new model of people's working career, and how to build the corresponding socio-economic system. … (Kim, O. A. 1995: 129)

An attitude of indifference toward older workers by Korean employment policy in the period of the economic growth must be regarded as the background of the policy response during the progressive governments (1998–2008). 'Path-dependency' is well known as one of the key elements for explaining welfare regime transformation in the historical institutional groups (Choi, Y. 2008: 128, 137). This term has been used to account for the development of the Korean National Pension system, which has been influenced by economic developmentalism (Kwon, H. 2003) and recent Taiwanese pension reform, which has been affected by 'the legacy of the developmental state' (Tang 2000). Likewise, it seems that path-dependent mechanism is also useful for explaining the low priority of older workers in employment policy during the progressive governments. It can be said that the low level of policy priority of the old days was likely to influence the extent of the subsequent policy response since the late 1990s. During the Kim Dae Jung administration (1998–2003) and the Roh Moo Hyun administration (2003–8), the Korean government attempted to improve the employment of older workers by way of various labour market programmes including the PES. However, the keen concern from the political power, such as presidents themselves and their policy advisors did not affect the policymaking process greatly. There was no genuine discussion about the significance of population ageing in Korean society in the policymaking arena until the start of the Roh administration. Thus, despite a clear declaration of the importance of older workers, the tradition that had existed for several decades of previous governments restricted improvement of employment policies by the later administrations. The remaining parts of this section will discuss the definite initiative from the supreme power of the government and resistance from civil servants, especially from economic bureaucrats.

Strong Impetus from the Political Power

First of all, as an internal factor of the development of policy, it was the political power group not civil servants in government who drove and pushed active ageing policy as a national agenda. A strong interest both in overall active ageing policies and specific employment policy for older workers was found in the early stage of the Roh administration. As noted earlier, the Presidential Transition Committee of the Roh administration clearly announced a new government mission for active ageing policy, and President-elect Roh also emphasised a comprehensive effort from all the administrative branches to address population ageing (the 16th Presidential Transition Committee 2003). One civil servant who was closely engaged in active ageing policy in the employment area recalled that:

> The driver was that, when the new administration was launched, various top agendas were made… Then a new organisation was established under the President, which was helpful for forming this issue as a significant policy agenda … It was not from each ministry's own initiative but from the Presidential Committee's drive, which was the centre of the President's interest… (Civil Servant A of the MOL, on 8th October 2009).

As described earlier, based on President Roh's robust concern, the Task Force of the Presidential Office and the Presidential Committee set up the overall direction of active ageing policy. After President Roh and his advisory organisations had taken a strong initiative for active ageing, bureaucrats in the ministries started to adapt to this changing political and policy environment. Consequently, it can be claimed that, at an early stage in the policy process, the political power group played the biggest role in establishing active ageing as a top policy agenda. However, the rhetoric usually differs from the reality. The strong initiative from the political power group at the initial stage was not properly supported by the administrative branch of the government, especially by the economic bureaucrats, as will be explained in the next sub-sections.

Tone-down by the Civil Servants

With regard to the policy priority placed on active ageing policy in employment, the Five Year Plan established in September 2006 by the MOL is an appropriate case to examine (MOL 2006a). As described earlier, it took two and a half years to establish a final plan after the National Action Strategy in January 2004. Why did it take so long time to finish? One civil servant of the MOL said:

> We had a complicated situation at that time. … The biggest problem was that the people in charge of this policy, such as director, director-general, … were changed too often. So they were not convinced with the content of the new policy plan. That was the reason why it took long time (Civil Servant B of the MOL, on 25th March 2011).

It is commonly claimed that frequent turnover of positions was one of the main reasons of the low performance under the generalist-based public administration system in the Korean government (Choi *et al*. 2004: 136; Kim, Y. and Lee, M. 2010). From 1997 to 2001, the average period of service in a director position in the government was only one year and two months (the Civil Service Commission 2002, quoted in Choi *et al*. 2004: 136). However, civil servants who are engaged in important missions, such as the policy formation of a national agenda, are likely to stay relatively longer, because their commitment to the posts makes a better environment for their assessment and promotion. In the case of employment policy for older workers, even though it was declared to be a highly significant policy agenda in official documents, even by Presidency itself, it was obvious that civil officials in charge were frequently changed, which shows that its priority was not so high. In addition, active ageing in the employment area had another rival, namely youth unemployment policy. Between 2004 and 2005, Team for Youth and Older Workers [청년고령자고용팀] was responsible for the employment policy for older workers. One civil servant of this team recalled that it was hard for him to focus on older workers' issue:

> … When I was appointed [to the division responsible for it] …, the director was in a hurry to finish and publish it. There were two main jobs in the division, youth unemployment and older workers'. *Youth unemployment was more urgent than older workers'*, thus most of the resources of the team were allocated to youth unemployment. … (Civil Servant B of the MOL, on 25th March 2011; italics supplied).

From the organisational standpoint, there was less emphasis on employment policy for older workers than its political rhetoric. As noted earlier, in terms of the organisation perspective, the problem of low priority was largely solved by establishing a new division for older workers in March 2006. However, its organisational foundation was not so solid in that during the Lee administration merged the division with a division for the disabled workers into a new organisation in April 2009, and re-established it as a small team in March 2011.

Resistance from Economic Bureaucrats

The resistance of economic bureaucrats was also an important factor explaining the difference between the rhetoric and the reality with regard to the policy priorities of active

ageing. The main ways that the economic bureaucrats used were financial controls over the government budget and their own economic and industrial programmes.

The Treasury Initiative

First of all, the economic bureaucrats were able to manage the decision-making process with their official power to allocate financial resources. The Ministry of Planning and Budget (MPB, which is similar to the HM Treasury in the UK) [기획예산처] continually asserted its long-term doctrine of balancing government finance. The National Action Strategy, established in the early stage of policy formation in January 2004, stressed the principle of the government budget balance (Task Force for Population Ageing and Social Inclusion 2004: 62–4), which had long been proposed by neo-liberal economists. The introduction of a new government fiscal policy framework, the National Fiscal Management Plan (NFMP) [국가재정운영계획], was also proposed. The NFMP is usually considered a developed fiscal policy framework, not only by economic bureaucrats but also by the academics and even some progressive activists (for example, Oh, G. 2010: 80–1).[1] Given that the plan had been proposed by the government since the 1980s (Oh, G. 2010: 81), the economic bureaucrats successfully accomplished their own policy initiatives in the changing political environment during the early stage of the Roh administration, even in discussions of the welfare-related national agenda. This argument does not mean that fiscal and economic policy is not related to active ageing policy. Conversely, a sound fiscal basis is necessary for the implementation of active ageing policy, mainly in the realm of welfare spending. What should be stressed here is that the monetarist perspective of the economic bureaucrats survived without substantial opposition during the first stage of policy formation of the 'progressive' government, including in the area of active ageing policy.

The principle of fiscal control was continually stressed during the debate on socio-economic development strategy (Vision 2030) and the overall active ageing policy (Basic Plan). Many new welfare initiatives proposed by other ministries and supported by academic welfare experts, civil activists and those from the Presidential Office, could not be advanced to the final round of the decision-making due to opposition by the MPB. For example, universal child benefit and the target of 30 per cent public nurseries were originally included in the draft of the Basic Plan. However, it was removed mainly due to resistance from the MPB, which insisted that those programmes were too radical for financial sustainability (Park,

H. 2006). The typical case was the introduction of the 'Basic Old-age Pension' (BOP) [기초노령연금]. The BOP is a cash benefit given to 70 per cent of people aged 65 years or over to support older people without any financial support from the existing pension system, such as the NPS. During the debate of the introduction of the BOP, there was conflict between Ryu Si Min, the Minister of Health and Welfare, a former civil movement activist and popular journalist, and the bureaucrats of the MPB (Civil Servant C of the MOL, on 29th March 2011). Minister Ryu and his staff members insisted on the introduction of the BOP, which was essential for the majority of older people. The MPB rejected the idea given that this new welfare benefit could not be sustained due to financial constraints, especially in the population ageing. Finally, there was a compromise that the amount of the BOP benefit was set at KRW 84,400 per month, equivalent to about £5.2 Despite the government support, the overall budget for the Basic Plan was only 32.1 trillion KRW. While the French government's spending for low fertility policies in 2005 was estimated at 2.6 per cent of the total GDP, annual budget for the Basic Plan, covering active ageing policies and economic policies as well as low fertility programmes, was only 0.8 per cent of total GDP (Hong, S. T. 2007: 32).

As far as the employment policy for older workers was concerned, the power of economic bureaucrats was much stronger. One of the main problems of the Five Year Plan of the MOL (2006a) was that there was no funding schedule agreed between the MOL and the MPB. Financial resources are crucial aspects of social policy (Baldock *et al*. 2003: 13). From this point, it is surprising to see that a national policy agenda was established without any concrete financial arrangement, which suggests a low priority being placed on the employment policy for older workers. One civil servant said that:

> What I feel was really missing in the Five Year Plan is that, since consultation [with the MPB] on the funding schedule was not properly finished, there was [only] a phrase in the last part of the Plan saying that there would be an additional consultation for financial planning. … we had no choice but to agree with the MPB on condition that we would add that proviso … (Civil Servant A of the MOL, on 25th March 2011).

In Korea, the treasury ministry (the MPB during the Roh administration and the MOSF after the Lee administration) has the authority to control the national budget. Under the presidential system of the Constitution of the Republic of Korea, 'the Executive Branch shall formulate the budget bill … and submit it to the National Assembly …' (Article 54 (2), the Constitution of the Republic of Korea) and the MPB (now the MOSF) has the power to

formulate the budget originally requested by each government ministry (Article 32, National Finance Act). Based on this institutional setting, no organisations in the government may submit their own financial plan without the consent of the MPB. Thus, the economic bureaucrats were able to resist financial support for active ageing policies.

Consequently, it can be concluded that, based on the influence of the monetarist perspective, the economic bureaucrats succeeded in controlling the welfare budget in active ageing policy, especially in the employment area, which shows a relatively low priority placed on this specific policy area.

Economic Policies in Active Ageing

In addition to monetarist intervention, the economic bureaucrats' resistance was widely found in active participation in their own policy initiatives from the first stage of the active ageing policy decision. In its earliest version in the National Action Strategy in January 2004, the economic bureaucrats quickly adapted themselves to a changing policy environment. It is interesting that the promotion of the 'silver industry' was proposed as the second topic of economic policies in the National Action Strategy (Task Force for Population Ageing and Social Inclusion 2004: 65–8). It is not common to see a combination of social policy and industrial policy. It is therefore unique that the National Action Strategy proposed a systematic response in the area of the newly emerging market. Based on the prediction that, as population ageing develops, a new kind of potential demand will arise from relatively affluent and healthy older people than their predecessors, the Task Force proposed building a new support system for silver industry. During the Roh administration, silver industry support policy was continually carried out by the government. Another example of the economic initiatives in the National Action Plan was financial market policy, in which the security and effectiveness of the financial capital market was emphasised (Task Force for Population Ageing and Social Inclusion 2004: 69–71). In particular, the diversification of the investment method in the National Pension Fund was argued, which shows that the interest of financial capital as well as the financial regulators in the government gained influence in discussions of active ageing policy.

In this sense, as discussed in the previous chapter, the mix between economic and industrial policy and social policy was sturdily stressed in the Roh administration's overall developmental strategy in the Vision 2030 (Joint Working Party 2006). The virtuous circle

between welfare and economic growth, or the close association between social and economic policy, was materialised in greater detail in the overall active ageing policy plan of the Basic Plan in 2006. For example:

> … [The government] should establish a comprehensive plan covering a wide range of socio-economic areas in order to respond to low fertility and population ageing … there are numerous reasons and factors for low fertility and population ageing, thus a sole plan or policy cannot guarantee policy effect (Government of the Republic of Korea 2006: 26).[3]

Policies for ensuring the economic growth engine as well as for creating a childcare-friendly environment and improving the quality of older people were considered as the major columns of the Basic Plan. Emphasis was placed on creating a new growth engine in an aged society, for example, labour force supply for workforce ageing, education and training policies suited for the hanging labour market, silver industry for sustainable economic growth and capital market policies. Several government ministries were vigorously engaged in this area, including financial market policy, human resource development policy and silver industry policy, which the MOFE, the MOL and the Ministry of Commerce, Industry and Energy [산업자원부] (MOCIE, now the Ministry of Knowledge Economy [지식경제부], MKE) were respectively responsible for. On the one hand, as active ageing is closely related to diverse aspects of human lives, it was desirable to relate different socio-economic policies in a more integrated way. However, on the other hand, it should be also noted that there was insufficient cooperation in policymaking. As discussed below, during the Roh administration, there was no significant policy community sharing a similar belief towards socio-economic developmental strategy in the policymaking of the Basic Plan. Even though the Plan was started by President Roh or his Presidential Office, there were no firm, shared policy ideas among policy actors concerned with active ageing policy. Civil officials in the economic organisations were therefore able to suggest their own initiatives in the Basic Plan, if it was not explicitly inconsistent with the Presidential agenda. The active involvement of the economic ministries in the policymaking process significantly influenced the contents of the Basic Plan.

The MOCIE was closely connected with one item of the social policy agenda: active ageing. Traditionally, the MOCIE was rarely related to social policy. If so, the main role of MOCIE in the Cabinet was to argue against new proposal for welfare programmes, mainly influenced by its key stakeholder, the business groups. However, during the Roh

administration, under the emerging emphasis on the issue of welfare for older people responding to overall population ageing, the economic bureaucrats had to accommodate themselves to a changing environment. President Roh also emphasised that, in a new paradigm of developmental strategy, economic policy should be incorporated with social policy. For example, the strategy for promoting the silver industry was understood as one of the focal points for integrating social and economic policies. President Roh himself conceived its role as follows:

> Today's agenda [the plan for promoting silver industry] is well timed, … Ageing policies so far have been focused on welfare issues … Today's presentation is meaningful in a sense that, as one of the economic and industrial policies, it represents another opportunistic factor for economic revitalisation (President Roh, during the 57th National Agenda meeting held in Sejong Room, the Presidential Residence, Seoul, on 21st January 2005, available from the unpublished proceedings).

As a result, promoting the silver industry is listed as one of the key strategies of the 2006 Basic Plan. Since then, even the MOHW has launched a new division, called the Division of Industries for the Elderly [고령친화산업과], under the Office for Low Fertility and Population Ageing. The MOCIE actively proposed this policy. It helped the Silver Industry Association [고령친화용품산업협회] established in 2006, and held a silver industry exhibition show at Busan in April 2006 (Yonhap News Agency 2006). Several government officials from the MOCIE were seconded to the MOHW and took the charge of this policy. In conclusion, the economic bureaucrats were able to actively participate in the active ageing policy by taking the initiatives with their own policy areas. With limited financial support for the traditional social policies, such as, universal child benefit, public nurseries and long-term care service for older people, the economic bureaucrats could list their policy initiatives as key items of the Basic Plan. It can therefore be illustrated as 'an inverted order' among policies in active ageing, which shows a unique interrelationship between social and economic policy and social and economic organisations in the government. The silver industry policy therefore shows how the economic bureaucrats adapted themselves to a changing environment by initiating industrial policy as well as fiscal policy (discussed earlier in the chapter) without substantial opposition in the area of the active ageing policy.

Negative View towards Population Ageing

Negative attitudes towards population ageing played a key role when economic bureaucrats were effectively engaged in active ageing policies during the Roh administration. It is worth

noting that the effect of population ageing estimated by the Task Force in the Presidential Office was based on the negative aspect of population ageing. First of all, policymakers were worried about the negative effects of population ageing. An increase in deficit finance was a major driving force for a new policy response for active ageing, which was already argued in the previous chapters. In the analysis of population ageing, the Task Force team emphasised the crisis factors including the government fiscal burden on older workers (Task Force for Population Ageing and Social Inclusion 2004: 7–14). The National Action Strategy in 2004 definitely underlined that 'population ageing will slow down economic growth' on the basis of the simple economic rationale in which the reduction of labour supply and labour productivity leads to a decrease in savings, consumption and investment in the economy, which will result in a government financial deficit (Task Force for Population Ageing and Social Inclusion 2004: 8). In particular, the Task Force insisted that 'generational conflict' over which age group, and how much, should take the responsibility of caring older people would be serious in the area of political, economic, societal and cultural area (Task Force for Population Ageing and Social Inclusion 2004: 7). The only positive estimation was found in the emerging industries, for example, silver industry and long-term financial markets for older people (Task Force for Population Ageing and Social Inclusion 2004: 12). In this regard, the phenomenon of population ageing was understood as mainly a challenge or risk of the society. Opportunity was to be found only in the interest of business including financial industry. The negative attitude towards population ageing was closely related to the economic bureaucrats' successful strategy in the debate on active ageing policy. Based on the economic burden discourses, they effectively defended their doctrine of a fiscal balance and actively participated in their own economic policies. They accomplished their own beliefs and interests under the overall framework of active ageing during the initial stage of policy formation of the Roh administration.

The negative view towards population ageing ran through the following policy reports. For example, the Five Year Plan in 2006 by the MOL, the effect of population ageing was mainly portrayed as gray colours:

> Population ageing will make a substantial influence on the economy and society by changing our population structure, and will lead to a slowing of mid- and long-term economic growth (MOL 2006a: 4).

In the Five Year Plan, generational conflict was also expected due to a sharp increase in the burden of social support for older people, such as social welfare spending. In particular, the

term ‘dependency ratio’ was also expressed slightly differently. Based on chronological age, ‘dependency ratio’, as argued in Chapter Two, is closely involved in that stereotypical assumption that older people are not productive. In the Five Year Plan, it was transformed into the inverse dependency ratio showing how many ‘independent’ workers (people aged 15 to 64) have to support one ‘dependent’ person (people aged 65 or over). This deeply negative measurement (Bytheway 1995: 52) was still found in many policy reports, such as the OECD (2006a). The Five Year Plan shows that the Korean policymakers did not seriously reflect on the underlying framework of population ageing.

This negative approach is an important aspect for understanding the limitations of Korean active ageing strategy. Already discussed in Chapter Two this author has reflected on the potential shortcomings of the negative and pessimistic view behind the use of the term ‘dependency ratio’. On the one hand, the gloomy forecast based on the increasing figure of dependency ratio was quite useful for attracting public attention, which drove the issue of active ageing as a key national agenda. On the other hand, ageist and pessimistic approach based on economic ideas, usually focusing on the public burden on the future pension and welfare cost, contributed to the narrow-economic focused policy response. Thus, it has to be admitted that ageist ideas prevented policymakers from developing a comprehensive approach based on older people’s quality of life and human rights.

Neo-Liberal Distortion of the Economic Bureaucrats

With regard to establishing the Growing Together Strategy, there was competition among academics and civil servants with different viewpoints. During this competition, the economic bureaucrats’ stubbornly fought against the comprehensive approach based on welfarism. In response to an order from President Roh, the Permanent Delegation of the Republic of Korea to the OECD in Paris (2005) made a brief report regarding the Swedish welfare state model, titled ‘The Swedish Welfare State Model and Its Implications’ [스웨덴 복지국가모델과 시사점]. The reports proposed that a new developmental strategy was necessary with a focus on a virtuous structure for economic growth and social welfare by education and investment in skilled manpower. Two points are worth making.

First, the Delegation to the OECD is well known for its close relationship with economic policymakers in the home government. Unlike other Korean embassies, in which ambassadors are usually career diplomats, all of the ambassadors in the Delegation to the

OECD have traditionally been economic bureaucrats or renowned economists from the publicly-funded research institutes since its establishment in 1997 (Yonhap News Agency 2010). Most of the diplomats in the Delegation were also from the economic departments. It is therefore not surprising to see that the members of the Delegation, many of whom were trained in postgraduate economics courses in the United States-based universities,[4] eagerly introduced the OECD policy recommendation speaking for neo-liberal ideas.

Second, it seemed that the Delegation intentionally distorted the Swedish welfare model. The report reads:

> Given that the Swedish Social Democratic welfare model faced the limitations [due to the decrease of productivity and the expansion of unemployment brought about by globalisation and population ageing], the Social Democratic Government, having returned in 1994, introduced the idea of globalisation and undertook *fundamental welfare reform, which reflected neo-liberal elements*. … It carried out a drastic reform of pension schemes and welfare programmes with *a focus on the reduction of welfare spending and the sustainability of long-term fiscal balance* ... (the Permanent Delegation of the Republic of Korea to the OECD 2005: 5; italics supplied).

It is clear that there was a certain extent of welfare retrenchment strategy in Sweden, but the Swedish welfare reform should be examined from its own historical basis. Sweden is famous for its high level of welfare services, and is regarded as a representative country of the Scandinavian-style social democratic welfare state (Esping-Andersen 1990). Even after the introduction of the Notional Defined Contribution (NDC) scheme,[5] just 2.5 per cent out of 18.5 per cent of the total contribution is saved and invested into individual retirement accounts, and the remaining 16 per cent is still managed by the existing PAYG system with public managed funds (Palmer 2002). Thus, along with newly introduced indexation measures to GDP growth and the Minimum Guarantee Pension funded by the state, the Swedish pension level is still universally high after the pension reform. For example, despite its pension reform in 2001, the net replacement rate of Swedish public pension is still 53.6 per cent, which is much higher than that of Japan (37.4%), Korea (47.3%), the United Kingdom (37.4%), and the United States (47.3%).[6] The Swedish Reform in the mid-1990s was a temporary shock therapy, which was galvanised by the Social Democratic Party administration. It has to be understood as a necessary measure for sustainable welfare system. We have to consider that Sweden recorded a historical budget deficit of 12.3 per cent of GDP in 1993, which had been balanced by 1989 (Heikensten 1996; Swedish Government Budget and National Accounts Commission 1997). Another reason was that the Swedish Government

had to meet its budget deficit target of 10 per cent of GDP to join in the European Monetary Union (EMU)[7] in 1999. After a tax increase and welfare cut in 1995, the Swedish government reached a goal to lower its budget deficit to 7 per cent of the GDP from 1994 to 1997. Thus, we cannot easily say that the Swedish welfare cut was not interpreted as a neo-liberal welfare reform. The Swedish model itself is characterised by a focus on the increase in real wages by way of sound finance and stable prices, whether the progressive or the conservative party was in power. Even a high profile official of the centre-right government denies the claim of welfare retrenchment:

> We haven't retreated from the Swedish welfare model. We are maintaining the Swedish model. … Many of our welfare programmes are the most generous in the world. What the Conservative Party [the Moderate Coalition Party] has undertaken is to reform the work incentive system and to improve control. The former Social Democratic Government started, and we are strengthening (Hans Lindblad, State Secretary to Minister for Finance Anders Borg, Sweden, from the interview in *the Hankyoreh*, Available from Park, H. 2011).

