

CSB
WORKING PAPER

centreforsocialpolicy.eu

May 2014

No 14 / 04

**The East Asian
welfare regime:
reality or fiction**

Sarah Kuypers



University of Antwerp
Herman Deleeck Centre for Social Policy
Sint-Jacobstraat 2
BE – 2000 Antwerp
F +32(0)3 265 57 98



The East Asian welfare regime: reality or fiction(*)

Sarah Kuypers

Working Paper No. 14 / 04

May 2014

ABSTRACT

Recently the debate on the existence of a homogeneous East Asian welfare regime gained prominence because the region is experiencing changes in the fundamentals of its welfare system. Although the majority of the literature builds upon the assumption that there is indeed a fourth welfare type in the region, few empirically investigate whether these countries could formally be regarded as actual 'Confucian', 'productivist' or 'developmental' welfare states. In a detailed, but yet encompassing, analysis this paper investigates first and foremost if the East Asian countries are in fact welfare states and secondly to what extent these countries constitute one homogeneous fourth welfare type, differing from the traditional and other emerging welfare regimes. In order to study the latter a fuzzy set ideal type analysis is carried out. The paper demonstrates that the presence of welfare characteristics in the region cannot be denied. The term 'welfare state', however, appears to be too strong because the state itself is responsible for very little welfare creation. Furthermore, it is demonstrated that the dissimilarities within the East Asian region are minor compared to the differences with respect to the traditional and other emerging welfare regimes. Therefore, this paper pleads in favor of the existence of one overarching East Asian welfare regime.

Keywords: East Asia, welfare states, productivism, Confucianism, social and economic policy, Fuzzy set ideal type analysis

JEL:H5, I31, I38

Sarah Kuypers (corresponding author)
Herman Deleeck Centre for Social Policy, University of Antwerp
Sint-Jacobstraat 2, 2000 Antwerp, Belgium
Sarah.Kuypers@uantwerpen.be,
+32 3 265 53 92

(*) This paper is a translated and revised version of my Master's thesis. I am grateful to Ive Marx and Sarah Marchal for their helpful comments and suggestions.

Introduction

Ever since Esping-Andersen (1990) wrote his book "The three worlds of welfare capitalism", his typology of the liberal, conservative and social-democratic welfare regimes has been subject of many studies in social and economic sciences. In the late 1990's a new line emerged in this welfare research. It consisted of researchers searching for new types of welfare regimes. One of the most important streams in this kind of research is the case of a fourth welfare type that would be applicable to the East Asian region. Although there exists more or less a consensus in the literature that East Asian countries are difficult to fit in the traditional welfare typology, there still remains large disagreement about the exact character and uniqueness of these welfare states. In the academic literature one can find two broad perspectives on the East Asian welfare state. The first speaks about 'Confucian welfare states' (Jones, 1990), the other implements concepts as 'productivist welfare states' (Holliday, 2000) and 'developmental welfare states' (Kwon, 2009). However, critics argue that "it is misleading to think in terms of one homogeneous, overarching East Asian welfare model" (White & Goodman, 1998, p.14). The question rises then if one can indeed talk about 'the' East Asian welfare state.

The purpose of this paper is two folded. Since few authors empirically analyze whether these countries can formally be regarded as welfare states, it investigates first several welfare dimensions. Otherwise any inference on the existence of a homogeneous welfare type would be senseless. In second instance the paper investigates the degree to which the East Asian countries together constitute one homogenous welfare type, distinct from other welfare regimes in the world. The literature concerning East Asian welfare regimes exists mainly of individual case studies conducted by local authors (Ku & Jones Finer, 2007). There are fewer attempts made to analyze non-western social policy in a comparative manner (Wood & Gough, 2006). The aim of this paper is to analyze the East Asian region as a whole, not country by country, and adopting a comparative perspective. The emphasis is not on individual cases, but on the global features and differences. Moreover, the current debate is mainly based on conceptual reasoning. Empirical research in this topic remains largely missing. This paper fills this lacuna.