Therefore, it can be argued that Korean economic bureaucrats exaggerated the Swedish welfare reform for their political purposes. They over-emphasised the 'neo-liberal elements' in the Swedish model. However, even though Swedish reform, to some extent, followed this direction, Sweden is still retaining a comprehensive welfare state. It can therefore be argued that economic bureaucrats tenaciously held to their own initiatives by subjectively illustrating the specific welfare model for the purpose of driving a new national development strategy based on their own perspectives, even if it was commissioned by the President. Actually, President Roh sincerely hoped to establish a virtuous developmental strategy between economic growth and social welfare, in which the Swedish welfare model was regarded as a good example. After all, the economic bureaucrats' engagement in the Growing Together Strategy was highlighted in the following stage of the launching process of the Vision 2030.

To summarise, while active ageing policy in Korea was first proposed by the political power in the progressive government, civil servants in the administrative branches effectively adapted themselves to a new policy environment, which resulted in lowering the policy priority in terms of financial and organisational resources. Thus, the conclusive remarks of the Kok Report (2004: 6) on the evaluation of the Lisbon strategy can be applied in this case: 'a key issue has been the lack of determined political action'. The next chapter examines how the two different ageing discourses have contributed to the development of Korean active ageing policymaking.

Competing Discourses

Comprehensive Approach

As discussed earlier, the Kim Dae Jung Government first established a state welfare system based on human rights and comprehensive perspective under the national agenda of 'Productive Welfare'. The Kim administration significantly developed the public assistance programme (NBLS) and the social insurance systems, which were proposed and supported by progressive civil activists and academics. However, the policies were limited mainly to responding to the unemployment explosion and the social turmoil immediately after the East Asian financial crisis. The fundamental challenges faced by Korean society, such as population ageing and low fertility, was not addressed in earnest. Furthermore, while it was created as an alternative plan in an extremely conservative socio-political environment, the 'Productive Welfare' itself was too weak to build a comprehensive welfare state (Kim, Y. S. 2009).

It was the Roh Moo Hyun administration that began to establish the active ageing policy as one of its national agendas. In particular, a human rights-based comprehensive approach was proposed as the basic philosophy. In its earliest version of policy proposals, a fundamental policy response was proposed for building 'a universal welfare' (the 16th Presidential Committee 2003: 98) and the aforementioned 'healthy and active ageing society' (Task Force for Population Ageing and Social Inclusion 2004: 15). What was important during the Roh administration was that its welfare strategy was closely connected with the overall socio-economic development plan. A paradigm shift from the existing economic growth-focused development to the virtuous circle between social welfare and economic growth was a core element of the 'Growing Together' strategy. Under this framework, various policies were proposed (Vision 2030) and active ageing strategy (First Basic Plan).

Employment policy for older workers was also significantly developed on the basis of strong emphasis by the President. There are two points to be made regarding the comprehensive aspect in this area. Firstly, diverse areas of employment policy and related policies were covered. As well as the ALMPs, the MOL (2006a) included other measures in employment policies in the Five Year Plan. For example, the introduction of the Retirement Pension System was seriously discussed as a corporate pension for those without the eligibility of the Severance Pay System, in particular for older workers in the SMEs. The

legislation for non-regular workers was also under progression, which would be beneficial for improving working conditions for older workers, the majority of whom were in fixed-term contracts. The expansion of the EIS to non-regular workers was also applied to many of the older workers. In addition, many policies of other ministries, as described earlier, were also proposed in the Five Year Plan. For instance, anti-age discrimination initiative in the public sector was one of the main campaigns. However, it is not sure whether the programmes proposed in the Five Year Plan was so serious. Despite two and a half years' consultation process, it had no budget plan to support its various programmes, and other ministries' policies were usually developed by other policy initiatives and just 'copied' in the paper of the Five Year Plan. It is assumed that this lack of concern was reflected in discussions in the Cabinet and in government and society generally.

Secondly, the anti-age discrimination policies were included as one of the key substances in the Five Year Plan. Anti-age discrimination initiatives are originally based on the human rights of older workers, who have an authentic right to be fairly treated by their employers irrespective of their age. The government's age awareness campaign was carried out in partnership with some civil movement organisations, such as the KARP. More importantly, the ADL was established, which was crucial to regulate the age stereotypical practices in the workplace. It can therefore be asserted that anti-age discrimination policies implemented by the Roh administration were to some extent convincing evidence of a growing element of comprehensive approach to active ageing in Korea. However, at this moment, a question can be raised as to whether these cases really support the argument that a human rights-based comprehensive approach is prevalent in Korean active ageing policy, especially in the area of employment policy for older workers. As discussed in Chapter Five and Six, despite its human rights origins, the Korean ADL was not always regarded as a strong evidence for comprehensive approach to active ageing.

Productivist Approach

When it comes to the content of the policy, as discussed earlier, employment policies for older workers during the Roh administration have been greatly dominated by a narrow, employment-focused productivist approach, although alternative approaches are also found. Firstly, even though it openly insisted on a human rights-based comprehensive approach, the Roh administration's ambitious socio-economic plan for comprehensive welfare has been

criticised for its limitations, including its vague and undetailed content, and lack of political support from the public and bureaucrats (Kim, Y. S. 2009).

Secondly, in terms of diverse aspects of policy domains, the overall active ageing policy and its employment arena can be regarded as being based on a comprehensive approach. However, lots of policies classified as non-employment ones were not sincerely started as active ageing policies. Much of the content was transferred from existing policy reports without significant discussion and coordination. This was a popular habitual practice among civil servants, which was often called 'copying' [복사] or [베끼기]. As it were, 'a colourful decoration' of various policies coming from the outer part of the division or the ministry was commonly legitimised by having a comprehensive aspect. However, the reality was that, in many cases, there was no genuine debate between such organisations. They just copied some contents from other policies currently being developed, and borrowed their own contents, often, in exchange for cooperation. The anti-age discrimination scheme in the public sector, proposed in the Five Year Plan 2006, was another example. It is interesting to note that the MOGAHA and the CSC, the most powerful ministries in the government with responsibility for government organisations and personnel management, respectively, were involved in the policy initiatives of the MOL, which is regarded as one of the weakest organisations in the government. However, when we look at the inside of the policies, there are many limitations. As part of anti-age discrimination initiatives, the government planned to examine whether to ease the existing age requirements in the area of the recruitment and selection process of public sector workers including civil servants (MOL 2006a: 61). Although the related ministries were to begin the consultation process in 2007, the MOGAHA and the CSC did not respond to the MOL's official request to report on what had been done since 2006. In 2008, the MOPAS (an integrated ministry of the former MOGAHA and CSS) finally announced that it would abolish the age limitations on the civil servants' entrance exam, but there was no consultation with the MOL. This case shows that there was not much cooperation between the government ministries based on shared philosophy. Thirdly, as discussed earlier, the establishment of ADL is not to be considered as evidence to support that human rights-based comprehensive perspective. Lastly, as shown in the case of the NFMP's policies for silver industry and financial market, the economic bureaucrats successfully survived without strong opposition in the area of active ageing policy during the

'progressive' government era by maintaining their own economic policy initiatives, such as fiscal, financial, and industrial policies.

Therefore, it can be claimed that the two different discourses on active ageing competed against each other in the area of overall active ageing policy. However, when we focus on the specific area of employment policy for older workers, it is not easy to find a competition of the different ageing discourses. As discussed in the above section, active ageing policy in the employment area is predominantly focused on the narrow area of productivity of older workers or the employment in the labour market, which is based mainly on the productivist approach. One civil servant gave a critical insight:

> In the level of higher policymakers, there was to some extent [conflict between different discourses]. … *In terms of employment policy for older workers, there was not much*. Because employment policy for older workers of the MOL was closely tied by the supply-demand structure in the labour market. …. With regard to a comprehensive approach, or the framework to limit the social exclusion, there was room for this policy approach. However, it was not pursued. *The main focus was on how to expand the labour supply in the period of labour shortage in the future*, so there was [no conflict] … (Civil Servant C, on 29th March 2011; italics supplied).

In this vein, the idea of 'the social investment state' is interesting for an understanding of the main characteristics of the overall social policy of the Roh administration.

Social Investment Strategy: Contributions and Limitations

The idea of social investment is key to understanding the characteristics of social policy during the Roh administration. In the Vision 2030, a long-term planning document on the overall socio-economic policy of the Roh administration, social investment was one of the main principles (Lee, H. K. 2010; Yang, J. 2008; Kim, Y. S. 2009).

Originally, the strategy of the social investment state was proposed as a new solution for more competitive economies in a globalised post-industrialisation (Taylor-Gooby 2008). Based on the uncertain socio-economic environment of the late twentieth century, advocates of social investment such as Giddens (2006), argued that a paradigm shift of the role of welfare state would be needed: from a passive state providing social provision to an active one investing social resources on those contributing to national competitiveness, such as education, training, and children. There is a strong emphasis on the changing function of welfare as a social investment rather than as a simple burden on the economy and the reduced regulation to make labour markets more flexible or 'flexicurity'. In the sense that it does not

neglect the protective elements of the traditional welfare state, such as unemployment benefit and social assistance services (Hudson and Kühner 2009), social investment strategy should not be a simple monetarist perspective nor an neo-liberal idea, but a productivist one (Abrahamson 2010). The social investment idea has been widely disseminated by some IGOs. After the high levels of unemployment in the 1980s and 1990s, the EU (1993) and the OECD (1996) initiated a social investment strategy to obtain economic and social benefits in the mid-1990s (Taylor-Gooby 2008).[8] The EU emphasised the social investment strategy in its employment guidelines for member states in 2005 by recommending that:

> The objectives of full employment, job quality, labour productivity and social cohesion must be reflected in clear priorities: to attract and retain more people in employment, increase labour supply and modernise social protection systems; to improve adaptability of workers and enterprises; and to increase investment in human capital through better education and skills (EU 2005: 1).

The OECD (2004a: 5) also made a recommendation to its member states that 'investment in human capital is the key to improving employment prospects and job security over the longer term'. Although the European case has shown that the outcome of negative activation has been more overwhelming than the positive social investment in research and development and in supporting labour market mobility, the idea of social investment has influenced, in general, the increase of social spending on active programmes such as ALMPs for high-risk groups and on family and children (Taylor-Gooby 2008). It should be stressed that the economic rationale for future productivity of the national economy is an important element for the discourse of social investment strategy in the European debate.

The meaning of the social investment strategy in the Korean context can be examined by its usage in the course of policy formation during the Roh administration (2003–8). Firstly, the idea of social investment was important in understanding how public spending on social welfare significantly increased during the Roh administration. In the foreword to its socio-economic platform, Vision 2030, the Korean government declared the social investment strategy clearly:

> Korean society is entering a new era in which sustainable growth does not exist without the decent level of welfare. 'Growing Together' should be established as a new national development paradigm in which growth and welfare must go hand in hand. What is important is *a paradigm shift that welfare is an investment in human capital for future growth rather than a simple consumption* (Joint Working Party 2006: i; italics supplied).

The term ‘investment’ appears 122 times in the 156 page-long Vision 2030 report, including ‘investment for future’ [미래를 위한 투자], ‘pre-emptive investment’ [선제적 투자], ‘investment on research and development’ [R&D 투자], and ‘investment in human capital’ [인적자원투자].[9] The progressive professionals (for example, Kim, Y. M. 2007, Yang, J. 2008, Im, C. 2007) made use of the concept for the rationale of the increasing public spending on social welfare during the Roh administration. The logic of ‘return on investment (ROI)’ was central. It was useful for persuading the opposition from the conservative political parties and economic bureaucrats in the government. The concept was used for compromise between political groups in the Roh administration and civil servants in the ministries, especially in the economic ministries. This argument can be supported by the comments of the head of state himself. In his autobiography published after his death in 2009, President Roh recalled his own experience in which ‘logical persuasion’ was important for him with regard to the relationship between political powers and bureaucrats:

> Our government cannot operate without the help of bureaucrats. They are another power group. Their power is as strong as that of the political power groups. If we exclude them, [the administrative branch] cannot operate. Despite the general outline, there is no detail without the bureaucrats’ agreement. … *What is important is to persuade them*. … They also accept that our public welfare system is impoverished. *The phrase of ‘No Welfare, No Growth’, which we have spoken of, was logically accepted.* ‘Growing Together’ was also carefully listened to (Roh, M. 2009: 227, italics supplied).

For economic bureaucrats, the concept of social investment was attractive due to its strong focus on an investment for future economic returns. Chung Hae Bang, a Vice-Minister of the MPB, clearly expressed the essence of the social investment strategy from the viewpoint of economic bureaucrats by saying that:

> Welfare is an investment for future rather than consumption. We have to discard the existing notion that spending on economic development is productive and welfare spending is wasteful (Vice Minister Chung Hae Bang, MPB, from an interview with the MBN TV on 30th August 2006, available from: Kim, H. O. 2006).

Given that economic bureaucrats in Korea have been mostly inclined to the neo-liberal idea since the 1980s, which will be discussed in the later section of this chapter, it can be said that the social investment strategy was a practical framework for economic bureaucrats during the progressive Roh administration. It can be also assumed that, for this reason, the social investment strategy was popular for the progressive groups, and was thus used for making a compromise between the progressive groups and the economic bureaucrats. On the basis of

theoretical support of the social invest strategy, there were huge achievements in social welfare policy during the Roh administration. As noted in Chapter Five, public spending on welfare dramatically increased, especially in the area of child policy. After the Vision 2030, the concepts from the social investment strategy, such as 'the virtuous circle between growth and welfare', frequently appeared as a logical, economic term in the government.

However, despite the welfare spending increase, the social investment strategy was not fully accepted as a pivotal platform of the socio-economic development in the Korean government (Kim, Y. S 2009). One of the reasons why the Roh administration failed to establish a solid foundation for the welfare state was that it did not try to make a frontal attack against the existing pro-growth paradigm. The social investment strategy was mainly used for the compromise between the different policy groups, a bypass for transforming toward the welfare state. The term itself did not provide a profound philosophical foundation for social welfare, but was dependent on the economic rationale and the ultimate objective of economic growth. In the case of 'flexicurity', Chun Byeong You, a prominent labour economist who was closely involved in the policy formation of the Roh administration, critically reflected on the usage of flexicurity by the preceding progressive governments by commenting that:

> … For the last 15 years, flexicurity has been used for the expansion of social security, but the element of flexibility was excessively utilized, so that the term of flexicurity was actually misused as a benefit or a gift for employers … (Cho, G. 2011).

As the welfare state was not solidly entrenched during the Roh administration, it might disappear or weaken easily after the change of political regime. The next Lee Myung Bak administration (2008–13) was much criticised for its welfare retrenchment (Jegal, H. 2010; Nam, C. S. 2012a). Why did the Roh administration fail to set up a solid foundation for social welfare? One of the key reasons, I would argue, is that the political and social environment was not fully developed for the paradigm shift in terms of the weakness of political power and the low level of support from civil servants and academic professionals, which will be discussed as a weak policy network in the next section. In this sense, it is noteworthy to read the biography of former President Roh who committed suicide in May 2009 during the political conflict with the Lee administration. He cynically described the conservative dominance in the overall political situation in Korea:

> It looks like a football match on slanting ground. … Republic of Korea is still a country of the conservative. … The gap between the conservative and the progressive

> is as much as the property gap between the Chosun Ilbo and the OhmyNews.[10] Once seized and isolated by the conservative network, not even a progressive president can use his or her influence. It is no excuse. … It will take a long time to stabilise the slating ground in the future (Ryu, S. 2010: 204–5).

To summarise, social investment theory was used as a tool of compromise between welfarists and economic bureaucrats. Based on this argument, the chapter will examine in more detail who took policy discourse initiative in the dynamic development of Korean active ageing policy.

Policy Actors

When discussing the main characteristics of active ageing policy in the area of employment previously, we discovered that, despite a discourse competition, there was a dominance of the productivist over the comprehensive approach to active ageing. This section examines the productivist dominance with the help of the policy network framework in order to explore who initiated the policymaking. The discussion about which specific group took the lead would reveal the nature of active ageing policy in Korea from the framework of the competition of different discourses and policy actors.

Policy Network during the Kim Administration

As indicated above, the appearance of the Kim Dae Jung administration in Korean politics led to a significant change in policymaking. President Kim nominated his long-time policy aides to major posts in the social and economic policy areas. After the influx of progressive experts, there was a series of changes in the dominant policy actors and an increasing competition of policy actors with different ideas.

Policy Actors in the Economic Policy Area

The economic crisis and President Kim's critical view towards the state bureaucracy was a key factor in the change of policymakers and policy paradigm (Kwon, H. 2003). Economic bureaucrats, especially in the MOFE having been powerful actors since the 1960s, were responsible for the economic disaster due to their failure to manage the macro-economy (see the transition history of economic organisations in the Korean Government at Appendix 6). Due to the change of political regime and the weakening power of economic bureaucrats, a new kind of policymaking group appeared in the government (Lee, J. H. 2007). An advisory

expert group was actively involved in economic policy. It was 'Jung Gyeong Hoe [중경회]', a private study group of progressive economists friendly with President Kim, that initiated economic policy in the early stage of the Kim administration.[11] Representative members were Kim Tae Dong, Senior Economic Secretary to the President, Yoon Won Bae, Vice Chairperson of the Financial Supervisory Commission, and Lee Jin Sun, President of the KDI. However, after a series of conflicts with the traditional bureaucrats, they soon withdrew from the government. Finally, traditional economic bureaucrats who had long dominated a policymaking such as Lee Hun Jae, Minister of Finance and Economy (2000, 2004–5) and Jin Nyeom, Minister of Finance and Economy (2000–2), took the economic policy initiative again, and the policy paradigm swiftly returned from Democratic Market Economy to neo-liberalism.

Korean economic bureaucrats, who took a control of the overall socio-economic development in the 1960s, originally thought that the state should play a leading role in the economic development. The idea was commonly called the theory of the developmental state, which was supported by the early generation of development economics (Chang, H. J. 1999). Since the late 1970s, neo-liberal ideas have been dominant in the mainstream social sciences, at least in economics, supporting 'individualism, market liberalisation, and contraction of the state' (Chang, H. J. 1999: 183). Many Korean bureaucrats as well as economic experts were educated in American universities, who were earlier called the 'A-TKEs (American-trained Korean economists)' by Amsden (1994: 88). From the survey of the economists who attained PhDs degrees in American institutions between 1970 and 1990, she found that the number of A-TKEs was three times larger than that of A-TJEs (American-trained Japanese economists), even though the Korean population was only one third of the Japanese one (Amsden 1994: 91–2). Her main concern was that the Korean developmental model and economic ideas would be potentially biased towards neo-liberal orthodoxy, called the 'Anglo-Saxonisation', in which 'the free market is the best allocative mechanism' (Amsden 1994: 87–8).

The survey by Shin, J. and Chang, H. (2003) also confirms this idea. The proportion of Koreans among those who obtained PhD degrees in economics in American universities between 1987 and 1995 was nearly 10 per cent, which shows a strong bias in favour of the American-based economic ideas in Korean economists, because the proportion of South Korean population was just 0.75 per cent of the world population. In particular, Korean economic bureaucrats studied then popular neo-liberal economic ideas in postgraduate

courses with the help of the Korean government scholarship programme (Kim, Y. G. 2001; Shin, J. and Chang, H. 2003). A large number of civil servants were trained in the 'Chicago School of Economics', and sincerely believed in Friedrich Hayek and Milton Friedman's liberal economics and monetarism (Kim, B. S. 2009). On returning to Korea, economic bureaucrats came back to their original posts to practice these neo-liberal policies, and their colleagues in the academic and business worlds gradually adapted the existing dominant approach of Keynesian economics to neo-liberal economics (Shin, J. and Chang, H. 2003). As a result, the vast majority of posts in economics academia were filled by those trained in the United States. According to an empirical survey of the economists enrolled in the membership list of the Korean Economic Association [한국경제학회], among 1,825 members with PhD in 1993, 1,001 had been educated in the foreign academic institutions, among which there were 796 and 295 economists trained in the United States and non-US foreign universities respectively (Choi, Y. B. 1996).

Based on the 'Americanization of economics in Korea' (Choi, Y. B. 1996: 96), the Korean economics elite, whether in state, academic, or business circles, were 'true believers in neo-liberal economic ideas' (Lim, H. and Jang, J. 2006: 447). When asked about Korean policies after the 2009 global financial crisis in a newspaper interview, Chang Ha Jun, one of the leading institutional economists specialising in development economics, stated that the overall attitude of Korean economic bureaucrats was to stick to neo-liberal policies:

> The other day, I used a term of 'driving wrong way'. While all other countries were talking about the more regulations, only we [our government] drove the wrong way down the street. [After the global financial crisis] when we saw panic in the home of neo-liberalism, even though we were biased towards that, we needed to rethink our path, didn't we? Nonetheless, Korean policymakers make a dash and go. This looks like a religion, not a policy. (Interview from *the Hankyoreh*, 6th March 2011. Available from Han, S. D. 2011)

Jang, J. H. (2008) argues that economic bureaucrats, along with their partners in the private and knowledge sectors, form an internal bloc in the global neo-liberal knowledge system. After a short retreat due to the economic crisis in the late 1990s, Korean economic bureaucrats swiftly changed their positions from a nebulous status between the developmental idea and the neo-liberal one to a more clear conversion to the latter (Lee, J. H. 2007). Policymakers in the economic departments, sponsored by the 'IMF Trusteeship', made use of the reforms as a critical opportunity to keep and increase their power (Lee, G. *et al*. 2005: 30). A sociologist participating in the interview for this research also confirmed the

neo-liberal American influence on Korean academics, especially in the area of economics, by saying that 'our academics are dominated by the United States' (Researcher A on 24th May 2011). In this regard, the explanation of Daguerre (2007: 163) is valid:

> … economic thinking has become dominant in governmental circles … because economists have managed to promote themselves as the best experts on social matters, … economic thinking, with its emphasis on narrow cost-benefit analysis, has become hegemonic.

Policy Actors in Social Policy Area

There was a rather different story of policy actors in the area of social policy. Kwon, H. (2003) argues that the 'Productive Welfare' strategy during the Kim administration was co-ordinately proposed by the 'advocacy coalition of welfare idealists'. Traditionally, the economic development was an overwhelming objective over social welfare in the Korean social policy until the economic crisis, where the 'economic pragmatists' were powerful in overall policymaking (Kwon, H. 2003: 75). The economic pragmatists were mainly composed of economic bureaucrats in economics departments and policy experts in the government-funded policy institutes.[12] Among the latter, the KDI has been unrivalled. In 1971, it was established as the first government-funded social science research institution in Korea. As a matter of fact, its establishment was mainly financed by the USAID (Shin, H. C. 2011), and the US-based developmental study and economic ideas have been dominant. On the contrary, 'welfare idealists' were unable to influence the decision making of social policy.

The situation dramatically changed after the economic crisis. After the establishment of the Kim Government, an advocacy coalition of welfare idealists successfully took the initiatives for welfare policy reform. They played an important role in establishing the NBLS Act in 1999, as they insisted on the fundamental change in the public assistance system towards a human rights-based solidarity welfare society (Kwon, H. 2003; Lee, H. K. 2004). They keenly supported social protection, based on the idea of citizenship rights rather than economic growth. They were mainly composed of social welfare activists from NGOs, notably the People's Solidarity of Participatory Democracy (PSPD) [참여민주사회와 인권을 위한 시민연대], policy experts in the academics, political advisors to the President, and some National Assembly members. Kwon, H. (2003) argues that there was a clear paradigm shift in social policy, mainly due to the strong influence of these welfare idealists. The PSPD initially started the civil campaign for public assistance scheme reform with some

academics, by forming an *ad hoc* organisation for the welfare reform bill. A successful lobby along with civil campaign was supported by many academics, who gave a theoretical foundation and practical backing by way of the mass media. In particular, President Kim appointed his long-time academic advisors to critical posts in the government, such as Cha Hong Bong, the Health and Welfare Minister (a former civil servant who had resigned due to his welfare idealism), Kim Yoo Bae, Senior Secretary to the President for Welfare and Labour, and Lee Jae Jeong, Chairman of the Policy Committee of the minority government party (the National Congress for New Politics [새정치 국민회의]).

In order to take away the initiative from the majority opposition party in the upcoming general election in 2000, President Kim launched a new policy initiative, the previously mentioned 'Productive Welfare' strategy in 1999. Immediately after being appointed as a top policy advisor to the president in March 1999, Kim Yoo Bae started to mould the President's idea into a refined national agenda. Cho Jae Hee, then a member of the Presidential Advisory Committee, and Lee Jang Won, from the KLI, were scouted to the Presidential Office, and a dozen experts were also seconded from publicly funded research institutes and the government. During the whole process of the establishment of the NBLS Act, welfare idealists, earnestly supported by President Kim, effectively procured potential political resources from civil movement, trade unionists, political parties, and even some opposition party members. By contrast, the traditional economic pragmatists in the government did not fully respond to this change. Civil servants in the MOFE and the MPB, responsible for the overall economic policy and the compilation of the budget, respectively, were opposed to the bill in terms of welfare dependency and the huge increase in costs over the previous public assistance programme (Kwon, H. 2003). Some economists of publicly-funded research institutions who participated in an international conference on the social impact of the Asian financial crisis hosted by the Asian Development Bank in June 1999, expressed their concerns about the side-effects of the introduction of welfare programmes with cautious tone (Nam, C. S. 2008). Even though they deemed the Kim administration's policy to be appropriate to the social impact caused by the economic crises, they warned that a sustainable economic growth could be hindered by a generous welfare benefits (ADB 1999a, 1999b). Later their ideas were published by the KDI (Moon, H. *et al*. 1999). The overwhelming focus on economic growth and employment in the labour market, which is repeatedly mentioned as

a productivist approach in this thesis, was clearly seen in the paper, whereby a potential side-effect of the welfare programme was much emphasised:

> … current unemployment and the ensuing social turbulence in Korea was mainly driven by the economic recession, not by the economic restructuring. This shows that economic security is at the root of social security. This fact has an important implication for the design of a social safety net. *The social safety net, when it hinders sustainable growth, is not able to enhance social welfare itself*. The importance of a social safety net compatible with sustainable growth becomes more evident when considering the ageing populations. … *Overly generous social benefits will aggravate such problem* by discouraging the elderly from staying in the labour market as already observed in many OECD countries (Moon, H. *et al*. 1999: 111–2, italics supplied).

However it is obvious that the low level of the Korean social safety net, especially in the early stage of the government's ambitious launch in the late 1990s, cannot support their warnings. It can be argued that Korean economists were too much concerned about side-effects, which were, they believed, caused by the newly emerging welfare programme. Although their resistance was weak to reverse the welfare idealists' power in those days, their discourse emerged again when the political environment became favourable to their ideas. In this respect, the authors were influential in the later policy discourses in the political world as well as in academia. Moon Hyung Pyo has long been responsible for social policy in the KDI with a specific focus on pension policy, and was a key contributor to establishing the Roh administration's National Pension Reform (Moon, H. 2005, 2007a, 2007b, 2007c, 2007d). Another author, Lee Hye Hoon, who had formerly worked for the RAND Corporation, an influential conservative research organisation in the United States, changed her career from an economist of the KDI to a promising female politician of the main conservative party (Grand National Party), and was later elected as a National Assembly Member of Gangnam-gu, Seoul, one of the most affluent areas in Korea (Lee Hye Hoon's website available from www.hhlee.com). However, under President Kim's strong leadership and a robust policy network of the welfare idealists, their challenge was too weak to reverse it (Kim, M. 2010).

The Initiative for Employment Policy

There was controversy as to which department in the government should take the initiative for employment policy during the Kim administration (Kim, S. and Seong, J. 2005). Some argued that the economic department (e.g. the MOFE) should have control because economic growth automatically leads to more jobs. The weak position of the MOL in the government was another reason. The MOL insisted that employment policy was one of the core missions

of the organisation, so it should take the lead. The latter was accepted, and Lee Gi Ho, then Minister of Labour, regularly reported on his employment plan directly to President Kim, who earnestly tried to tackle the employment crisis after the 1997 economic crisis. The Minister of Labour's direct report to the President was considered to be exceptional in the history of the MOL. During the unemployment crisis, he actively pushed the employment policy and successfully coordinated the different departments (Kim, S. and Seong, J. 2005).[13] To implement the Master Plan effectively, the government established a temporary high-ranking task force called the Committee for Employment Plan [실업대책추진위원회], of which the chairperson was the Minister for the Prime Minister's Office and the vice-chairperson was the Vice Minister of Labour, and members were Vice Ministers from various departments.

Employment policy can be approached by various kinds of public policy areas. On the one hand, in terms of economic discipline, it is a policy of regulating the labour market, in which demand for jobs is usually derived from the products and/or service market. In practice, employment policy is considered as one of the key economic policies, and the Minister of Labour has been traditionally a member of the Economic Ministries Meeting [경제장관회의] chaired by the Minister of Finance and Economy. The main items of the MOL's policy direction for the next year are included in the Key Economic Policies [주요경제정책방향], which was coordinated and published by the MOFE every December (for example, Government of Republic of Korea 2012). On the other hand, employment policy is closely related to human well-being and various kinds of social problems, such as, unemployment, income maintenance, health, and community. It is obviously regarded as a key dimension of social policy areas. During the Kim Government, thanks to President Kim's support, Labour Ministers such as Lee Gi Ho, succeeded in taking the initiative of employment policies to some extent by pushing the economic ministers aside.

Policy Network during the Roh Administration

First of all, it should be noted that President Roh and his government was not fully prepared for operating the administrative branch of the state. In the spring of 2002, the progressive politician Roh Moo Hyun was one of several minor candidates in the governing party for the 2002 Presidential Election. Due to the corruption scandals of the President Kim's family members as well as the emerging issue of social polarisation, the governing Millennium

Democratic Party was unpopular in the opinion poll, while the conservative candidate, Lee Hoi Chang, from the opposition Grand National Party, was well ahead of the Candidate Roh.[14] Before the election day on 16th December 2002, Candidate Roh continually had difficulty in organising resources for his election camp mainly due to sabotage from the mainstream politicians in his governing party. Even after winning the presidential election by a narrow margin, President-elect Roh and his party were still too weak to lead their socio-economic reforms in terms of the resources, strategies and ideology (Kim, Y. S. 2009).

Strategies and Ideologies for Reforms

The welfare reform of the Roh administration was carried out without clear direction and strategies, which showed that it did not prepare for developing a policy paradigm on welfare reform. As mentioned in Chapter Five, the Roh administration proposed its socio-economic development agenda, 'Growing Together Strategy', in the first stage of its term. A universal welfare was proposed for establishing a comprehensive response to population ageing by the 16th Presidential Transition Committee (2003), and a vision of a 'healthy and active ageing society' with four main policy plans was proposed as a National Action Strategy by the Task Force for Population Ageing and Social Inclusion (2004: 15–72) in the Presidential Office. However, as discussed in Chapter Six, what the strategy proposed was not still clear. There was no convincing strategy or action plan for synthesising each of policies in various social policy areas. Only a big, but abstract idea was cast, while the detailed policy contents were yet to be established. This meant that, firstly, the Roh administration was not ready for policy competition against the existing policy paradigms, and that there might be a competition or conflict about how to set up the detailed contents and strategies for welfare reform since the inauguration.

As time passed and the Roh administration continually backed a socio-economic reform agenda, the idea of social investment emerged to overcome the weakness of the Roh administration in terms of strategies and ideologies for socio-economic reform. As mentioned above, the social investment strategy was one of the key characteristics of the overall social-economic policy during the Roh administration. While it was used for increasing welfare spending and as a compromise with the economic bureaucrats, the social investment strategy was limited to establishing a foundation for comprehensive welfare reform under the weak policy network for socio-economic reforms, to which we now turn.

Weak Policy Network for Reforms

Unlike the previous Kim administration which had a strong welfarist policy community, the Roh administration failed to build up a firm policy network sharing a common ideology and a detailed strategy for welfare reform agenda. In the first stage of his presidency, progressive advisors came to the forefront of his team. In January 2002, President-elect Roh formed his Presidential Transition Committee, as mentioned in Chapter Five. In the Sub-committee for Social, Cultural and Women, there was a small team responsible for employment and labour-related policies, composed of three experts. The team members were Dr. Park Tae Ju, a well-known industrial sociologist and former trade unionist, Mr. Kim Young Dae, a prominent trade unionist and staff of the Roh's election camp, and Mr. Roh Min Kee, a high-ranking official of the MOL who later became a Vice Labour Minister in 2006. Like most of the other teams, it consisted mainly of President-elect Roh's political advisors from academics or trade union movements, who shared philosophy and strategies with the President-elect. It seemed that the influence from bureaucrats was as weak given their low proportion of members. President-elect Roh, who was a passionate civil movement activist, advocate in numerous labour lawsuits, and member in the Labour Committee of the National Assembly from 1988 to 1992, had firm support from the progressive academics, trade unions and civil movements. Among the team members, Dr. Park was nominated as a top secretary in the Presidential Office responsible for the labour policy reform. Thus, at the time of the official inauguration in February 2002, it can be said that the progressive group of the presidential office had sufficient power to lead the socio-economic reform while the bureaucrats had little influence in the Presidential Office.

However, the Roh administration had difficulty in dealing with various social issues, especially conflicts with trade unionists. It was ironic that the trade union-friendly government was not able to manage the relationship with trade unions. Especially after the industrial strike of the militant truck union, the Roh administration lost its power to manage the labour issues, and its progressive groups lost power to play a leading role in the socio-economic reform. To make things worse, Dr. Park Tae Ju abruptly resigned from his post as secretary in the Presidential Office over the political issue in June 2003,[15] which made the progressive group lose the reform initiative. Without a strong policy community, a progressive policy alliance or a guiding strategy, the Roh administration was not able to take the lead in establishing its reforming social policies. Dr Chung Tae In, a former secretary to

President Roh for economic policy, also noticed a weak policy network for welfare reforms. Having been called 'a private tutor' to President Candidate Roh, he critically recalled the political battle over the socio-economic issues at the early stage of the Roh administration from an insider viewpoint:

> The Roh administration was extremely captured by bureaucrats and the conglomerates. … Both politicians and bureaucrats pursued a laissez-faire doctrine …and market clearing even in real estate and educational issues, and, in fact, the citizens are alike. In an environment in which chaebols and bureaucrats are able to pursue their private interest, no progressive president could achieve very much (Chung Tae In from an interview with CBS Radio, available from Kim, H. 2010).

Due to the weak policy network with an unclear strategy for reform, there were numerous criticisms against the Roh administration's active ageing policy. On the one hand, the conservative or neo-liberal-based academics and the mass media attacked the Basic Plan in 2006. For example, the governmental budget plan was severely attacked by the opposition party. National Assemblyman Bae Il Do, then the leader of the main opposition Grand National Party in the Environment and Labour Committee of the National Assembly, criticised the government for wasting taxpayer's money (Kim, S. S. 2006). On the other hand, criticism also came from the other side. The left-wing media criticised the Basic Plan that it would become 'wrapping paper' for hiding the government's neo-liberal policies (Chamsesang 2006). The PSPD, a renowned civil movement organisation which had had considerable influence on the establishment of the NBLS system during the Kim Dae Jung administration, also condemned the government in its commentary on the Basic Plan:

> … we believe that, even though it is too late, it is worthy for the government setting up a comprehensive plan and beginning public investment. However, the Plan is a collage of existing policies in each ministry, which shows that it is far from the paradigm shift. … the target of developing public nurseries is too low, … we are deeply disappointed that there is no concrete plan for the introduction of the universal child benefit scheme. … the government's plan for long-term care service for older people relied heavily on burdening individuals and their families. … [Lastly,] there is no concrete plan in the government's financing schedule for 32.1 trillion KRW [for the next five years] … (Social Welfare Committee of the PSPD 2006).

Due to the weak policy network, many potential allies of welfare reform did not band together. The Roh administration was unsuccessful in obtaining support vital to its reform. We can find an interesting statement in the Basic Plan, which also supports the argument of the weak policy network of the Roh administration. Even though it was not based on academic terms, the Basic Plan openly proposed that a 'policy community' should be built in

order to make a stronger social consensus on public welfare system (Government of the Republic of Korea 2006: 202). This suggestion conversely reflects that fact the Korean discourse on social policy was still too weak to support a welfare state initiative. It can therefore be concluded that the Roh administration failed to establish a solid foundation for the welfare state in terms of welfare coalition and strong policy community.

Policy Intervention of the Progressive Groups

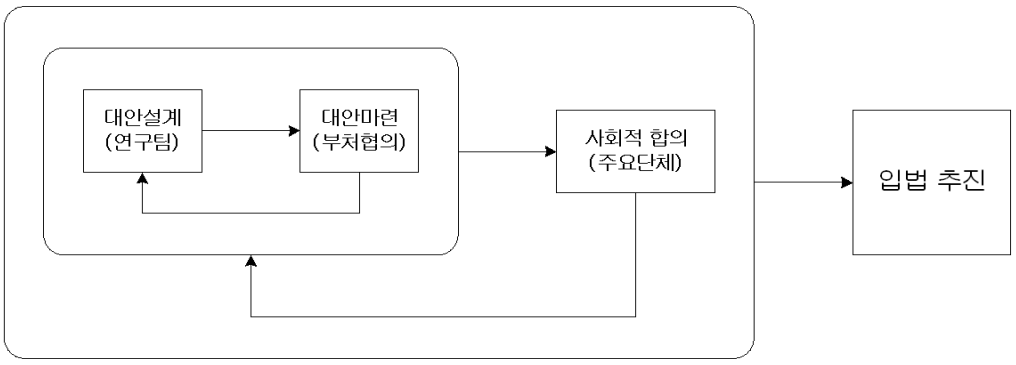
The findings above do not mean that there was no involvement of progressive groups in the policymaking process. During the Roh administration, their participation could not be discounted.

There is evidence to show the increasing intervention of the active ageing policy. On 4th March 2005, an unpublished report, titled 'Consultation for Building Income Security for Older People' [노후소득보장체계 구축 방안 부처협의] was submitted to the consultation meeting of the related civil servants from the ministries under the chair of the advisory committee to the President Roh (PCAFC 2005). In the report, there was a specific suggestion for the future action plans (PCAFC 2005: 2–4). The issue of income security for older people was always controversial, and the presidential committee believed that the detailed steps towards social consensus should be taken. The detailed action plans were proposed in this report (Figure 7-1). A Task Force Team (TFT), responsible for research and analysis for the design of alternatives, and a consultation body for building social consensus were devised. First, the TFT consisted of experts and the related research institutes: the National Pension Research Institute (NPRI) [국민연금연구원], the KIHASA, the KDI and the Korean Institute of Public Finance (KIPF) [한국조세연구원]. To say roughly, while the KDI and the KIPF were usually spokespersons of the productivist paradigm, the KIHASA and the NPRI were likely to protect the issue of the income security of older generation. From this perspective, the progressive group had access to early-stage policy formation. Second, the next consultation was carried out by senior civil servants of related government organisations: the Presidential Office, the Presidential Commission on Policy Planning (PCPP) [정책기획위원회], the Prime Minister's Office, the MOFE, the MOGAHA, the MOHW, the MOL, and the MPB. In particular, the PCPP, a presidential advisory commission, was key for the progressive group. The PCPP, headed by the Commissioner Kim Byong Joon, a close long-time advisor to President Roh, was able to play a role in defending the welfarist

perspectives to the public pension against the 'productivist league', such as the MOFE.[16] Third, there was a proposal to build up the consultation body on social consensus covering various kinds of interest organisations: industrial organisations, trade unions, farmers' organisations, and civil movement organisations. From this material, we can see that academic researchers and professionals participated in the early stage of the policymaking process. After consultation with government representatives, civil movement activists as well as various interest groups joined in the coordination process. It can therefore be seen that there must be a dynamic process in which various policy actors were engaged. However, it is unclear whether and to what extent the researchers from various kinds of research institute were involved.

Figure 7-1: Copy of the Printed Version of Figure 1 in the Report on Consultation for Building Income Security for Older People: Discussion for Social Consensus

<그림 1> 사회적 합의 도출을 위한 논의진행



Source: Committee for Population Ageing and Future Society (2005: 4)

* Translations of each box are: Idea Design (Research Team) → Making Alternatives (Consultations among Ministries) → Social Consensus (Key Organisations) → Carrying out Legislation (from left)

Still Powerful Productivist Bloc

When we turn to the other side of policy actors, productivist-oriented researchers were still influential in carrying out research projects for their growing participation in the active ageing policymaking process.

It was the KDI that undertook a series of research projects on the basis of productivist framework. As described in the above chapters, the KDI was a leading social science research institute funded by the state, whose researchers were mostly trained in the US-based

developmental and economic institutes (Shin, H. C. 2011). Moon Hyung Pyo was a principal participant of the KDI's research project called 'Socio-Economic Impacts of Aging and Policy Issues' (Moon, H. 2005). As noted in Chapter Five, he argued against the Kim Dae Jung Government's welfare policies based on a productivist approach. The project took three years from 2004 to 2006, and four other major research institutes were covered: the KIPF, the KLI, the Korea Educational Development Institute [한국교육개발원], and the Yonsei University.

Subsequently, in 2007, the KDI began another major research project on the income security system for older people in partnership with several public and private-funded research organisations (Moon, H. 2007a, 2007b, 2007c, 2007d). Participants were the KIHASA, the NPRI, the Korea Insurance Development Institute (a research organisation established and funded by private insurance companies) [보험개발원], the Government Employee Pension Research Centre [공무원연금연구센터] (a public research centre on the government employee pension service), and the Korea Institute for Social Insurance [사회보험연구소] (a privately-funded research institute on the social insurance system), which did research on the overall issues of the public and private pension. In particular, the research was carried out with the financial support of the National Research Council for Economics, Humanities and Social Sciences [경제인문사회연구회], which was a public institution under the Prime Minister which assisted the research of 23 affiliated public research institutes in those areas. Thanks to financial and organisational support from the state and the bureaucrats, this research project should be regarded as having more significance than those by individual researchers.

It is not clear whether researchers participating in these projects had shared a common belief and policy prescriptions, and whether they engaged in coordinated action with bureaucrats in the government, especially in the economic departments. However, it is clear that the productivist-based research groups were more actively engaged in active ageing policy than comprehensive-based ones during the Roh administration. In this environment, career civil servants from the bureaucratic groups or civil movement activists took the initiative in the process.

Initiative from Career Civil Servants

Without a solid policy network from the progressive group, there was increasing influence from the bureaucrats. In the area of employment policy for older workers, it was clear that there was bureaucratic dominance. The National Action Strategy submitted to the National Agenda Meeting in January 2004 is useful for investigating who initiated the early stage of policymaking for active ageing during the Roh administration.