The paper proceeds as follows. It starts by briefly describing the most important concepts of the typology of Esping-Andersen (1990) and how it should be complemented to be able to incorporate new types of welfare regimes. It then goes on to discussing the common features of the countries within the East Asian region on the one hand and the intra-regional differences on the other hand. In the third part the impact of the Asian financial crisis of 1997 on social policy is discussed. In the fourth part the characteristics of the East Asian welfare regime are compared with those of the traditional and emerging welfare regimes. The

implemented data and methods are subject of the fifth part. Part six and seven are dedicated to the actual empirical analysis. It consists on the one hand of an analysis of various welfare criteria and on the other hand of a fuzzy set ideal type analysis to discover groups of countries or welfare types. The last part concludes.

1. Classification of the East Asian welfare regime

One of the most important aspects of Esping-Andersen's (1990) theory is the concept of de-commodification. This is "the extent to which a (social) service is rendered as a matter of rights and the degree to which the living standard of an individual is isolated from its position in the labor market" (p.22). When social rights are granted on the basis of citizenship rather than performance, this will lead to a de-commodification of the status of individuals with regard to their status in the market. In 1999 Esping-Andersen added the concept of 'de-familiarization' to his theory. This concept refers to the extent to which a person's living standard is made independent of his family or household membership (Gough, 2001). Another important concept in his theory is stratification. One needs to answer the following questions: Does the welfare state increase or decrease the existing status and class differences? Does it create dualism, individualism or a broad social solidarity? (p.4). The welfare state can, however, not only be understood in terms of the guaranteed social rights and stratification, also the way in which state activities are interwoven with the role of the market and family in welfare provision should be taken into account (p.21). In other words, to distinguish the different worlds in the universe of welfare capitalism three criteria are used: the quality of social rights, social stratification and the relationship between state, market and family (p.29). The three types of welfare regimes are identified on the hand of these three criteria: the liberal, conservative and social-democratic regime. A summary of the most important aspects of these three welfare regimes is presented in annex 1. Bonoli (1997) and Ferrera (1996) argue that South-European countries like Spain, Portugal, Italy and Greece constitute a separate fourth regime type. However, the remainder of this paper builds upon the three welfare regimes of Esping-Andersen. It should be clear that all welfare typologies mentioned in this paper merely describe ideal types. In contrast to this ideal world of welfare types, real world examples usually constitute a hybrid form of types (Arts & Gelissen, 2002). However, Esping-Andersen (1997) argues that it is useful to construct ideal types "to be able to see the forest rather than the myriad of unique trees" (p.179). The emphasis in this paper also lies mainly on the bigger picture of welfare worlds rather than on individual welfare programs.

In the foreword of the Chinese edition of his book 'The three worlds of welfare capitalism' Esping-Andersen indicated that East Asian welfare

states can be interpreted either as a hybrid form of his liberal and conservative regime types or as an emerging fourth welfare regime (Ku & Jones Finer, 2007). The classification of the East Asian countries in the welfare landscape is, however, not as straightforward because there exist different perspectives. A first approach to the East Asian welfare model originates from a political economy perspective. Midgley (1986) is seen as the pioneer of this view (Aspaltar, 2006). Authors that adopt this approach refer to the East Asian welfare regime as 'productivist' or, because these countries often get the status of late developers in the domain of welfare (Ku & Jones Finer, 2007), 'developmental'. The apparent imbalance between economic and social policy is emphasized in this view. Economic growth is the main national goal and social policy serves only as a factor in achieving this goal. Therefore social protection was initially only granted to persons employed in important public sectors, like military servants and teachers. Only decades later this was extended to the most strategic private sectors. Welfare of employees in non-productive or less important sectors is of little importance to the productivist welfare regime (Kim, 2010). Holliday (2000) is one of the most notable authors within the productivist group. He argues that the three criteria of Esping-Andersen need to be complemented with a fourth criterion, so that a fourth welfare regime can be distinguished. This fourth criterion concerns whether social policy is subordinated to other policy goals or not. In the liberal and conservative welfare regime social policy is neither privileged nor subordinated, while it is clearly privileged in the social-democratic regime. In the fourth type, the productivist regime, social policy is subordinated to the overall goal of economic growth. This feature is what differentiates this type from the other three. The other criteria arise from this: minimal social rights with extension linked to productivity, reinforcement of the position of the productive elements in society and state-market-family relations aimed at generating economic growth. A summary of these criteria and the four welfare regimes is presented in table 1. Gough (2004) also discusses the concept of productivism as the only regime feature that is absent in the other welfare types. One of the criticisms to this first approach is derived from Choi (2007, 2012). He argues that welfare extensions that took place in East Asia in the past were usually not necessary for economic growth and that they were instead motivated by protection of the socially weak or improvement of social solidarity.