When the Task Force team was set up to produce the new government's national agenda, it can be assumed that the experts in the academic field or civil movement activists actively initiated the National Action Strategy instead of career civil servants from the government. As mentioned earlier, having been a civil movement activist and human rights lawyer, President Roh had a close relationship with progressive activists and academics. However, there are several pieces of evidence which do not support this assumption. First, several interviewees unanimously commented that one civil servant seconded from the MOL to the Presidential Office had a key role. Director-General Kim Young Su (pseudonym), who had worked for the OECD headquarters in Paris as a policy advisor in 2000–3 took the initiative to develop the overall process in the area of employment policy. While all interviewees have the same opinion as to his role, one civil servant of the MOL described in detail:

> … most of the contents were written by Director-General Kim Young Su. … Usually, each government submitted its own items to the Presidential Committee, and then they [the Presidential Committee] arranged it comprehensively. However, in this case, the individual role of Director-General Kim Young Su was outstanding. He himself was an expert, and he studied a lot at the OECD. … It seemed to me that he was most developed in that area, among researchers including the KLI and other research institutions. … He was outstanding in terms of the contents of policy. When overall planning took place, he initiated a new approach, which was well beyond the existing framework of employment policy for older people. He was in a sort of vanguard role. … his ideas were so fresh. … He analysed the labour market structure and population structure. Based on the projection of future labour market trends, we have to prepare employment policy for older workers suited with labour market supply-demand structure, and this framework was new, at least at that time (Civil Servant C of the MOL, on 29th April 2011).

One academic researcher who was involved in the National Action Strategy in 2003–4 also recalled:

> … I can't remember who participated in the employment [policy] for older workers except for Director-General Kim. … Civil servants, dispatched from the Ministry of

> Health and Welfare, have not remained in my memory at all. … In the area of employment policy, no political advisor claimed it as their area. … He seemed to be well prepared … (Researcher A, on 24 May 2011)

Data collected from qualitative interviews with policy actors suggests that civil servants took the initiative to produce the National Action Strategy.

Secondly, there were many interesting statements in the report, which give us clues for understanding which specific group took the lead of the socio-economic policy in the early stage of the Roh administration. For example, there were the phrases of 'will be under examination' [검토] or 'will be carefully examined' [신중 검토], which appeared 40 times in the report. These statements are unique in the official documents of the Korean government. In terms of its literal meaning, it is not clear whether this policy would be implemented after the production of the report. Instead, we can assume that there were to some extent disputes over the National Action Strategy between the different governmental organisations. That is to say, some of the ministries supported the new policy against staunch disagreement from other ministries. Usually, the social policy-related ministries (e.g. MOL, MOHW) propose the introduction of a new welfare programme. But the economic policy-related ministries (e.g. MPB, MOSP) are likely to oppose it for the fear of additional funding for the programme. When they do not agree with each other, the items are usually removed from the final document, but the MOL and the MOHW insist that important items for them should remain in the document as a tentative plan or discussion agenda. Occasionally, they retain the specific statement or the order of the President with regard to a specific agenda. In this sense, the aforementioned statements can be regarded as evidence to suggest that there were compromises between different organisations with regard to newly proposed policy agendas, and that, unlike its official rhetoric, there were not strong support for active ageing policy among the government ministries.

Besides the above phrase, when we read though the report, it seems a typical government document produced by civil servants. As a permanent civil official in the government for more than 17 years, having a diverse experience in the government's policy reports, this researcher can readily acknowledge that the National Action Strategy was written, or at least helped, by civil servants, in a sense that there are common statements often found in the government document. Expressions, which can often be found in other government reports show that this report was written by or with great help from the bureaucrats dispatched to the Presidential Office. For example, almost all official documents

in the Korean government are written in a specific way, commonly called ‘gaejosik munjang’ [개조식 문장], in which key words are concisely used with a basis on each article, and clauses and sentences are not perfectly finished. Bullets and numbering styles in the documents are well established by the government’s internal regulation that it can be readily recognised as a government document. Under ‘the Government Office Regulations’ [사무관리규정] (Presidential Decree No. 22322, amended on 4th August 2010) and ‘the Enforcement Regulations of the Government Office Regulations’ [사무관리규정 시행규칙] (Ministerial Decree of the MOPAS, No. 200, amended on 22nd March 2011), government documents should be produced in a specific way, including, the principle and the detailed method of writing, the size of paper, the kinds and the order of bullet points and the numbering styles. When we read the report, the specific format preferred by the Korean bureaucrats can be easily seen. For example, the cover sheet of the report is fairly similar to the traditional layout of the public documents, and the numbering format of, for example, page 33 is orderly shown such as ‘2. …. 가. …. □ … ○ … * ….’ In addition, the reports were made up of the traditional format of the government document, that is to say, the order of the report was the present state, the reasons, the effects and the future projection of the population ageing (chapter one), the suggestions of the National Action Strategy to respond to population ageing, made up of the four main policy areas (chapter two), and several urgent issues to be decided (chapter three). Therefore, we can assume that this report was produced by civil servants in the Presidential Office, not by the initiative of political advisors. It can therefore be concluded that political leaders including President Roh kicked off the first stage of the policy process in active ageing, and since then the veteran bureaucrats took the initiative. This finding can be supported by other research focusing on bureaucratic dominance in policy regime under the rising influence of civil movement groups (Yoon, S. W. 2007). In the post-democratic transition in Korea where civil societies increasingly participated in policymaking process, career civil servants in the government still have more power to influence the policymaking process than civil society.

Conclusion

The chapter discussed, firstly, how the legacy inherited in the existing developmental state, has made Korean active ageing policy a low priority. Despite the strong drive from the political power group, active ageing policy has been toned down by civil servants, especially

in the economic departments. In the overall social policy area, there was some debate over discourse competition toward active ageing. Even though there was keen competition between the two different ageing discourses in the area of overall active ageing policies as well as other social policies during the Roh administration, there was little competition in the area of employment policy for older workers. Thus, Korean active ageing policies on employment have been dominated by the narrow, employment-focused approach, although alternative approaches were, to some extent, also attempted.

Notes

[1] The NFMP is a mid-term fiscal policy plan proposed annually by the government and is amended each year to adjust the socio-economic changes. It was firstly established in 2004, and the National Fiscal Act was passed in 2006 to institutionally support this system (MOSF 2010: 21).

[2] The amount of pension is calculated to be five per cent of the average monthly income of the past three years before receipt of benefits (value A of the NPS). From April 2011, recipients living alone were given up to 91,200 won every month and couple recipients up to 145,900 won (20 per cent deducted from benefits for recipients living alone, available from: http://english.mohw.go.kr, accessed on 15th January 2013).

[3] The Basic Plan, for example, suggested that the government was pushing ahead on a variety of policies for improving the quality of citizens, such as employment policy, education policy, social service policy and housing policy, which had a big impact on the policy responses to low fertility and population ageing (Government of the Republic of Korea 2006: 26).

[4] As discussed in the Chapter Four, data on individual diplomats, such as educational background, is usually considered to be confidential. Given the legal and ethical issues in the research process, the overall outline of the evidence with regard to the specific background of the diplomats was collected by referencing the articles of the newspaper or news magazines.

[5] NDC (Notional Defined Contribution) pension scheme is a new kind of pension scheme originally developed by Swedish social security experts in the early 1990s. Under the system, the individual contribution records of the existing national pension scheme are converted into a fictitious savings amount at retirement. The logic of the system is usually compared to the personal bank system, Pension contributions are paid in each year and recorded in each insurant's 'bankbook'. The contributions accumulate and when the individual retires, the individual's savings are paid back by the pension system as a lifetime monthly pension. It is operated by the PAYG system in that pension fund is not actually saved (pension contributions of each year are mostly to be used for pension benefits for older generations), but the pension contributions are based on the logic of the Defined Contribution system. The system has been also applied in to the pension reform in Latvia and Italy (Cichon 1999; Ole 2001; Swedish National Social Insurance Board 2002).

[6] Source: the OECD Pension Database, Net pension replacement rates: public and private schemes. Available from: http://dx.doi.org/10.1787/888932372374 [Accessed on 19th March 2011].

[7] The EMU officially refers to the Economic and Monetary Union of the European Union.

[8] The main documents are the EU's Growth Competitiveness and Employment White Paper (EU 1993) and the OECD's Jobs Strategy in 1995 (OECD 1996).

[9] The terms which are not directly related to the social investment strategy, such as 'foreign direct investment', are not counted as the term of 'investment'.

[10] Established in 1919, the Chosun Ilbo [조선일보] is one of the major newspapers in Korea with a daily circulation of over 2.2 million. Founded as an alternative independent media in 2000,

OhmyNews [오마이뉴스] is an online news website with the motto 'Every Citizen is a Reporter' (Sources: wiki.com, accessed on 23rd March 2013). The paid-in capital of the Chosun Ilbo is 17 billion KRW, 10 times more than that of the OhmyNews (1.7 billion KRW in 2004) (Sources: Kim, I. H. 2004; doopedia 2013).

[11] 'Jung Gyeong Hoe' is an acronym of the group promoting the economics of Kim Dae Jung. Members share a similar economic policy vision mainly based on Keynesian theory. They insisted that market economy and a balanced growth are key principles for the Korean economy. Their idea was contrary to the existing paradigm focusing on economic growth over economic distribution, which had been dominant from Park Chung Hee administration to the Kim Young Sam administration (Source: Kim, S. G. *et al*.: 2002).

[12] The main economic departments have been the Ministry of Finance (MOF) (1948–1994), the EPB (1961–1994), the MOFE (1994–2008), the MPB (1999–2008), and the MOSF (2008–). See Appendix 5.

[13] It was interesting that Minister Lee was also a career civil servant in the MOFE. He was well trained in economic theory, including postgraduate study in the United States.

[14] At the first stage of the presidential candidate election of the Millennium Democratic Party in February 2002, Roh's approval rate was only 10%, significantly less than leading candidate Lee In Jae. Having been elected as the party's candidate in April 2002, he was still struggling from low opinion poll ratings. According to the survey organised by the Chosun Ilbo and Gallup published on 29th June 2002, Lee Hoi Chang of the opposition party gain a 10-point lead with 44.8% over 33.0% of Roh's rate (Source: Chosun Ilbo available from www.chosun.com and Daum Media available from: http://media.daum.net, accessed on 21st February 2013).

[15] Dr Park and other high ranking secretaries were criticised for their improper use of the public water-bomber helicopter with their families by the public and the opposition party (Source: Chu, S. 2003).

[16] Here, 'the productivist league' can be defined as a group or policy network or organisation which shares a productivist approach to the socio-economic agenda against a welfarist groups such as the MOFE.

Chapter Eight

The Influence of Global Actors

Introduction

In the formation of active ageing policies, global policy actors have played a significant role (Walker 2005b). In the globalised world, global policy actors, such as IGOs to multi-national commercial or non-commercial organisations, have had a considerable influence on individual countries' ageing policy (Orenstein 2005). As discussed in Chapter Three, IGOs made a big impact on the individual countries by way of various kinds of tools, for example in the writing of policy reviews, recommendations, and sometimes, policy implementation. As discussed in the above chapters, employment policy for older workers in Korea has been characterised by a productivist approach. It is therefore necessary to examine how, and to what extent, global institutions have been involved in, and have influenced, Korean employment policy for older people. This chapter seeks to explain the external mechanisms by which the IGOs have influenced the productivist characteristics on the Korean policymakers in this area. In particular, the role of the OECD should be examined as a major IGO in the area of Korean active ageing policy in employment.

Firstly, this chapter explores the traces of the earliest introduction of the Japanese social and employment policies for older workers, and tries to discuss the OECD's influence on Korean active ageing policy in the employment area. After the comparison of other IGOs' influences, the chapter argues why the productivist way of the OECD policy recommendation has been popular with the Korean policymakers.

Japanese Influence Before 1996

During the early stage of the Korean employment and labour policies, it was Japanese systems that had a significant influence on the Korean policymakers. More broadly, Japan was one of the key players in the formation of a developmental state in Korea from the early 1960s (Kohli 1999). After the 'Labour Standard Act' and the 'Trade Union Act' were

established in 1953 and 1963 respectively, modern Korean labour laws and labour policies were strongly influenced by Japanese ones. In the area of employment policy for older workers, the Korean quota system for older workers, mentioned in Chapter Five and Six, followed Japanese regulations in the 1970s. In 1971, the Japanese Government established a new regulation called a 'Special Law to Promote the Employment of Middle-Aged and Older Workers' [中高年齢者等の雇用の促進に関する特別措置法], which obliged employers to attempt to hire older workers more than a certain rate of the total workforce (Ministry of Health, Labour and Welfare 2006: 73). In a paper published by the government-funded research institute (KLI) to support the government's submission of the bill in 1991, Park, S. J. (1991: 27–8) referred to the Japanese quota system as one of the foreign cases (see also Kim, O. A. 1995: 125). It can therefore be claimed that Japanese regulations and policies enormously influenced the Korean ones, at least until the late 1990s, and the Aged Employment Promotion Act in Korea was no exception. A civil servant of the MOL also confirmed this:

> The existing policy was that the standard rate, the Preferred Jobs for older people, something like that, … all of them were imported from Japan. We copied the Japanese policy programmes (Civil Servant C of the MOL, on 29th May 2011).

In some aspects, it can be called 'blind imitation' for the Korean government to follow the Japanese policy path in those days. To take an example, the aforementioned Japanese regulation of the quota system was abolished even before the Korean legislation took effect. In 1986, as the Japanese government changed the name of the existing regulation to the 'Act for the Employment of Older Workers' [高年齢者等の雇用の安定等に関する法律], it introduced a new obligation on employers to strive to set up a mandatory retirement age at 60 years over, and repealed the existing quota system (Ministry of Health, Labour and Welfare 2006: 73). Thus, during the early stage of Korean employment and labour policies, Korean policymakers literally copied the Japanese system. In this regard, it was clear that there was a pattern of policy transfer from a leading country (Japan) to other countries in East Asia, often called 'the flying geese theory' originally proposed by Akamatsu (Kwon, H. 2009). Kwon, H. (2009) argues that Korea is still introducing Japanese policy in the area of social policy by citing the case of long-term care for older people in each country. However, in the area of employment policy at least, the reference for the Korean policy transfer has largely shifted from Japan to the OECD since the late 1990s.

The OECD's Influence on Korea

The Accession to the OECD in 1996

As noted in Chapter Five, Korea became the 29th member of the OECD in 1996, after a long years of accession process. Since the idea of Korean membership was first proposed by Werner Blumenthal, the United States Secretary of the Treasury in June 1978 (Shin, H. J. 1997), the accession to the so-called 'rich-country club' (Deacon 2007: 57) was propagated by the Korean government as the entrance of the 'developed country', often translated into 'Seonjin-guk' [선진국] in Korean (Hong, S. T. 2006). The main significance was that a representative 'developmental state' was confirmed as a 'developed country' by the international society. One of the key national agendas of the Kim Young Sam administration (1993–8) was fulfilled. The Kim administration continually exerted to join the organisation, but there was strong opposition both from the inside and outside.[1] On the one hand, there were worries from the inside that Korean industry and financial systems were still too fragile to be exposed to foreign forces. Some argued that the accession of the OECD in the mid-1990s might be one of the main reasons why the Korean economy could not adapt to the following financial crisis that occurred just a year later (Yoon, T. G. 2006; Kim, S. G, 1999; mk Business News 2011). The weak financial system did not resist the global speculative hedge-funders' attack on a rapidly changing exchange rate. In addition, despite increased economic capacity, often expressed by the statistics of the GDP being the tenth among the OECD member countries in 1996, the social quality of Korean people remained one of the lowest.[2] On the other hand, labour issues (industrial relations and government policy) were the biggest obstacles from outside Korea to her joining the OECD (Jang, S. C. 2008). Many member states were concerned about the status of the industrial regulations and the government's crack-down of trade unionists. After a long, heated debate, the accession was finally approved on the special condition that the OECD would monitor the Korean government's labour law reforms in line with international standards, which was unparalleled in OECD history.

The accession had two consequences for social policy in Korea. First, the Korean government has been continually pressured to carry on labour law reform to meet the internationally acceptable standard. In 2007, after the resumption of dialogue between the government and the hard-line trade union and the key labour law reform during the Roh Moo

Hyun administration, the Employment, Labour and Social Affairs Committee of the OECD finally decided to end the Korean labour law reform monitoring process. Second, Korean policymakers have been hugely influenced by the OECD policy trends, which we will turn to in the next sub-section.

Policy Transfer after the Accession

After the accession in 1996, the OECD significantly influenced Korean employment policymaking. The influence can be tested by various evidences. First, the OECD itself openly took pride in its role in developing Korean policies. Angel Gurría, the OECD Secretary-General, praised its role 'in helping Korea at difficult times, particularly following the 1997 crisis' (Gurría 2006), and obviously warned that the Korean government should not select an undesirable policy path that the OECD had not proposed:

> ... it is important to avoid the mistakes of some OECD countries where public social spending and high tax burdens have created work disincentives and poverty traps. … (OECD Secretary-General Angel Gurría, during his keynote speech delivered at a conference commemorating the 10th Anniversary of the Korean Accession to the OECD, Seoul, on 22nd September 2006).

As a noted economic agency, the OECD delivers its policy ideas and ideology to its member states in various ways. As with other countries, the OECD had a close relationship with the Korean government, for example in publishing its policy reports, holding international meetings and seminars; conducting joint research or symposia. In particular, the annual economic policy review, called the OECD Economic Survey of Korea, was important in a sense that the OECD and the Korean government exchanged its ideas not only on issues of economic policy but also social policy. The report was initially prepared by economists in the Economics Department, who collect raw data, if necessary, and ideas from the Korean government. A peer review process followed, in which the Economic and Development Review Committee, composed of all member states and the European Commission, discussed a draft report (OECD 2008). From this process, assessments and recommendations were proposed on overall policy issues including social policy as well as economic issues. The OECD's Economic Survey had popularity in Korea. On publication its main ideas rapidly appeared in newspapers, television news, business and academic journals. The Korean government also reviewed its own attitude as to whether it would accept the OECD's

recommendations proposed in the report. The ideas proposed by the OECD, whether explicitly or implicitly, were able to permeate the Korean policymakers.

As discussed earlier in the OECD policy recommendations, many of the proposals in the Five Year Plan of the MOL (2006a) were based on a work dis/incentive framework: removing employers barriers to hiring older workers' (pp. 20–8), supporting employers to hire older workers (pp. 43–8), promoting the re-employment of the unemployed older workers (pp. 48–50), and increasing work incentive by reforming social insurance systems (pp. 65–6). On the employer's side, the MOL's proposals seemed to follow the policy recommendations proposed by the OECD (2006a: Ch 3). In the report, three key obstacles to employ older workers were listed: employer's negative attitude towards older workers and age discrimination (pp. 60–5), higher labour cost due to seniority wage system (pp. 20–4), and strict employment protection rules (pp. 28–9). The expansion of the PES (pp. 51–5) was also recommended by the OECD. Here, the contents of the Five Year Plan in 2006 provides an opportunity to discuss to what extent these represent different forms of active ageing. On the one hand, as we break up the contents of the Five Year Plan, a significant number of the policy items were similar to or same as the OECD policy directions, e.g. a work dis/incentive programmes, reforming social insurance systems, anti-age discrimination initiatives, removing strict employment protection rules and the expansion of the PES. These were mostly proposed by the productivist approach to active ageing, though anti-age discrimination and the PES were also supported by the comprehensive approach to active ageing. In terms of the different approaches to the ALMPs, however, a work-first approach was emphasised. On the other hand, there were several policy items which were not covered by the OECD, such as the gradual increase of mandatory retirement age, the quota system and the preferred occupations. These do not always correspond to the productivist-based employment policies, but it is clear that these are not based on the comprehensive approach to active ageing stressing the well-being of older workers under the life-course perspectives. However, at least in the area of the traditional ALMPs, it can be argued that the OECD recommendations seemed to have a predominant influence on the MOL. A civil servant in the MOL remarked that:

> I believe that the Korean government started to deal with ageing issues not because it took a genuine interest in this issue, but because the OECD's reports showed that Korea was the most rapidly ageing society from the results of population census and population projection and that labour supply would be expected to fall short (Civil

Servant A of the MOL, on 8th October 2009)

Another civil servant who had dealt with active ageing policy in Korea gave a slightly different nuance by saying that:

> I can't say that the OECD deeply influenced the Korean policymakers, …. But it helped us a lot. We took it (the recommendations) for references a lot. … There are seminars [between us]. … The OECD provided the academics with lots of statistical data in terms of comparative study. That was helpful (Civil Servant D of the MOEL, on 22nd May 2011)

By contrast, one researcher having closely engaged in the National Action Strategy was affirmative to the question of whether the OECD influenced the Korean policymaking by saying that:

> I think, yes, the OECD had an influence on Korea. There are lots of citations [of the OECD]. Not only the Korean report but also the whole series [of the Ageing and Employment Policies of the OECD] were reviewed. The OECD trend is much important reference when we make a decision (Researcher A, on 24th May 2011).

Despite differences as to the extent, the interviewees clearly supported the argument that that the OECD had a considerable influence on Korean policymakers in the area of employment policy for older workers. Next we turn to how the OECD has influenced Korean policymaking in the employment policy for older workers.

How the OECD Circulated its Ideas in Korea

Based on the discussion on the extent to which the OECD influenced the Korean active ageing policy in employment, the way the OECD delivered its ideas to Korean policymakers is examined in more detail here.

In November 2004, the OECD published its policy review report on Korean employment policy for older workers (OECD 2004a), mentioned in Chapter One. This report was included by the OECD's thematic report series on employment policies in its 21 member states over four years. Policy review was undertaken by researchers in the Division of Employment Policy, under the overall supervision of Raymond Torres, an economist and head of the OECD Employment Analysis and Policy Division.[3] One of the main authors was Mark Keese, who was an economist and team leader of the older workers review team of the OECD.[4] The other was Director-General Kim Young Su (pseudonym), who is referred several times in this thesis as a key player in producing the Roh administration's National

Action Strategy. He is a permanent civil servant in the MOL, Korea, and was second to the OECD Secretariat Office as a researcher. He first raised the issue of ADL (Civil Servants C and E of the MOL), who took the initiative in producing the National Action Strategy submitted to President Roh in January 2004, as mentioned in Chapter Seven.

In June 2002, an international seminar was held in Seoul, entitled 'Older but Wiser: Achieving Better Employment Prospects for Older Workers in Korea' (OECD 2004a: 4). The seminar was jointly organised by three institutions: the KLI, a prominent publicly-funded research institute on the labour issues; the Research Centre for World Economy [세계경제연구소] of the most outstanding higher education institution in Korea, Seoul National University; and the OECD. The MOL sponsored the event along with a major newspaper company, Joong Ang Ilbo [중앙일보]. In the seminar, a draft version of the policy report was presented by the authors and discussed by academics, representatives of the government, national headquarters unions, and an employers' organisation.

In the seminar and its report, based on the prediction of rapid population ageing, the OECD was concerned about a slowdown in labour force growth and its impact, thus older workers' participation in the labour market was regarded as essential (OECD 2004b). As the OECD argues, even though the NPS has not yet matured and a high proportion of older people had no choice but to participate in economic activity for their own income, age discrimination is predominant in the workplace along with mandatory retirement scheme below the age of 60. Thus, the OECD recommended three main ideas. First, the pension system reform was proposed to widen coverage and increase work incentives for older people as well as financial sustainability. Second, various measures should be adopted for the employment of older workers, for example: to reform mandatory retirement scheme and the seniority-wage system; to weaken employment protection regulations; to develop wage subsidies for older workers; and to launch an anti-age discrimination campaign. Third, to increase the employability of older workers, three key areas should be developed: to expand labour market training and education for mid-career and older workers; to shorten working hours; and to improve working condition and safety and health in the workforce.

It was rare for an OECD report on a labour issue to be translated into Korean and published by the government-funded research institute. In 2005, the KLI published a Korean version of the OECD report of the 'Ageing and Employment Policies' project (OECD 2005).

In the Foreword to the Korean version, Choi Young Gi, President of the KLI, emphasised the significance of the OECD report by saying that:

> … [The report] has such a valuable advice that Korean society should carefully listen to and apply it into policy areas. … All chapters of the report provide important policy implications. … I am sincerely appreciated that the Korean version of this constructive report has been published (Choi Young Gi, in the Foreword to the Korean version, OECD 2005).

To summarise, there were various means of policy transfer between the OECD and the Korean policymakers. Policy review reports including specific policy recommendations were influential, and international seminars were also utilised. Public servants both working for the Delegation to the OECD in Paris and despatched to the OECD headquarters were key players. In Korea, publicly-funded research institutes such as, the KDI actively disseminated OECD ideas in Korea.

Reasons for the OECD's Popularity in Korea

First of all, the OECD's policy analysis and recommendations were attractive for the Korean policymakers. As discussed in Chapter Three, with neither financial aids nor economic penalties the OECD is able to influence its member states only by making reliable policy analysis and recommendation (Casey 2004). Based on this, the OECD was one of the most powerful organisations in terms of policy transfers. One Korean researcher said why the OECD report was so popular in Korea:

> *Reports from the OECD provide the government officials and academic researchers with exactly what they need*. Its stance is based on practical elements. It arranges the existing and current literatures clearly. … I feel that it is … easy to read, much better than other reports and journal articles. It presents obvious data. Tidy. That's the reason. (Researcher A, on 24th May 2011; italics supplied).

Researcher B also emphasised the usefulness of the OECD for Korean researchers, which is contrary to that of the UN in the case of the MIPAA, as examined in the next section (Researcher B, on 10th April 2013).

However, this account cannot fully explain why its influence on Korean policymakers was so high. It can be argued that there was a significant factor within each country with regard to a strong selectiveness to the OECD policy. It could be the credibility of policy recommendations, or organisational or personal intimacy towards the OECD policy trends. First of all, it was widely accepted in Korean society that the OECD was a symbol of the club

of developed counties (Yoo, S. J. 2006, 2008).[5] The favourable attitude towards the OECD was internalized in Korean society, including policymakers and academic researchers. An interviewee from the publicly-funded research institute closely involved in Korean active ageing policy emphasised that 'there is a kind of obsession that we, as a member state of the OECD, should follow the OECD path' (Researcher B, on 10th April 2013). She even proposed that the OECD was a model when we attempted to make a social agreement with other social partners. The favourable attitude towards the OECD among the Korean bureaucrats was found in many areas. The Permanent Delegation to the OECD in Paris, famous for its close relationship with economic policymakers in the home government, as discussed in Chapter Seven, was a typical example.

Secondly, based on the overall attitude in a society, the human resource development programmes of the Korean government and the OECD reinforced the favourable view of civil servants towards the OECD. Many Korean civil servants experienced and learned the OECD policy trends by working inside the OECD headquarters. No fewer than a dozen permanent civil servants in the Korean government are being dispatched to the Permanent Delegation to the OECD in Paris as diplomats, and several Korean civil officials are working for the OECD Secretariat Office as policy analysts. They usually have short-term contracts with the OECD, with temporary leave from the Korean government, which means that they are usually planned to return to their own organisations after two or three years' of work for the OECD. They had key roles to distribute the policy trends of the OECD to the home government. Like other government ministries, the MOL usually sent its officials to the Delegation as a labour attaché and to the OECD Headquarter as a policy analyst in the Employment Policy Division.

Thirdly, a close relationship between the OECD and the Korean government was ensured by financial and organisational support. The Korean government, as a member state, contributed a considerable amount of money to the OECD. In 2012, it contributed 8.2 million EUR to the OECD, and shared 2.36 per cent of the OECD total budget (347 million EUR) (OECD 2012).[6] In exchange for its financial donation, the Korean government naturally attempted to benefit from the OECD which took the form of 'policy learning' of various types. A researcher working for a publicly-funded research organisation confirmed that:

> … The reason the OECD publishes its reports [on Korea] was that we gave money to the OECD. Our government has a close relationship with the OECD by making a contribution. … It seems that contributions work. The OECD reports that bureaucrats and experts need to publish continually (Researcher A, on 24th May 2011).

Besides the financial one, there was organisational cooperation between them. Under the agreement between the OECD and the Korean government, the OECD-Korean Policy Centre was opened in February 2007 at the KDI headquarters in Seoul, of which the main interest areas were tax, competition, public governance and social policy.

To summarise, it is suggested that Korean bureaucrats with productivist ideas enthusiastically imported the OECD's policy recommendations, including in the area of active ageing policy, which were also influenced by the economic-centred approach. One academic researcher who was deeply engaged in the policymaking process in the National Action Strategy in 2004 confirmed the government's preference towards the OECD by saying that:

> We have … a kind of tendency, which is that, if we have to benchmark something, we have to look at the developed countries' case. We get used to that kind of tradition (Researcher A, on 24th May 2011).

It was not coincidence that some civil servants of the MOL played an active role to transfer the OECD policy trends into the home country. For example, Director-General Kim Young Su (pseudonym) was seconded to the OECD headquarters in Paris as a policy researcher between 1999 and 2003. Director-General Park Sang Cheol (pseudonym), a former Labour Attaché in the Permanent Delegation to the OECD, also contributed to the policy learning from the OECD to Korea. After the experience in Paris, they returned to Korea and played a key role in establishing active ageing policy in the area of employment. While Director-General Kim took the initiative of the National Action Strategy in 2004, Director-General Park was also responsible for launching a new subsidy programme for wage peak system for older workers, called subsidy scheme for wage peak system.

In addition, several publicly-funded research institutes in Korea also played an important role in distributing OECD policy ideas in Korea. It was the KDI, mentioned several times in the thesis with regard to the formation of socio-economic policy, which actively took the initiative among those. It was named a 'Think Tank of Korea' on economic policy and institutional reform studies by the OECD (2002:1). As described in Chapter Seven, during the Roh administration, the KDI initiated a series of research project on the issue of active ageing, called 'Socio-Economic Impacts of Aging and Policy Issues' (Moon, H. P 2005, 2007a, 2007b, 2007c, 2007d), in which several key research institutes participated. The KDI also actively participated in cooperation activities by establishing the aforementioned OECD-

Korean Policy Centre in its umbrella in 2007 under the OECD-Korean agreement. In the area of employment policy, the KLI played a key role in disseminating OECD policy recommendations (for example, Chang, J. *et al*. 2004). To summarise, publicly-funded institutes themselves as well as their researchers can be acknowledged as key players in policy transfer from the OECD to Korean policymakers. Therefore, the assumptions proposed in Chapter Three confirm that there is strong preference among Korean policymakers for OECD policy recommendations, consisting of diverse policy transfers from knowledge exchange to organisational and financial cooperation.

Other IGOs

As far as IGOs other than the OECD are concerned, there was no significant influence on Korean employment policy for older workers. The MIPAA of the UN was one the most prominent active ageing policy plans, and highly influential among less developed countries (Chapter Three). However, in Chapter Five, it is assumed that the UN and the WHO were not popular among the Korean policymakers, which is examined whether they were in the case in Korea.

Low Attention towards the MIPAA

In the case of the Korean government, there was no active participation in the UN policy process (Jeong, G. 2009). Since the Korean government dispatched its representatives to the 2002 Madrid World Assembly on Ageing, only three actions have been undertaken: firstly, in response to a request from the UN, the government made a brief report on the implementation of the MIPAA; secondly, an NGO (Help Age Korea) took part in High-Level Meeting on the Regional Review of the MIPAA (Macao Meeting) organised by the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP); lastly, a government-funded research institute, the KIHASA published a policy report on the Korean government's implementation of MIPAA (Jeong G. *et al*. 2008). A researcher participating in the 2002 Madrid World Assembly on Ageing for the MIPAA recalled the scant attention paid by civil servants by saying that:

> Dr. Han Seung Soo[7] was the President of the United Nations General Assembly at that time. …. [thus] it was the Ministry of Foreign Affairs that actively participated in the Madrid World Assembly, [not the MOHW]. It seemed that the MOHW only focused on understanding overall trends (Researcher B, on 10th April 2013).

It was interesting that an expert on the employment policy for older workers failed to acknowledge the existence of the MIPAA. A researcher participated in various kinds of the KLI research project on this issue negatively responded to the question regarding the MIPAA:

> I am not sure whether I heard it [MIPAA]. It is clear that I did research it. I don't know the content at al. (Researcher A, on 24th May 2011).

Nor did civil servants of the MOHW, which was charged with overall coordination of the active ageing policy, such as the Basic Plan in 2006, seem to recognize the MIPAA (Researcher B, on 10th April 2013). There was no statement with regard to either the UN or the MIPAA in the comprehensive report of the Basic Plan in 2006 (Government of the Republic of Korea 2006). Thus, we can say that there was little participation in the implementation of the MIPAA, which reflected the low interest in the UN ageing discourse in Korea. In fact, the second round of the UN-ESCAP conference on the Regional Review of the MIPAA held in February 2013 at Bangkok, the MOHW showed a more concern with the plan (Researcher B, on 10th April 2013). After the Basic Plan established in 2006, it seemed that the Korean government was more concerned with the MIPAA (Researcher B, on 10th April 2013). However, an interviewee who was closely involved in active ageing policy in Korea stated regarding interest among civil servants that: 'Civil servants do not acknowledge the MIPAA. They were told several times, but they were easily forgotten' (Researcher A, on 24th May 2011). As to the question of how much the MIPAA influenced the Korean policymakers when they established the Basic Plan in 2006, a researcher who supported the policymaking process emphasised indirect influence of the MIPAA on Korean policy through academic researchers:

> Obviously, the government did not suggest that the MIPAA should be implemented. Instead, some researchers acknowledged the MIPAA and investigated the way how it would be implemented. As a result, the analysis of the Korea active ageing policy shows that most of the contents of the MIPAA have been implemented. … *It's a sort of indirect influence by way of researchers*. … We did not have a detailed objective of fulfilling the MIPAA from the top policymakers. … (Researcher B, on 10th April 2013, italics supplied).

It was interesting that, despite no clear association between the Basic Plan in Korea and the MIPAA of the UN, according to Korean researchers (Jeong, G. 2009; Jeong, G. *et al*. 2008; Jeong, G. *et al*. 2012), most of the programmes proposed in the MIPAA was implemented in Korea. Among the 35 objectives recommended in the Madrid Plan, there were only four

objects for which the Korean government failed to establish any legal settlement and detailed policy actions (Box 8-1).

Box 8-1: Four Objectives of MIPAA Recommended Actions not Adopted in Korea

A. Priority Direction I: Older persons and development
Issue 8: Emergency situations
Objective 2: Enhanced contributions of older persons to the reestablishment and reconstruction of communities and the rebuilding of the social fabric following emergencies.
B. Priority direction II: Advancing health and well-being into old age
Issue 3: Older persons and HIV/AIDS
Objective 1: Improvements in the assessment of the impact of HIV/AIDS on the health of older persons, both for those who are infected and those who are caregivers for infected or surviving family members.
Objective 2: Provision of adequate information, training in caregiving skills, treatment, medical care and social support to older persons living with HIV/AIDS and their caregivers.
Objective 3: Enhancement and recognition of the contribution of older persons to development in their role as caregivers for children with chronic diseases, including HIV/AIDS, and as surrogate parents.

Source: UN (2002a); Jeong, G. *et al*. (2012)

According to the implementation report on Korea (Jeong, G. *et al*. 2012), three of four uncovered objectives of the recommended actions were related to the issue of HIV/AIDS. Due to the exceptionally low prevalence rate (15–49 years) of HIV/AIDS in Korea,[8] almost all recommended actions are apparently covered in Korean active ageing policy. However, it should not be overestimated, because many of actions or legal settlements established are based only on legal or policy frameworks, which should be complemented by the systematic detailed action programmes, as Jeong, G. *et al*. (2012) also points out. Policymakers establishing the Basic Plan in 2006 did not clearly realise the framework of the MIPAA. It can therefore be argued that, with the help of researchers who did research on the UN policy trends, the UN has had an indirectly and marginal influence on Korean active ageing policy.

Reasons for Unpopularity

As argued in Chapter Three, the UN and the WHO were not popular in the area of active ageing policies especially in the developed countries. It can be assumed that the low capacity of knowledge transfer, the relative emphasis on the developing countries. In addition, it can be assumed that an internal factor of the policymaker's neo-liberal-centred perspective in the

individual counties was the reasons for their unpopularity. However, due to the limited data, the assumption cannot be properly tested for all countries in the world, as mentioned in Chapter Three. Instead, in this research, the assumption is examined in the Korean case. A Korean researcher who participated in the interview gave evidence to confirm many of the aforementioned assumptions in the Korean case.

First, as we can see from the two Korean researchers in the previous section, the OECD gave Korean policymakers 'reliable' analysis and detailed policy recommendations by delivering a relatively high quality of practical policy reports needed by Korean policymakers. As discussed earlier, the practical usefulness of OECD policy reports including literature review and data appealed to policymakers and researchers (e.g. Researcher A). Compared to the OECD, it seemed that the UN did not provide practical advice for Korean policy. Second, contrary to the former Vienna Plan's focus on economically and demographically 'advanced' countries, the MIPAA focused on the developing countries, which caused a lower interest in many developed or medium-industrialised countries. An expert who has been involved in the Korean case of the MIPAA supported this argument by saying that:

> … [contrary to the OECD] there are many underdeveloped countries in the UN membership, thus we believe that, in terms of the national image, the UN does not mean a lot (Researcher B, on 10th April 2013).

Third, lack of enforcement power was also one of the main reasons of its unpopularity. As assumed in Chapter Three, the UN does not have the influence that the World Bank and the IMF have. The number of its staff members responsible for ageing policy in the UN was low. Additionally, the MIPAA was considered to be less practical for implementation by the Korea policymakers. An aforementioned researcher compared the practical usefulness of the two competing organisations by commenting that:

> I think that the MIPAA does not have detailed objectives. Thus, it feels that we can take it or leave it. … The OECD publishes hugely detailed papers, doesn't it? … However, *the UN relatively does not suggest a detailed policy alternative, but an overall direction.* That is to say, its recommendations are usually what the member states should do and so on … They are regarded as a kind of philosophical objective for us. We have to admit that the UN has no choice but to do so, because the environment of each member state is very different … (Researcher B, on 10th April 2013; italics supplied).

To summarise, despite its systematic policy framework, the MIPAA of the UN was not well used in Korea. One of the main reasons was the low level of its knowledge-transfer capability.

Its focus on the developing countries, which was not well suited to Korean policymakers and researchers, also made it unpopular.

Conclusion

From an external point of view, the OECD has strongly influenced the Korean policymaking in the area of active ageing policy in employment. Since its accession to the OECD in 1997, there have been diverse policy transfers between Korea and the OECD through policy review, joint seminar and financial and personnel cooperation. The productivist approach to active ageing of the OECD was attractive to Korean policymakers and researchers who were inclined to follow the economic organisation representing 'the developed country club'. Unlike the OECD, the UN's comprehensive perspective to active ageing did not well influence Korean policymaking due to its low capability of knowledge transfer.

Notes

[1] Despite strong opposition inside Korea as well as among other member states, the Kim Young Sam Government hurried to join in the OECD with a strong support from the United States. Running at a breakneck speed to the OECD in the 1990s can be an evidence of Korean's status as a developmental state, which will be discussed in detail in Chapter Nine.

[2] The poverty rate of Korea in the late 2000s was 15.0%, which meant 15 per cent of Korean people lived with less than 50 per cent of median equivalised household income, and this figure ranked 28th among 34 OECD member states (OECD 2011). There was no change in poverty rate of Korea between mid-1980s and late 2000s. The average annual working time of the Korean workers was 2,090 hours which ranked the second longest among the OECD countries. The OECD average was 1,765 hours (OECD 2013).

[3] Source: CV Raymond Torres, OECD website, available from: http://www.oecd.org [Accessed on 19th March 2011].

[4] Source: CV Mark Keese, OECD website, available form: http://www.oecd.org [Accessed on 19th March 2011].

[5] An official document published by the Korean government remarked that accession to the OECD in 1996 gave Korea 'a model image of country that fast transferred from the developing country group to the developed one' (Yoo, S. J. 2006).

[6] The total aggregate contribution to international organisations by the Korean government in 2012 was 573 billion KRW. Thus, the contribution to the OECD (12 billion KRW, 1,463 KRW/EUR as of 6th April 2013) was roughly 2.1 per cent.

[7] Han Seung Soo is a South Korean politician and diplomat. He was the President of the 56th session of the General Assembly of the United Nations (2001–2), and was Prime Minister of South Korea from 29th February 2008 to 28th September 2009 (Source: www.wikipedia.org, accessed on 15th April 2013).

[8] According to the CIA World Factbook, Korea's adult prevalence rate of HIV/AIDS (15-49 aged) is estimated 0.0010 in 2009, which is one of the lowest in the world. Only four countries have adult prevalence rate of HIV/AIDS under 0.01 among the 166 available countries: Cape Verde (0.0040),

Saudi Arabia (0.001), Afghanistan (0.001) and Svalbard (0.0000) (Sources: http://www.photius.com/rankings/spreadsheets_2012/, accessed on 20th April 2013).

Chapter Nine

Productivism in the Changing Welfare State

Introduction

On the basis of the previous discussions from Chapter Five to Chapter Eight on the Korean active ageing policies in the area of employment policy, Chapter Nine examines the changing nature of the Korean welfare state. The first question that this chapter deals with is whether the Korean welfare regime has been transformed from the existing developmental state to a comprehensive welfare state. If we conclude that it is still one of the developmental states, the next question would be why the Korean state has not converted. Due to the nature of the thesis, the second question is focused on the issue of why a productivist approach to active ageing is still dominant in Korean employment policies, which is related to the issue of politics in older age. The argument takes the form of a discussion on whether this policy approach was due to underdevelopment of the civil movement on older age as well as the weak policy network for a comprehensive approach.

Changing Nature of the Korean Welfare State

Korea has been regarded as one of the representative 'developmental welfare states' in East Asia (Tang 2000; Kwon, H. 2005; Aspalter 2007: Choi, Y. J. 2010). The notion of developmental welfare state is heavily relied on the 'developmental state' or development strategies of the state (Deyo 1992). In the developmental welfare state arguments, welfare development in Korea along with other East Asian countries, such as Taiwan and Hong Kong, has been largely made for the nation-building in post-colonial times and legitimisation of undemocratic regimes (Gough 2001; Kwon, H. 1999). Social policy in East Asia has mainly been a tool for establishing an export-oriented economic growth (Lee, H. 1999). In this regard, some researchers suggest that the East Asian welfare regime is considered 'productive welfare regime', in which social policy is generally an instrument for economic growth or political stability and, thus, is dependent on economic policy for the overall development strategy of the state (Kwon, S. and Holliday 2007).

> Everything else flows from this: minimal social rights with extensions linked to productive activity, reinforcement of the position of productive elements in society, and state-market-family relationships directed towards growth' (Holliday 2000: 708).

Among the East Asian countries, Korea has been regarded as 'a purely productive ideal type' (Hudson and Kühner 2009: 38).

With regard to a fast welfare development of the two-successive progressive governments, there have been claims against the productive welfare regime arguments (Kim, Y. M. 2008). Although there is to some extent a policy mix of the productive welfare and the traditional welfare, Kim Y. M. (2008: 120) asserts that productivism cannot be a major characteristic to define a Korean welfare regime. Employing the fuzzy set ideal type analysis of the 23 OECD member states' data, Hudson and Kühner (2009) also argue that the protective element of welfare states has been growing in Korea. The increase of state spending on education, subsidised employment and traditional labour market subsidies (e.g. unemployment benefit) shows that Korea has shifted its status from a purely productive welfare regime to the protective one.

Regarding the productive components of the Korean welfare regime, it is necessary to remind that productivism can be found in all of the welfare regimes (Choi, Y. J. 2010). Both functionalist and neo-Marxist believe that welfare states are productive being in a sense that they are able to contribute to economic growth and serve to capitalistic developments. Thus, productivism has played a key role in building modern welfare states where paid work is placed as a major social value. More importantly, in the age of globalisation, productivsm has been increasingly spread around the welfare states (Choi, Y. J. 2010). As the 'productivist re-ordering of social policy' (Jessop 1994: 24) has been wide-spread, social objectives are more and more subject to productivity and economic growth (Fitzpatrick 2004). Even the so-called higher social protection societies both in the northern and continental European countries also increasingly spend on productive policies (Choi, Y. J. 2010). Accordingly, if we have to answer whether there was a significant change in the Korean welfare regime, it is necessary to examine where, and to what extent, productivism was alive in the welfare development during the two progressive governments in the specific focus of the welfare regime change.

Welfare Development during the Two Progressive Governments (1998–2008)

When we discuss the meaning of welfare development during a decade of the progressive administration since the late 1990s in Korea, two points should be noted in advance. The first point is that, at the macro level, the recent welfare reform in Korea should be understood from a distinctive socio-economic environment in its modern history. As emphasised in Chapter Five, the socio-economic background of the welfare reform in Korea had wholly different socio-economic environments to the countries in the West. While the western welfare reform or welfare retrench was based on the economic recession since the 1970s, the Korean 'welfare explosion' since the late 1980s till the mid–1990s was carried out under the economic boom and political democratisation (the Roh Tae Woo government and the Kim Young Sam Government). Since the 1960s, under the low level of welfare spending and the economic prosperity, Korean society was not seriously concerned about the cost of welfare expansion. Instead, the authoritarian state, especially from the 1980s to the mid–1990s, on the one hand, was forced to accept the increasing need of welfare provision from civil society, and, on the other hand, attempted to legitimise their weak political status with welfare reform (Kwon, H. 1999). The welfare explosion introduced by the authoritarian governments was followed by welfare reforms conducted by the two progressive governments of the Kim Dae Jung Government (1998–2003) and the subsequent Roh Moo Hyun administration (2003–2008). It is significant to acknowledge that the Korean welfare reform since the late 1990s was carried out by the new progressive government after the first democratic change of government in 1997. As discussed in Chapter Five, President Kim Dae Jung was determined to push his welfare agenda. In this sense, the characteristic of the political group and socio-economic environment of the welfare change was highly contrasting to the case of the western societies in the 1980s and the 1990s. In addition, ironically, a decade of welfare reform in Korea was undertaken under the historic economic crisis in the late 1990s and its resulting social crisis, such as the increasing inequality and social turmoil. Being supported by the welfare-friendly academia, the Kim and the Roh administration attempted to develop the new welfare programmes and to increase the amount of public resources to these areas. Thus, while many of the welfare reforms in the countries in the West resulted in the welfare retrench, it is meaningful to examine whether Korean society during the Kim and the Roh administration witnessed the development of social welfare and the Korean welfare regime has been significantly changing toward a new phase of welfare regime.

At the meso-level, the different socio-economic background between Korea and the countries in the West is also applied to the case of active ageing policies. As argued in Chapter Five on the role of the state towards early retirement, unlike the countries in the West in the 1970s and the 1980s, the Korean government did not promote the early retirement of older workers. On the one hand, in the 1970s policymakers in many countries in the West started rethinking of the existing early retirement policy. There was an increasing awareness of an issue of the sustainability of the welfare state under the economic recession after the Oil Shock, when neo-liberalism discourses on the fiscal crisis aroused along with the maturation of national pension schemes (Walker 2009). On the contrary, there was neither genuine welfare programmes for older people or early retirement path for older workers in the Korean government. Active ageing discourse in Korea was introduced by the progressive governments in the twenty-first century which tried to address the socio-economic change due to the economic recession and population ageing after a significant democratisation in society along with a decade of economic boom.

The second point that we have to acknowledge is that there was not always correspondence between the overall welfare regime and the specific area of social policies, such as employment policy for older workers. As discussed in Chapter Six, there was an inconsistent association between the labour market training system and the overall welfare systems. Older workers did not fully take advantage of rather advanced vocational training system due to an immature welfare and labour market systems including the support programme for jobseekers. The mixed coexistence of different phenomena was one of the main features found in the modern Korean society, which is regarded as 'the synchronism of the non-synchronous' or 'the contemporaneity of the non-contemporaneous' (Ryu, J. H. 2004: 14).[1] Likewise, there is a possibility of the different nature in the different area of the welfare state.

Productive Welfare Strategy and Social Investment Strategy

It is notable to see that the traditional welfare state was much better established in the countries in the West. These days there is a tendency that the western welfare countries have transformed themselves into more productive welfare states focusing on social investment due to globalisation and knowledge economy (Hudson and Kühner 2009). Social investment strategy focusing on productive elements of the state is regarded as a complementary

alternative to the traditional welfare states, especially in the European social investment approach (Vandenbroucke 2002; Choi, Y. J. 2010). However, as discussed in Chapter Seven, the context and implication of the social investment strategy in Korea was considerably different from that of the western case. First of all, it is necessary to discuss the Korean context of the principle of 'Market Economy' and the 'Productive Welfare' Strategy during the Kim administration, which is proposed as a progressive concept in Chapter Five.

In the countries in the West, market economy itself, without the appropriate regulation by the state or the civil society, is frequently criticised as one of the main causes of social inequality. Unlike the countries in the West, as noted in Chapter One, the Korean government has initiated the economic growth by way of supporting the big-size companies, so-called 'chaebol'. However, President Kim Dae Jung carried out an economic reform based on the principle of 'Market Economy'. His reform was, to some extent, progressive with the strong support from civil movement and many academics. It is interesting that the Kim Government's economic reform was also supported by the neo-liberalist economic groups including the IMF, which did not agree with the existing state-centred economic policy.

Based on the principle of the 'Market Economy', the Kim Dae Jung Administration launched its welfare reform known as 'Productive Welfare' or 'DJ Welfarism'. As mentioned in Chapter Five, there are two contrasting views on the assessment of welfare reform during the Kim Government. Proponents of the Productive Welfare insist that there was paradigm shift from the existing 'developmental, productivist welfare regime' to 'comprehensive, human rights-based welfare regime' (Lee, H. K. 2004, 2010; Kwon, H. 2003). On the contrary, others criticised that the welfare reform of the Kim Governments was also a kind of 'productivist welfare capitalism', as introduced in Chapter Three, in which social policy was subordinated to economic policy or objectives (Kwon, S. and Holliday 2007: 243; Yang, J. 2008). As discussed earlier, when we examine these, it is important to refer the different socio-economic background of the productive welfare in Korea and the welfare reform in the countries in the West (Hwang, D. S. 2000). In the countries in the West, the welfare reform discourse emerged during the welfare retrench or welfare efficiency since the 1980s. Thus, welfare-to-work or workfare was emphasised in order to decrease the dependency of the welfare benefit recipient. By contrast, 'the Productive Welfare' in Korea emerged as a strategy to establish a new state welfare in a different socio-economic environment, in which economic growth was extremely prioritised based on the developmental state tradition. Under

the relatively weak position in the Korean politics, 'Productive Welfare' as an effective welfare policy design was considered as an alternative idea by which they could address the negative concern from the conservative opposition and the existing issues from the welfare reform trends in the countries in the West. Its main idea was not based on 'cutting welfare', but on the principle of providing the less-established working groups in the labour market with the opportunity to participate, which may result in the welfare by work. Thus, as argued in Chapter Five, Productive Welfare Strategy was regarded as a progressive agenda rather than a neo-liberal-centred welfare retrench.

The distinction between the western context and the Korean one should be also applied to the Social Investment Strategy during the Roh administration, which was highly influential in establishing active ageing policies. The rationale that welfare should be used for investment for future was useful for President Roh and his advisors to persuade economic bureaucrats. On the basis of less-established welfare state, it was regarded as a tool for compromising between the proponents of welfare development and bureaucrats from the economic ministries. It can be argued that the strategy was not attempted as a supplement to the well-established welfare states, but as a catalyst to introduce a new welfare policy and to increase public spending on social welfare. It also shows the limitation and unfavourable environment of the welfare initiatives proposed by the Roh administration. In conclusion, these two socio-economic national development agendas should be understood as an effective, but limited, progressive strategy towards a comprehensive welfare state on the basis of the distinctive socio-economic environment of Korean.

Transforming towards a New Welfare Regime

There were many subjects used for the welfare regimen debate (Kim, Y. M. 2002; Kim, Y. B. 2002). As noted in Chapter Five, one of the main debates was how to understand the 'explosive growth' of the government spending on social welfare. One group insisted that there was no neo-liberal element or features and welfare reform the Korean government was leading towards a state welfare in which the state's responsibility for welfare is strongly stressed (Kim, Y. M 2001). Critics proposed that the main portion of the increase of spending on social insurance be paid for not by the government but by the participants (employees and employers) (Cho, Y. H. 2001). From this perspective, the growth of the public spending on social welfare was not primarily initiated by the determined strategy of the Kim Government,

but by the reaction to the social instability after the 1997 economic crisis. Another example was the introduction of the NBLS as a new public assistance programme in 2000. As discussed in Chapter Five, some academics argue that there were fundamental limitations of 'work-fare' and 'family-responsibility' in the NBLS programmes (Cho, Y. H. 2001; Kwon, S. and Holliday 2007; Lee, E. 2009). Kim, Y. M. (2002) defended the welfarist perspective of the NBLS since, despite some limited aspects, it was purposely designed to ensure the state responsibility by various kinds of measures (a minimum livelihood, the repealing of the age requirement, etc).

As discussed in Chapter Five, the EIS was introduced in 1995 during the previous Kim Young Sam Government, and was regarded as a useful labour market measure for socio-economic recovery after the IMF economic crisis during the subsequent Kim Dae Jung Government. In 1998, the Kim administration established its determined plans to extend the coverage of employees of the EIS from large companies to all companies with less than 30 workers as well as introducing other labour market measures. As already discussed in Chapter Six, the argument that the coverage extension of the EIS was based on neo-liberal initiatives (Jung, C. L. 2009: 163; Son, H. C. 2005: 226) can be criticised by the fact that it was mainly motivated by its own logic of the expansion of the social security safety net (A civil servant D of the MOEL, on 29th March 2011).

Several major socio-economic changes can be regarded as pivotal factors that have transformed the Korean welfare regime (Choi, Y. J. 2010). Due to political democratisation since the late 1980s, competition between the conservative and progressive parties firstly appeared in the modern Korean politics along with the rapid growth of civil and labour movements. After the 1997 economic crisis, globalisation made high-risk groups of non-regular workers in the labour market, breaking the existing full employment system of a rapidly developing economy, which was a key element for the productivist welfare regime. An experience of unemployment explosion after the economic crisis in 1997 also swept Korean society into poverty and instability. Furthermore, population ageing and household transformation were located in the welfare development during the two progressive governments. As indicated in Chapter Five, among those outstanding achievements were the universal expansion of major social insurance programmes including pensions, unemployment, industrial accident, and health insurance; the introduction of modern public

assistance system; the expansion of childcare service, and long-term care insurance (Lee, H. K. 2004, 2010).

These welfare developments are strong evidence to resist the arguments that Korea is still a productive welfare regime (Holliday 2000; Kwon, S. and Holliday 2007). Welfare developments were not motivated by neo-liberal idealists but by welfare idealists in the progressive government for the purpose of ameliorating the growing social instability after the economic crisis. It is unquestionable that the productivist legacy survives in Korean welfare regime, but, as discussed earlier, productivist elements are present in Western welfare states as well. Accordingly, it can be argued that the Korean welfare regime has been changing from existing developmental, productive welfare state to a new comprehensive, protective welfare one (Lee, H. K. 1999; Kim, Y. M. 2008; Choi, Y. J. 2010).

Productive Legacy Still Dominant in Employment Policy for Older Workers

However, when we focus on the specific area of labour market policies, the argument of the transforming Korean welfare regime is not readily acceptable. As discussed in the above chapters, active ageing policy for older workers can be convincing evidence against the comprehensive welfare state argument. The main finding of the thesis implies that Korean active ageing policy in employment has been dominated by a narrow, employment-focused productivist framework, despite its fast development and the alternative comprehensive approach since the late 1990s.

In this regard, it is worth examining the argument of 'the productive rhetoric'. It is claimed that 'social investment' strategy or 'productive' welfare state should be regarded as a political catchphrase by the ruling power (Choi, Y. J. 2010: 18). In a sense that the two progressive governments suffered from a weak political situation, it can be understandable that they attempted to convince the public as well as their opponents to cooperate in their political initiatives by using a productivist-friendly slogan. However, it should be cautious to make a conclusion that productivist element is just only overemphasised. As we focus on the specific issue of active ageing policy in the area of employment, there is evidence to support the argument that productivist elements are still dominant in this specific policy area. As discussed in Chapter Six, there has been less emphasis by the PES on older workers since the 1960s, and the legacy was not readily converted during the two progressive governments. In

this sense, the thesis would like to reject the claim of Choi, Y. J. (2010) that productivism is not still useful tool to grasp the welfare regime in Korea.

Cleavage between the Overall Welfare Regime and the Specific Area

It is essential to raise the question as to why productivist features are still dominant in employment policy for older workers despite the clear transition toward the comprehensive welfare regime in the overall welfare state argument. Firstly, it is certain that the organisational mission and its tradition must be placed as a fundamental constraint on the development of comprehensive welfare idealism. That is to say, the organisational role of the MOL has been exclusively focused on the employment policy of labour market, in which active ageing policy has been likely to be reduced to a narrow employment issue. Secondly, as emphasised earlier, productive elements are increasingly significant in almost all the welfare states. Paid work is regarded as a key social value which involves other socio-economic instruments. Even the MOHW, which has been regarded as a more welfare-oriented ministry than the MOL, has been also passionately attempting to create many social service jobs for older workers, where the main driving force is to make more jobs. Thirdly, these two factors are strengthened with the internal aspect of policy network. Civil servants of the MOL as well as economic bureaucrats of the MPB or MOSF have been well biased to the neo-liberal or productivist ideas, which did not turn them into the comprehensive welfarism. As discussed in Chapter Seven, even though there was keen competition between the two different ageing discourses in the area of overall active ageing policies during the two progressive administrations, there was not much competition in the area of employment policy for older workers. It can be also assumed that ministerial sectionalism internalised in the MOL has also brought civil servants of the MOL still dominated in the productivist tradition. From the external aspect, as discussed in Chapter Eight, the powerful influence from the economic IGOs, such as the OECD, was also another key factor for explaining the still productivist authority in policymaking.[2]

In conclusion, during the two progressive governments, despite titles such as ‘the Productive Welfare’ of the Kim Dag Jung Government and ‘the Social Investment Strategy’ of the Roh Moo Hyun administration, the Korean welfare state has shifted from the existing developmental, productive model to a new comprehensive welfare state by using ‘productive slogans’ in the western context.[3] However, it is also sure that the welfare state that these

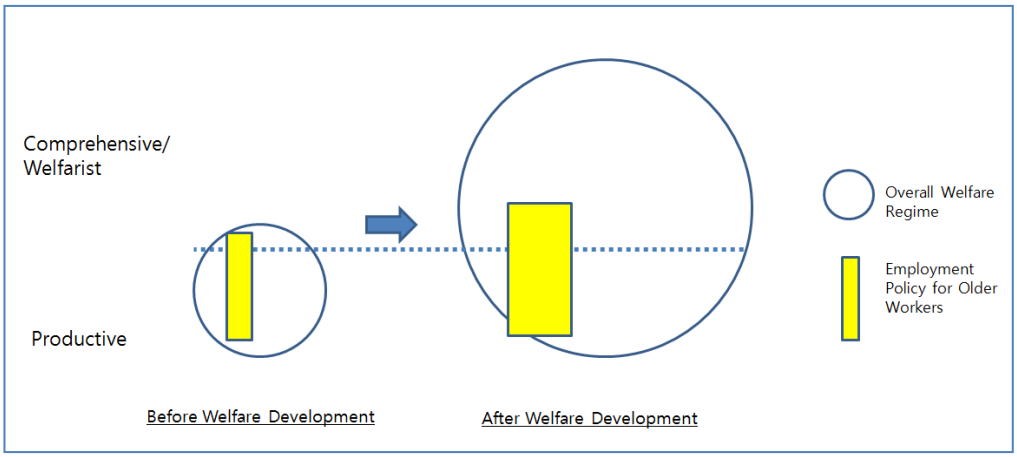
progressive strategies attempted to found was not well established in the Korean policy area. Moreover, in the specific area of employment policy for older workers, productive elements have been still prominent, as we discuss in the Korean chapters. The Korean welfare state is, taken generally, developing towards a more comprehensive mode, but the experience of active ageing policy in the area of employment demonstrates that it is not simple.

In this sense, it can be claimed that there is a cleavage between the overall welfare regime and the specific policy area of active ageing policy in employment. Dissonance between various kinds of components in the process of development of Korean society is still undoubtedly certain (Table 9-1 and Figure 9-1), which also helps us to understand the nature of the welfare regime of the modern Korean state.

Table 9-1: Dissonance between the Overall Welfare Regime and Specific Policy Areas

Overall Welfare Regime	Specific Policy Area
Welfare Development toward the Traditional Welfare Programmes Still Needed to Develop	Active Ageing Policies in Employment (Overall): Still productive Labour Market Training Programmes: Rather Advanced

Figure 9-1: Discord between the Overall Welfare Regime and the Specific Policy Domains



Politics in Old Age

From the discussions of the thesis so far, it is emphasised that human rights-based comprehensive approach is weak in the Korean active ageing discourses and productive elements are, to a large extent, dominant in the Korean welfare regime despite significant

transformation to a more traditional welfare development. In the case of social enterprises discussed in Chapter Six, the general primacy of the state over society is found in Korean active ageing policy in employment. There are various ways to explain why the human rights-based comprehensive approach to active ageing is so weak in Korea. The ageing discourse of the specific society can be examined by two contrasting directions in politics (Walker 2006a: 83–5). In the course of developing active ageing policies, 'bottom-up' forces driven by civil society as well as 'top-down' forces from government are key factors to understand active ageing policy in Korea.

Top-Down and Bottom-Up

On the one hand, active ageing is accounted for in terms of the 'top-down' pressure in governments and international organisations, which are, in many cases, concerned with the economic costs brought by population ageing. On the other hand, there is another 'bottom-up' force from various areas of societies, including workplaces, where a lot of employers are struggling to respond to workforce ageing, local communities, where potential contributions from older workers are sought for, and older people themselves. As discussed in Chapter Three, active ageing in the European context emerged in the civil movement of older people in the 1980s (Walker 2009: 90). There has been a fresh civil movement from older people themselves, together with numerous, newly established NGOs. They raised issues in the political and policy worlds by founding local or national organisations, and participated in direct political demonstration, which led to a wide consensus of ageing issues in the public and public policymakers. In particular, numerous grassroots movement from the bottom-up are mainly concerned with the fundamental interest of older workers themselves, such as, health, economic security, social exclusion, the desire to participate in community activities as well as labour market. Thus, this bottom-up pressure is likely to be the foundation of human rights-based comprehensive ageing discourse.

When we apply this framework to the Korean context, on the one hand, the main arguments so far are mostly related to the 'top-down' approach, which concentrates on the territory of political world in Korea. Once more, the welfarist policy network is not so equal to the productivist groups focusing overly on economic growth. The top-down politics in the area of active ageing policy in employment are mainly occupied by neo-liberal or productivist-biased policymakers and their supporters. Hence, in this section, the bottom-up

forces are to be examined from the other direction. The key question is whether, or to what extent, political power from older people is weak. Is civil society in older age still underdeveloped in Korea?

Case of the KARP

One civil movement organisation for senior people is examined as a representative case of politics in Korean older people. The Korean Association of Retired Persons (KARP) is regarded as one of the most active civil organisations in Korea. It is a non-profit membership organisation 'dedicated to promote the social welfare of Koreans young and old, by shaping and enriching the experience of aging for members' (available from: http://www.karpkr.org, accessed on 27th July 2013).[4] It was founded in 1996 as a Korean community organisation for older people in New York, the United States. Koo Yong Min (pseudonym), serving as a chairperson since its inception, was a successful Korean-American businessman. After the 1997 economic crisis, he returned to Korea in order to devote himself to the welfare of older Korean people. The number of its members is estimated at 100,000 or so, and the headquarters are located in Seoul and there are nineteen regional offices.

First of all, older Korean people have been attempting various kinds of campaigns for active ageing in Korea. Mr Koo put emphasis on the independent and active participation of the KARP. One of the main cases, Mr Koo emphasised, was the KARP's anti-age discrimination campaign in alliance with the government. The other was a successful campaign for introduction of the reverse-mortgage loan system, which ultimately was in effect in 2007. Mr Koo emphasised that its influence on policymaking was much larger than that of the biggest senior citizen organisation, the Korean Senior Citizens Association [사단법인 대한노인회] (KSCA), by saying that 'it is not comparable. In terms of voices and its resulting change of society, we are superior to the KSCA' (Koo Yong Min, on 24th May 2011). It is interesting that this passionate activist is critical of the trade unionists as well as employers' organisations in the area of anti-age discrimination campaign:

> It took seven years to introduce the anti-age discrimination legislation. Of course, legislators and the MOL were the first, and it was the KARP that constructed foundation. It is not deniable to see that our social activities, which can be confirmed by newspaper articles and photos. … In the case of the extension of retirement age, we have been actively arguing against the Federation of the Korean Industries (FKI)[5] and the Korea Employers Federation. *We are much more enthusiastic than trade unionists* (Koo Yong Min, on 24th May 2011, italics supplied).

Secondly, however, it is certain that the independent civil movement for older people, which is represented by the KARP, has not been so successful. Mr Koo expressed his sorrow at the poor situation faced by the organisation:

> Frankly, we feel ashamed … Initially there were 17 staff members, who were financially supported by me. Only half the workforce are now serving. This is the reality the KARP has to face (Koo Yong Min, on 24th May 2011).

He also commented on the quality of member participation. For many members, online or offline, all they want is to get something material from the KARP:

> Ninety-nine per cent of members are expecting what they can derive if they join in the organisation. All sixties and seventies have lived difficult times. (But) they leave (their main jobs) when living conditions get better (Koo Yong Min, on 24th May 2011).

Low membership participation is one of the main difficulties faced by most Korean civil organisations, which is often called 'civil movements without citizens' (Kim, K. T. 2013: 34). It can be argued that the low living conditions among older people, as emphasised in Koo's comment and confirmed by the statistics in Chapter One, is aggravating the lethargy of the civil movement.

In terms of the size, there is a contrasting civil organisation in Korea. The KSCA has been the biggest civil organisation in Korea since its foundation in 1969. It was originally established as a union of the senior citizen's community centres. The KSCA has been extending its influence on policymaking and politics by building close relationship with the state. Mr Koo, who has openly expressed his pride in the independent activity from the government, cautiously mentioned his critics against the rival organisation by saying that:

> I have to speak carefully. A saying goes that the KSCA is a kind of government source organisation. … The feature of the KSCA is that … It is always friendly with the government. It has been using its national network of the senior citizens community centres … The number of the centres (guided by the KSCA) is approximately sixty thousand. If one person from every centre comes out, sixty thousand persons (are gathering). It is not comparable with ours (Koo Yong Min, on 24th May 2011).

In Korea, there are various kinds of government source organisations, which are often called 'gwan-byeon-dan-che' [관변단체] in Korean.[6] During the military government period, the state intentionally established a lot of organisations for the purpose of control and education of people. Most of their income has been provided by the government or the government-sponsored corporations. After democratisation, they have been successfully transforming

themselves into a new kind of civil organisations, but they are still heavily sponsored, explicitly or implicitly, by the state.

Thirdly, Mr Koo has participated in various kinds of policymaking processes. He was one of the main members of the presidential committee (PCAFS) during the Roh administration. He himself made a presentation to President Roh in the committee meeting. Despite positive comment to a development in terms of the participation itself, he is still negative to the level of policymaking participation.

> It seemed like serving as a groomsman. In the advanced countries, the NGOs participate from the starting phase. They discuss during all the policymaking processes and make a final announcement with the government. On the contrary, in Korea, civil servants are still focusing on making an evidence of participation. That is to say, our participation is only after most of the discussion has completed (Koo Yong Min, on 24th May 2011).

Why is participation in the policymaking process still restricted? He emphasised the role of politics in old age by saying that:

> The most important thing that we are educating is 'new age, new power'. Numbers are big. Forty-five per cent of the total voters are 50 plus. Roughly 21 million people go to the polls, 76 per cent of them are 50 plus, around 16 million. We can win for sure, in terms of the number. I am saying that 'you can boss the show'. What we want to make is a gerontocracy. However, we are a kind of 'silent majority'. That is, we are a silent fool.

From his experience in the United States, Mr Koo mentioned American politics in old age several times. He emphasised that the limitation of the grassroots civil movement could be overcome by increasing membership power and cited the case of the American Association of Retired Persons (AARP) having more than 40 million members.

In conclusion, older Korean people have weak political power. While the general civil movement in Korea has been hugely developing since the late 1980s, civil society in older age is still underdeveloped. It can be argued that a feeble influence from the grassroots movement is inadequate to change the relationship between the state and society in the area of active ageing policy, which is closely related to the supremacy of the state and the dominance of productivist discourse. In addition, as discussed in Chapter Two, the new generational politics should be established on the basis of the equal responsibilities among the different age groups rather than the old perspective based on the 'intergenerational inequity thesis.'

Conclusion

The chapter discussed the changing nature of the overall welfare state in Korea. From an overall aspect of the welfare regime discourse, it is certain that Korea has been transferring itself from the existing productive welfare regime to a new, comprehensive one due to welfare development during the two progressive governments. However, due to the legacies inherited from the previous developmental state, productive elements are still dominant in the specific area of active ageing policy in employment. Thus, there is a huge cleavage between the overall welfare regime and the specific policy area, which is important to understand the dynamic features of the Korean welfare state. In terms of the bottom-up forces, Korean civil movement in old age is still too weak to initiate the politics of old age. The case of a newly-rising civil movement shows that the underdeveloped civil society is another reason for the cleavage in the Korea welfare regime and active ageing policy in employment. The main contribution of the chapter is not to address which welfare regime that the Korean welfare state is classified into but to point out what features characterise its welfare development process.

Notes

[1] A landscape architect, Ryu, J. H. (2004: 14), argues that 'structural hybridization' is a fundamental element of the modern Korean landscape and architecture. From his observation of historic sites in Seoul, the capital city of Korea, he claims that, due to the coexistence or the fusion of pre-capitalist and capitalist modes of production, there are different phases of social development. By using the framework of Ernst Bloch, the famous German Marxist philosopher, he analyses a dynamic aspect of modern Korean society with the perspective of 'the synchronism of the non-synchronous' or 'the contemporaneity of the non-contemporaneous'.

[2] The statement 'Vision 2030' stands for the Korean government's ambition that it would become one of the most advanced countries by the year of 2030 by way of economic and social development. As it is argued in criticisms to its contents, the title also, to some extent, reflects the developmental paradigm of the Korean policymakers.

[3] In the sense that the two progressive governments pursued the introduction and expansion of traditional welfare programmes, it can be ironically described as 'a new, traditional, comprehensive welfare state'.

[4] The KARP is mentioned in the Chapter Five as an example of criticism of the government for abolishing the presidential committee for active ageing policy during the Lee Myung Bak administration, and in the Chapter Six as a committed campaign participant for anti-age discrimination policies during the Roh Moo Hyun administration.

[5] The FKI is the largest business lobby organisation in Korea. It is famous for its successful involvement in the policymaking process. It has been always critical of government regulation.

[6] In Korean, ‘gwan-byeon-dan-che’ literally means a parasitic organisation which mostly lives off the government (Dictionary provided by the NAVER available from: http://terms.naver.com, accessed on 27th July 2013).

Chapter Ten

Conclusion

This chapter summarises the main findings of the thesis and shows how the research questions were answered. Then it reviews the major contributions that the thesis makes to the existing knowledge. Based on the previous discussions, policy implications for active ageing are proposed. On the basis of the limitations of this research, it suggests some key directions for future study. In addition, reflections on the research method that this thesis chose and the researcher's personal reflections on the overall research process will be given.

Summary

On the basis of the fast population ageing and the decreasing labour market participation of older workers, the Korean government quickly established its active ageing policy along with a socio-economic development strategy during the two progressive governments (1998–2008). There was competition between the two contrasting discourses on active ageing: the 'productivist approach' emphasising productivity or the narrow area of employment in the labour market; and the 'comprehensive approach' stressing diverse areas of policies based on a broad life-course perspective. The main aim of the thesis was to examine the developments of active ageing policy in employment from the two respective perspectives. The first key finding is that, despite a fast development since the late 1990s, employment policy for older workers has been dominated by the productivist approach, which emphasised a limited aspect of employment in the labour market. On the one hand, in the area of ALMPs for older workers, there was a significant expansion of the PES, which is, however, often emphasised in the Work First approach. Labour market training and education programmes, usually emphasised in the Human Capital Development approach, have been noticeably developed during the two governments, however, these were not fully used for older workers mainly due to the inconsistency between labour market supporting system and the underdeveloped social welfare system. The social service jobs, often emphasised in the Social Inclusion approach, were also initiated by the short-term-based employment outcome. As a result, ALMPs for

older workers were not equal to addressing the wide-spread early retirement since the 1990s. On the other hand, the Korean government attempted to establish anti-age discrimination initiatives. However, it was not regarded as a successful policy response to wide-spread age discrimination in the workplaces. Particularly, the issue of the mandatory retirement age was not seriously raised among the public. In this vein, it is argued that Korean active ageing policy in employment has been dominated by the productivist approach, despite an increasing push towards the comprehensive approach. Then, the thesis examined how the economic-centred approach to active ageing has been dominant in the active ageing policymaking.

The second main finding is that there was keen competition between the two different ageing discourses in the area of overall active ageing policies during a decade of progressive governments, but there was not so much competition in the specific area of employment policy for older workers. Despite a strong drive from the progressive political group, active ageing policy during the Roh administration was gradually moderated in tone due to the strong resistance and a quick adaptation of the economic bureaucrats. On the one hand, contrary to a rather firm policy network for human rights-based comprehensive welfarism during the Kim Dae Jung Government, there was no stable policy network supporting a comprehensive approach to active ageing during the following Roh administration. On the other hand, the existing economic-biased productivist approach was strongly supported by the firm policy network formed by the economic bureaucrats, entrepreneurs and scholars who had adopted neo-liberal ideas and had been mostly trained the United States-based academic institutions.

Thirdly, from the external aspect, the strong influence from the OECD was also another main factor for explaining the productivist mainstream in policymaking. Since the accession of Korea in 1997, the OECD has had a strong effect on the Korean policymakers in the area of active ageing policy in employment through various kinds of policy transfer. The productivist approach of the OECD was attractive to Korean policymakers and researchers who were likely to follow the economic organisation representing ‘the developed country club’. Unlike the OECD, the UN and its comprehensive perspective to active ageing did not strongly influence Korean policymaking due to its low capability of knowledge transfer.

Based on the previous findings, the thesis discussed the changing nature of the Korean welfare state. Overall, welfare development during the two progressive governments shows that Korea has been transferring from the existing productive welfare regime to a new,

comprehensive one. However, due to the legacies inherited from the developmental state, productive elements are still dominant in the area of active ageing policy in employment. It is therefore argued that there was a cleavage between the overall welfare regime and the specific policy area. It is important to acknowledge the dynamic characteristics of the Korean welfare state transition. In terms of the bottom-up forces, the Korean civil movement in old age was still too weak to initiate the politics of old age, which is another reason for the discord between the overall welfare regime and active ageing policy in employment.

Contributions

As mentioned in Chapter One, the thesis is the first research which has examined Korean active ageing policy in employment from the framework of the two contrasting ageing discourses. First of all, the thesis explored the main characteristics of the Korean employment policy for older workers. The dominance of the productivist approach in this area was clearly demonstrated through various kinds of evidences, which we cannot find out in the previous studies. Based on the political economy of ageing approach, the thesis discussed how the policymaking process in the area of active ageing has developed, and showed a dynamic interplay of the policy actors including career civil servants, politicians, presidents and their advisors, and academic researchers. In addition, by investigating the policy transfer between the IGOs and the Korean policymakers, the thesis contributed to knowledge about global social policy in the area of active ageing, called 'an international political economy of ageing' (Walker 2005b). Furthermore, the thesis contributed to the understanding of the transforming welfare state in Korea from a specific policy area of active ageing. A cleavage between the overall welfare regime and the specific area of active ageing policy in employment was evidently displayed. By comparing the different socio-economic backgrounds between the countries in the West and Korea, the thesis extensively explained the peculiarities in the changing welfare state in Korea. In this sense, it can be claimed that contributions were made both to the empirical investigation of the Korean case and to the theoretical understanding of policymaking process in the area of active ageing. There are three points to be added.

Firstly, one of the biggest contributions that this thesis makes to knowledge is that it examined the socio-economic context of the development of active ageing policy in Korea in conjunction with the both the changing welfare regime and the dynamic interplay with the several key global policy actors. With the help of political economy of ageing approach, it

traced a legacy of the employment policy for older workers inherited from the existing mainstream of developmental ideas, and demonstrated how, and to what extent, the productive approach to active ageing has been still dominant. On the basis of actor-oriented approach, the thesis clearly revealed how the related policy actors responded to the changing policy environments and compete with each other for their own initiatives.

Secondly, focusing on the socio-economic backgrounds, the thesis is able to show the difference of socio-economic environment of the active ageing policy in employment between the countries in the West and Korea. As argued in Chapter Nine, despite a historic turmoil after the East Asian financial crisis in the late 1990s, the welfare reform was carried out by the new progressive government. While welfare reforms in the countries in the West generally resulted in the welfare retrench, the two progressive administrations established, under the socio-economic disorder, developed the overall social welfare systems and active ageing policy significantly.

Thirdly, the main contribution of the thesis is not to address which welfare regime the Korean welfare state is classified into but to point out a variety of features of the Korean welfare state during a dynamic transformation process. Especially, by demonstrating various kinds of evidences found in the government policymaking process, the thesis provides new insights, such as, a pronounced discord between the overall welfare state transformation and the specific area of employment policy. It is therefore claimed that the thesis enriches our knowledge about the changing characteristics of the Korean welfare regime. In this sense, it can be concluded that this thesis is a significant case study in delivering the dynamic features of the development of active ageing policy in employment and the changing welfare state from a productivist one to a comprehensive one.

Policy Implications

Even though specific policy suggestions are not within the scope of this thesis, the analysis of Korean active ageing policy in employment gives us lots of policy alternatives to be proposed. There are three main policy implications.

Firstly, it is essential to introduce a comprehensive approach to active ageing in all of the policy planning. The policy review of the thesis conducted under the national and global context lays the groundwork for the comprehensive vision of active ageing policy in Korea. The comprehensive approach to active ageing is based on the philosophical and conceptual

distinction that the quality of life of older people as well as their innate human rights is firstly located in every phase of the policy process. Reflections on the productivist approach to active ageing are that the excessive and simple stress on paid employment of older workers in labour market is not equal to addressing the increasing challenge that population ageing in the post-modern society brings about. It is important that the reflection should not be limited to a narrow focus of employment policy or economic policy. As argued in Chapter Six, population ageing is not a simple economic matter, and a fundamental innovation for a new socio-economic model should be established (Kim, O. A. 1995; Hong, S. T. 2007) The productivist approach inherited from the existing developmental state inevitably cannot meet this fundamental challenge. When we discuss a more specific issue of public policy, it is important to adopt the term of active ageing as a broader one (Figure 3-1). As argued in Chapter Three, if active ageing is regarded as a limited, simple focus on activation in the labour market, we are not able to readily achieve the aim of working longer as well as a healthy working longer. As proposed earlier, the strategy of active ageing policy should be based on life-course and participative principles, which encompasses a variety of areas of human life beyond employment. In terms of the policy implementation, an intersectoral approach to the government policy processes is essential along with active participation of a various kinds of policy actors, including civil movement and local authorities, trade unionists, employers, welfare service providers and older people themselves. One of the main organisational initiatives is to revive the presidential committee on population ageing. As noted in Chapter Five, in 2008, the Lee Myung Bak administration changed the status of the top government control tower for active ageing policy from the existing the presidential committee to the lowered rank one, which was chaired by the Minister of Health and Welfare. By strengthening the organisational hierarchy in the government structure, more priority on active ageing policy can be achieved, which will be significant to coordinate a variety of policy measures of the different ministries. To summarise, a decade of experience of Korean active ageing policy gives us a limited focus on the employment of older workers and cannot guarantee active ageing in Korea.

Secondly, as we focus on the specific labour market policies, it is essential to establish an optimal policy mix of supply- and demand-side policy. As argued in Chapter Three, both supply- and demand-side measures should be implemented properly. For example, in de-industrialised areas where older people's unemployment problem is relatively larger, only a demand-side policy cannot guarantee creating new jobs for older workers because of

difficulties that older workers have to face in adapting themselves to newly emerged sectors requiring a new technology. Thus, supply-side policies, such as life-long learning, would be essential to boost opening new jobs for older people. Along with this, demand-side policies which promote older people's active participation in the labour market would also be helpful for making jobs for older people. Neither supply- nor demand-side policy can be solely effective for older people's employment. Likewise, as we turn into the anti-age discrimination initiatives, both information campaign and age legislation should be utilised with a proper mix.

Thirdly, as Choi, Y. J. (2010) argues, it is projected that the productivist mainstream is going to be phased out, and the Korean welfare state and its active ageing policy is moving toward a new way of comprehensive direction (see also Kwon, H. 2009). What is more, as the meaning of welfare politics is crucial in establishing welfare states, politics in older age will be significant to a new form of active ageing policy. As emphasised in Chapter Nine, the development of a civil movement of older people as well as the overall growth of civil movement and their political power is one of the most important necessary conditions for the future of the Korean active ageing. With regard to the overall initiative of the state, as described in Chapter Six, a simple, but fundamental answer would be that the grassroots movement should take the lead, which is able to transform the relationship between the state and society in the area of active ageing as well as social enterprises (Park, M. J. 2011). Fortunately, there has been appreciable change in the attitude of Korean older people towards welfare and politics. According to a social survey panel data (Kim, Y. T. *et al.* 2013), Korean older people showed a passive attitude to the issue of welfare and taxation in 2007. Only 17 per cent of respondents aged 50 to 59 made a positive answer to the question of 'are you in favour of increasing the level of social welfare despite more taxes?' However, in 2010, the percentage of the positive respondents increased, and was two times larger than that of youth generation. This may refute a traditional hypothesis that older generation have limited welfare awareness compared to their younger counterparts.

Limitations and Future Study

It is admitted that the thesis did not include all of the issues that active ageing policy in Korea has brought about. Among them, the following issues are proposed to future research.

First of all, more research is necessary on the detailed historical policymaking process inside the government. For example, as discussed in Chapter Six, the introduction and the coverage expansion of the EIS in the 1990s was not mainly initiated by neo-liberal ideas. Hence, there is a possibility that the MOL's initiative of employment policy during the Kim administration was related to the increasing influence of comprehensive approach backed by the welfare idealists policy networks. However, due to the lack of data and time constraints, the assumption could not be examined in this thesis. Likewise, it was difficult to demonstrate how policy actors related to active ageing policy behaved with objective evidences, such as written materials, records of observation, quantitative data, and qualitative interviews. The memorandum that the author took a note of during his analysis session on the Korean policymaking process reads:

> It is necessary to collect more data regarding this discussion. What made originally the government launch these plans? Who firstly commissioned the process? To what extent were these two processes paralleled? To what extent were these plans coordinated by the control towers, i.e., the Presidential Office, the Prime Minister's Office or the MPB? (From the researchers' own note written on 1st October 2011).

As noted in Chapter Four, the researcher, who has a favourable position as an insider of the government organisation with regard to the accessibility to the government resources, also had difficulties so many times in getting proper data. In this regard, the Spongiform Encephalopathy Advisory Committee (SEAC) of the UK was exceptional. The SEAC was an independent scientific advisory committee on Bovine Spongiform Encephalopathy (BSE) and new variant Creutzfeld-Jacob Disease (CJD) established in January 1998 by the UK Parliamentary Order. All contents of the SEAC meeting and its reports were opened to the public, and its full text version of the BSE Inquiry Report and all the supporting evidence are still accessible through its website.[1] Sir Richard Parker, a former career civil servant at the Ministry of Agriculture, Fisheries and Food, wrote a book titled 'The Politics of BSE' (Parker 2006), in which the observation and analysis of the SEAC is directly introduced. In contrast, there is no official record published on the issue of active ageing policymaking process, such as, Vision 2030, the Basic Plan and the Five Year Plan in 2006. There was no information available with regard to opening and recording policymaking process and its results. In the case of Vision 2030, a publisher was called 'the Joint Working Party' [정부민간합동작업반], by which we do not have a proper information about the publisher (Joint Working Party 2006). In the report opened to the public, there is no real name for the authors,

participants, or related government officials. The only one statement regarding the identification of the working party is that '[the specialist working party was] composed of around sixty specialists in July 2005' (Joint Working Party 2006: i). Considering the expected impact that these major policy plans would bring about, it is regrettable to get a poor recording of the policymaking process. In this regard, a new guideline for recording and opening the key policymaking process, especially in the case of the major government policies, should be established. For example, a well respected researcher on the specific issue will be appointed as an independent participant in the real government meeting, officially or non-officially, who has the right to access to all of the related information and the policymakers and to write and publish the related records, under the full sponsorship from the government. This new initiative has a potential to open, and ultimately, develop the policymaking process, and to give us a great amount of research data, which would be a rich base for academic and practical discussion.

Secondly, the thesis considered the external influence on active ageing policy in Korea in Chapter Eight. At first, the author had an assumption that, if key policymakers in the individual country have a rather productivist-biased perspective to active ageing, they would be unlikely to adopt the UN's ageing discourse, which is characterised with more social rights-based, comprehensive approach than that of the economic-biased IGOs, such as the OECD. In addition, because the MIPAA of the UN has a various kinds of useful policy contents on the basis of systematic implementation and monitoring process, the internal selectiveness of policy actors can be an important factor to deal with the different kind of ageing policies from the different IGOs. However, due to the limited data, it was decided that the assumptions were not readily examined in the general country cases, but examined in the specific Korean case. Thus, further research is required to evaluate whether the internal selectiveness of the policymakers towards the different ageing discourses of the different IGOs found in the Korean case can be applied to other countries or not.

Thirdly, another limitation is that this thesis concentrated on active ageing policy only in a single country. Considering the similarities of the welfare regime (often regarded as representative productivist welfare states) and population ageing among some East Asian countries, such as Korea, Taiwan, Hong Kong, Singapore, it is valuable to conduct cross-national research, which would contribute to understanding the changing features of the East Asian welfare states and their different response to population ageing. It is meaningful to

examine how each of these countries addresses to rapid population ageing under the similar, but different, socio-economic background.

Fourthly, this thesis does not focus on the gendered issues of early retirement and active ageing policy. As shown in the Chapter One and Two, there was a highly gendered trend in the labour market participation and older women workers given significantly lower wages than older men workers have difficulty in age discrimination. However, the gender issues are not covered in this thesis, mainly because it mainly focuses on the overall aspect of active ageing policy with the framework of the two main approaches. Thus, the gender issues should be one of the key topics of the future research.

Lastly, it is necessary to conduct quantitative research using various kinds of survey data. As an initial study on Korean active ageing policy in employment, this research did not focus on a quantitative research method. Especially, based on the suggestion by the Task Force for Population Ageing and Social Inclusion (2004) during the Roh administration, as noted in Chapter Five, the Korean government launched a comprehensive panel survey of older workers' retirement and living conditions, called 'the Korean Longitudinal Survey of Ageing' (KLoSA) in 2006 (Chang, J. 2007). As of 2011, the third wave of the KLoSA survey has been conducted, in which numerous valuable data with around a 10,000 sample can be utilised. More importantly, it is significant to start a multi-dimensional interdisciplinary research project, which is surely sponsored by the government's financial support.

Therefore, it is hoped that the key findings this thesis will be used for guidance of the future studies of active ageing policy in global, regional and national levels.

Reflections

Reflections on the research process are presented in two ways. The first reflections are on the research methods proposed in Chapter Four. Firstly, in this thesis, the political economy of ageing was adopted as a wider methodological perspective, due to its advantage in exploring the dynamic relationship between the socio-economic context and the development of active ageing policy in Korea. During the research process, this approach was effectively applied to analyse the distinctive aspects of the Korean policymaking. On the basis of the socio-economic environment inherited from the developmental state since the 1960s, the thesis clearly shows how the active ageing policy in Korea has been dominated by the productivist

approach. In terms of the socio-economic background of ageing policies, the difference was emphasised between the countries in the West and Korea, which is essential to understand the specific features of Korean active ageing policy.

Secondly, however, as argued in Chapter Four, between the two main trends to explain the active ageing policymaking process in the political economy of ageing, an actor-oriented approach was applied to the analysis of Korean active ageing policy, mainly because it was regarded as a more useful angle to examine the interactions among various policy actors in the active ageing policymaking. The thesis analysed the dynamic interplay between policy actors during a decade of the development of active ageing policy, by using various kinds of qualitative data, for example, qualitative interviews and the government's documents including grey literatures. It is therefore said that the actor-oriented approach, firstly used in the research of active ageing policy in Korea, was an effective research perspective to analyse the dynamic interactions of the active ageing policymaking. In addition, these approaches were estimated as being useful in examining the globalised policymaking of active ageing policy. The interchange of the policy proposals along with the specific ageing discourses between key IGOs and the Korean policymakers was illuminated due to the research approach focusing on the transnational policy actors.

Thirdly, in terms of the research methods, diverse kinds of the Korean materials were effectively selected and analysed. In particular, 'grey literatures' from the Korean government were largely utilised in this research, by which the author was able to demonstrate the specific perspectives behind the policy proposals. However, it is also admitted that, despite a prestigious position to get access to these documents, the dual position of the researcher has been a tough methodological issue during the research process. As argued in Chapter Four, in order to address the conflict between the objective role as an independent researcher and the organisational membership, two tentative solutions were adopted. The first one was to intentionally open this conflict in the whole research process by way of mentioning, such as, the dual positions in the thesis, and of taking notes of my awareness and negotiations whenever it happened. It can be appraised as a suitable answer. The second one was to use pseudonyms when individual persons appeared. At first it was regarded as the best solution to avoid the possible conflict that my position as an insider of the organisation brought about. However, at the end of the research, it should be also acknowledged that pseudonyms were not enough to conceal the identification referred in the

thesis, because the thesis is focused on the specific issue of the employment policy for older workers during a certain times mainly in the area of the particular government organisation. Finally, another idea was devised to ensure the potential protection of the researcher's position. Embargoing the thesis for 10 years would be a last resort to hedge the potential dilemma otherwise the author cannot finally solve the contradictory position as an insider and an outsider of the research process.

The second reflection is mainly on the research's personal self-observation. One of the biggest hurdles that this author had to face was that it was hard to self-administer the research process as an independent researcher. I had to manage almost all the time schedule without any organisational help to which I had been accustomed as a government employee in Korea. I sincerely felt that the position of a researcher seemed to be an 'independent entrepreneur'. In particular, I had a difficulty in managing time schedule officially offered by the University, which required me to finish the PhD course in three or four years. In addition, for 21 months, nearly a third of the full research time, the research has been conducted in the researcher's home country. Due to my financial constraints and government regulations, I had to return to Korea at the end of 2011. Since then, I have had to organise my research project under tough conditions. It was so difficult to do research while I was in office. Secondly, it should be expressed that this researcher has considerable academic knowledge in active ageing, which would, I believe, be a valuable asset for his job as a permanent government official. I realised that lots of premises that my former activities in government was based on non-scientific arguments. Among these are the dependency ratio argument and the related idea of 'socio-economic imperative' due to population ageing was exceptional. Here, it is useful to quote this researcher's personal reflection on the use of the term of dependency ratio:

> I realised that, along with the term of 'dependency ratio', socio-economic pessimistic view was mainly used for stressing the importance of active ageing strategy. However, this view needs to be reviewed, since a pessimistic approach and ageist ideas behind this view will not easily lead to active ageing strategy (Author's research memo, on 2nd October 2010).

When we turn to the introductory chapter (Chapter One), it should be stated that this researcher's background was also based on the negative approach to active ageing which involved frequent use of the term 'dependency ratio argument'.

Conclusion

The thesis is the first comprehensive study of Korean active ageing policy in employment based on a framework of the competition between productivist and comprehensive approaches. Utilizing the perspective of the political economy of ageing and the actor-oriented approach, it shows how, and to some extent, active ageing policy in employment has been dominated by a productivist approach, despite considerable efforts to develop a comprehensive approach. The thesis firstly reveals that, despite keen competition between policy networks representing the two contrasting approaches to overall active ageing policy, there was almost no policy competition in the area of employment policy for older workers during the Roh Moo Hyun administration. The main reason for productivist dominance was due to the productivist-biased civil servants who were also heavily influenced by economic-centred IGOs such as the OECD. From these arguments, the thesis shows the changing nature of the Korean welfare state, which has a cleavage between the overall welfare regime and the specific area of employment policy for older workers. The directions and rate of the future welfare development will to some extent be decided by the development of the politics of old age.

Note

[1] http://webarchive.nationalarchives.gov.uk/20060715141954/bseinquiry.gov.uk [Accessed on 15th September 2013].

Appendix 1: Modern Korean History and Major Events

Year	Era	Presidents	Major Events
1910	Japanese Colonial Rule (1910–1945)		Forced Annexation to Japan (1910)
1920			
1930			
1940	United States Military Rule (1945–1948)		Liberation from Japan(1945)
	First Republic (1948 – 1960)	Rhee Syng Man (1948 – 1960)	
1950			Korean War (1950–1953)
	Second Republic (1960–1961)	Chang Myon (1960–1961)	4.19 Revolution (1960)
1960	Military Junta (1961–1963)		Military Coup (1961)
	Third Republic (1963–1972)	Park Chung Hee (1963–1979)	
1970			Yusin Self-coup (1972)
	Fourth Republic (1972–1981)		
1980	Fifth Republic (1981–1988)	Chun Doo Hwan (1980–1988)	Gwangju Uprising (1980)
		Roh Tae Woo (1988–1993)	June Democracy Movement (1987)
1990	Sixth Republic (1988-)	Kim Young Sam (1993–1998)	Seoul Olympic Games (1988)
			IMF Economic Crisis (1997)
2000		Kim Dae Jung (1998–2003)	
		Roh Moo Hyun (2003–2008)	FIFA Worldcup Korea-Japan(2002)
2010		Lee Myung Bak (2008-)	Global Economic Crisis (2008)

Note: The President of Korea is not only a chief executive of the government, but also the head of state under the presidential system of the Constitution of the Republic of Korea with the exception of the short-lived Second Republic (1960–1961). During the Second Republic, Korea adopted a parliamentary government system under the Prime Minister Chang Myon, who was a chief executive of the government, and the President Yoon Bo Seon, who was a head of state. Under the parliamentary government system, the Second Republic was effectively identified, and commonly named, as the Chang Myon Government. Choi Kyu Ha served as President of the Republic of Korea from December 1979 to August 1980. However, due to his unstable and weak political position after the military coup staged by Major General Chun Doo Hwan in December 1979, the Choi Kyu Ha Government is occasionally skipped over in the modern Korean politics.

Appendix 2: Employment/population Ratios in the Age Group of 55-64 across the OECD Countries from 2000 to 2012

Country	2000	2006	2012	Rank (2006)*	Rank (2012)*	2012−2000	Rank
Australia	46.2%	55.5%	61.4%	13	11	15.1%	10
Austria	28.3%	35.5%	43.1%	26	25	14.8%	12
Belgium	25.0%	32.0%	39.5%	31	29	14.5%	13
Canada	48.1%	55.5%	59.8%	12	15	11.7%	17
Chile	47.5%	53.2%	62.7%	17	9	15.2%	8
Czech	36.3%	45.2%	49.4%	22	21	13.1%	15
Denmark	54.6%	60.7%	60.8%	8	12	6.3%	23
Estonia	44.0%	58.2%	60.5%	10	14	16.5%	6
Finland	42.3%	54.5%	58.2%	16	17	16.0%	7
France	29.3%	38.1%	44.5%	25	23	15.1%	9
Germany	37.6%	48.1%	61.5%	20	10	23.8%	1
Greece	39.0%	42.3%	36.4%	24	32	-2.6%	30
Hungary	21.9%	33.6%	36.9%	27	31	15.0%	11
Iceland	84.2%	84.9%	79.2%	1	1	-5.0%	33
Ireland	45.3%	53.2%	49.5%	18	20	4.3%	25
Israel	46.6%	54.9%	63.1%	15	7	16.5%	5
Italy	27.7%	32.5%	40.4%	30	28	12.7%	16
Japan	62.8%	64.7%	65.4%	6	6	2.6%	29
Korea	57.8%	59.3%	63.1%	9	8	5.3%	24
Luxembourg	27.2%	33.2%	41.0%	29	27	13.8%	14
Mexico	51.7%	55.0%	55.6%	14	19	3.9%	26
Netherlands	37.6%	45.7%	58.6%	21	16	20.9%	3
New	56.9%	70.2%	73.9%	2	2	17.0%	4
Norway	67.1%	67.4%	70.9%	4	4	3.8%	27
Poland	28.4%	28.1%	38.7%	32	30	10.2%	18
Portugal	50.7%	50.1%	46.5%	19	22	-4.2%	31
Slovak	21.3%	33.2%	43.1%	28	26	21.7%	2
Spain	37.0%	44.1%	43.9%	23	24	6.9%	22
Sweden	65.1%	69.8%	73.1%	3	3	8.0%	19
Switzerland	63.3%	65.7%	70.5%	5	5	7.2%	21
Turkey	36.4%	27.6%	31.9%	33	33	-4.5%	32
United	50.4%	57.3%	58.1%	11	18	7.7%	20
United	57.8%	61.8%	60.7%	7	13	2.9%	28
European	36.5%	43.4%	49.3%			12.8%	
European	37.6%	45.2%	50.9%			13.3%	
Europe	37.1%	42.8%	48.3%			11.1%	
G7 countries	49.9%	55.8%	58.4%			8.5%	
OECD	47.6%	52.7%	55.6%			8.0%	

* Rank among 33 countries excluding Slovenia

* Source: OECD.Stat, data extracted on 24 Nov 2013 20:08 UTC (GMT).

Appendix 3: Interview Schedule

1. Preparations for interview

- Confirm what time will it take?
  - Time:
- Equipment
  - Internet telephone
  - Recorder (built-in personal computer), microphone

2. A major consideration

- This is survey of my PhD research, which is critical for research design.
  - Technical issues with telephone interview and recording.
  - How to make research questions and interview questions
  - Transcript and translation into English
  - How to analyse transcript (using computer-aided qualitative data analysis software)
  - Some ethical issues (e.g. confidentialities)
- Based on semi-structured interview question, it is needed to focus on draw upon interviewee's personal experience, thoughts, and feeling regarding active ageing strategy in Korea. Do not stick to prepared-questions, and try to change questions which will be better to extract interviewee's opinion. You're also central to research process.

3. Opening questions

- Something to say to interviewee before interview
  - Confidentiality
  - An estimated time for interview (around 20 minutes)

4. Interview questions

- Opening questions
  - Name, post, main job of past and present
- What is the nature of the active ageing strategy?
  - From the global perspective, why has it emerged as a critical issue?
  - How has the issue of active ageing come to the top of policy agenda in Korea?
  - What is the role of Global Institution's strategy (e.g. OECD, UN) with regard to the Korean Government?
  - What are the main factors that lie behind the Korean government developing an interest in this area? Especially focus on internal factors.
- Questions regarding consensus issue
  - In terms of policy priority, where is active ageing policy located?
  - In terms of policy priorities when allocating limited resources, especially for government budgeting, to what extent was active ageing strategy regarded?
  - Cooperation between various departments in the government is very important for

active ageing policy, what do you think about?
  - Did you have an experience to discuss and carry out with other department's officials?
  - Was there any difficulty in coordinating different interest and policies of other departments

- How has active ageing strategy in Korea developed?
- What are main directions of Korea's active ageing policy?
- You're now studying in the USA. What are the implications of American experience for Korea?

5. Conclusion remarks

- Interviewer's feeling will be delivered to interviewee, and vice versa.
- Additional interviewees will be needed, and ask him if it will be okay.

6. After interview

- Confirm if recording is successful or not
- Make transcript as soon as possible.

Appendix 4: Information Sheet (English)

Information Sheet

1. Research Project Title:

The Developments of Active Ageing Strategy in Korea

2. Invitation paragraph

You are being invited to take part in a research project. Before you decide, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and discuss it with others if you wish. Ask us if there is anything that is not clear or if you would like more information. Take time to decide whether or not you wish to take part. Thank you for reading this.

3. What is the project's purpose?

South Korea is one of the most rapidly ageing country in the developed world, and has shown the wide fluctuations in the older workers' participation rate in the labour market. Please take time to read the following government policy response to ageing. Based on this background, the research intends to explore the developments of active ageing policy in Korea. Its key addition to knowledge is putting the Korean situation in a global context and informing Western audiences about the development of active ageing policy in Korea. This research project will be finished by around the end of 2010.

4. Why have I been chosen?

This research needs to interview experts who directly related to active ageing policy in the area of international governmental organisations, the Korean government, related organisations, or independent researchers. To explore the nature of active ageing strategy, globally and nationally, and how the issue of active ageing has emerged in Korea's political and policy agenda, the interview data acquired by you will be very useful.

The interviewees who are needed for this research were chosen through the recommendation of the researcher's academic colleague and higher official in the government. It is up to you to decide whether or not to take part and you can withdraw at any time, but your contribution will really helpful for developing academics and ageing policy.

5. Do I have to take part?

Again, it is up to you to decide whether or not to take part. If you do decide to take part you will be given this information sheet to keep (and be asked to sign a consent form) and you can still withdraw at any time without it affecting any benefits that you are entitled to in any way. You do not have to give a reason.

6. What will happen to me if I take part?

The interview will last 30 to 60 minutes and contents can be recorded under participant's full consent. The interview will be processed from an initial data gathering to a deeper investigation.

7. What do I have to do?

If you have any lifestyle restrictions as a result of participating, please tell the researcher or his supervisor, and appropriate measures will be taken for you.

8. What are the possible benefits of taking part?

Whilst there are no immediate benefits for those people participating in the project, it is hoped that this work will be really helpful for developing academics and ageing policy.

9. What if something goes wrong?

If you have something to complain with this research, you can raise a complaint to the researcher or supervisor. Complaints will be handled according to the University's Research Ethics Rule. If problem will be serious, you can also contact the University's 'Registrar and Secretary'.

10. Will my taking part in this project be kept confidential?

All the information that we collect about you during the course of the research will be kept strictly confidential. You will not be able to be identified in any reports or publications. The researcher is responsible for ensuring that when collecting or using data. The storage and use of research data will comply with the Data Protection Act 1998.

11. What will happen to the results of the research project?

The research is likely to be published and the participants can obtain a copy of the published results to ensure whether they are told which arm of the project they were involved in and that they will not be identified in any report or publication.

12. Who is organising and funding the research?

The Government of the Republic of Korea is sponsoring this research.

13. Who has ethically reviewed the project?

This project has been ethically approved via either the ethics review procedure of the Department of Sociological Studies, or the University's Ethics Review Procedure. The University's Research Ethics Committee monitors the application and delivery of the University's Ethics Review Procedure across the University.

13. Contact for further information

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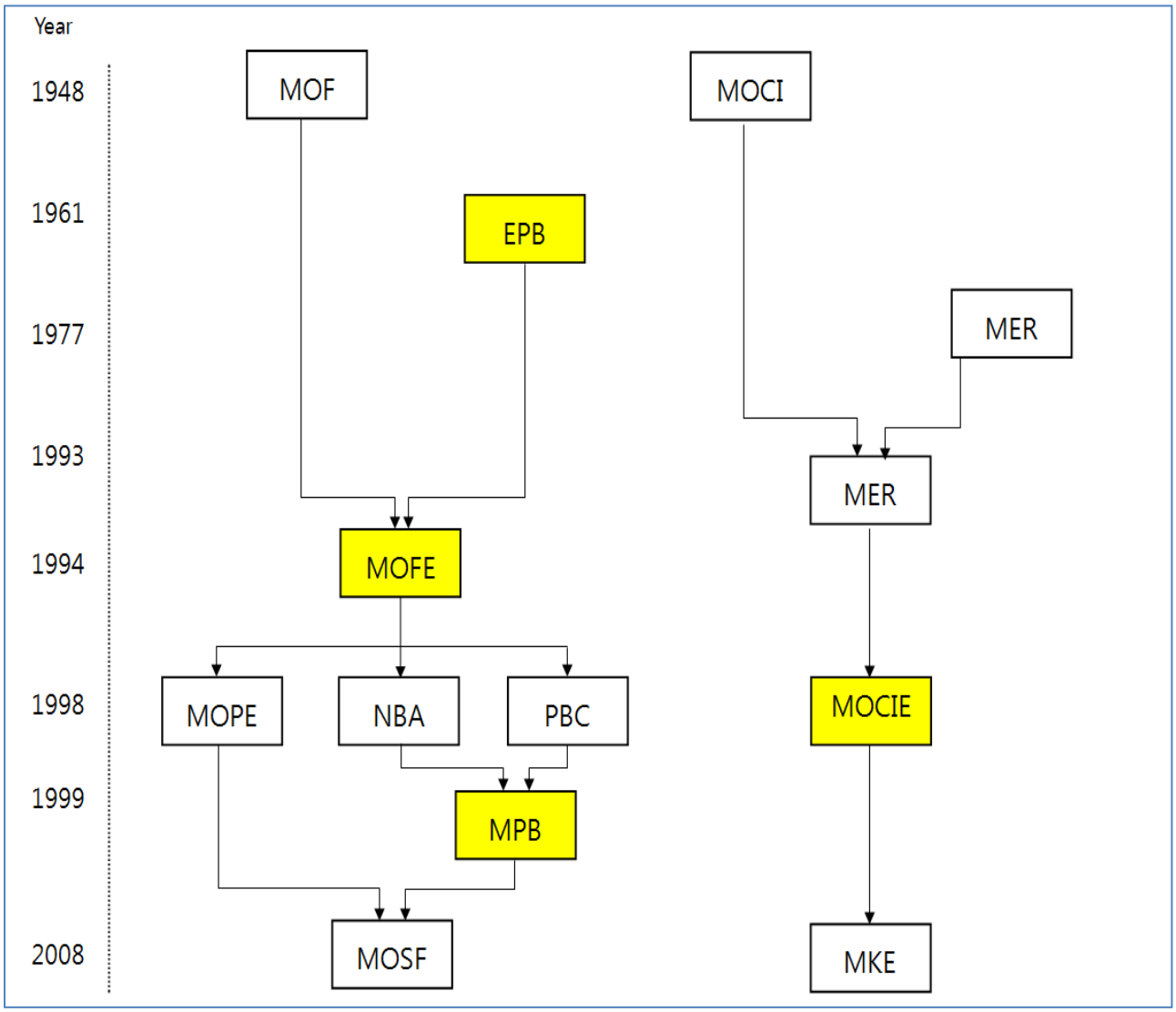
Finally, the participant will be given a copy of the information sheet and, if appropriate, a signed consent form to keep. Thank you very much for your taking part in this research project.

Appendix 5: Preferred Jobs for Older People Announced by the Minister of Labour in September 1991

Public sector	Private sector
ticket agent	ticket agent
filling-station attendant	filling-station attendant
civil complaints advisor	civil complaints advisor
car park attendant	car parking attendant
utility metre reader	utility metre reader
general building superintendent	general building superintendent
parking enforcement officer	parking enforcement officer
bill collector	ticket collector
dormitory superintendent	
public park guide	
street cleaner	
porter	
lollipop person	
gardener	
librarian	
chauffeur	
bookbinder	
air-conditioning and heating inspector	
ticket collector	
restaurant staff	

Source: Kim, S. and Seong, J. (2005: 416).

Appendix 6: Transition History of Economic Organisations in the Korean Government (1948–2008)



Note 1: MOF (Ministry of Finance) [재무부]; MOCI (Ministry of Commerce and Industry) [상공부]; EPB (Economic Planning Board) [경제기획원]; MER (Ministry of Energy and Resources) [동력자원부]; MOFE (Ministry of Finance and Economy) [재정경제원] or [재정경제부]; NBA (National Budget Administration) [예산청]; PBC (Planning and Budget Commission) [기획예산위원회]; MOCIE (Ministry of Commerce, Industry and Energy) [산업자원부]; MPB (Ministry of Planning and Budget) [기획예산처]; MOSF (Ministry of Strategy and Finance) [기획재정부]; MKE (Ministry of Knowledge Economy) [지식경제부].

Source: MOPAS (2011b: 26-31), KNSO (2013)

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