Table 1: *Four worlds of welfare capitalism according to Holliday (2000)*

	Social policy	Social rights	Stratification effects	State-market-family relationship
Liberal	Neither privileged, nor subordinate	Minimal	Equality of poverty for minority, market-differentiated welfare for majority	Market provision encouraged
Conservative	Neither privileged, nor subordinate	Quite extensive	Existing status differentials preserved	Family protected
Social-Democratic	Privileged	Extensive	Universal benefits graduated according to accustomed earnings	Market crowded out, family socialized
Productivist	Subordinate to economic policy	Minimal, extensions linked to productive activity	Reinforcement of productive elements	Premised on overriding growth objectives

Source: Holliday (2000)

A second approach, which refers to the East Asian countries as 'Confucian' welfare states, argues that the values of Confucianism define the East Asian welfare model. These values are very family-orientated, which causes the state to transfer a large part of its social responsibility to families, businesses and local community. Critics, however, argue that one needs to consider the Confucian values as mediating factors rather than decisive ones (Kim, 2010). This view can be regarded as the sociological perspective on the East Asian welfare state. One of the first authors studying the East Asian welfare model, Catherine Jones (1990, 1993), belongs to this group (Aspaltar, 2006). She used the term 'oikonomic welfare states' to describe these countries. 'Oikos' in classic Greek means 'household economy' and by using this term the author indicates the similarity between East Asian social policy and the 'household management' style of government of Aristotle.

Both the Confucian as the productivist perspective focus on domestic aspects to capture the constituent base of the East Asian welfare model. However, Holliday (2000) argues that these statements are too narrow and that also the external context in which these domestic parts are located needs to be considered. On the one hand this includes economic factors like international markets and international business and on the other hand also regional actors and dominant international powers or organizations have a profound influence.

In an attempt to extend the welfare framework to other areas in the world, Wood & Gough (2006) developed a new criterion of 'de-clientelization' to complement the criterion of 'de-commodification' so as to express a continuum of welfare options. Consequently they identify

besides welfare regimes, also 'informal security regimes' and 'insecurity regimes'. Informal security regimes comprise institutional arrangements where people rely heavily on local community and family ties to meet their social protection needs. They regard the East Asian, South Asian and Latin American countries as informal security regimes. Japan, South Korea and Taiwan, however, can already more or less be regarded as welfare regimes according to the authors. Insecurity regimes are institutional arrangements that create large insecurities, which can mainly be found in Sub-Saharan Africa.

From these different perspectives the constituent characteristics of the East Asian welfare model can be derived. These will be discussed in the next part.

2. Characteristics of East Asian welfare states

2.1. Common characteristics

In what follows, a brief overview will be provided of the common characteristics of the East Asian welfare states. First and foremost, it is argued that expansion of social security lags behind their economic performances (Esping-Andersen, 1996). Economic development is central to government policy, while social policy and income redistribution are subordinated to this. East Asian welfare programs fulfill a complementary role to economic growth by mobilizing monetary capital and reinforcing human capital. The fact that social policy is underdeveloped results in a much lower share of welfare in public expenditures as in the traditional welfare states. "This means that low welfare expenditure should be regarded as a policy output, rather than due to any need for low welfare expenditure" (Lee & Ku, 2007, p.202). A low level of public expenditures also requires a low level of taxes. Although welfare expenditures are low, governments do not remain in the background. In the East Asian welfare regime there exists government intervention mainly in the context of economic development. The role of the state lies in the regulation rather than the provision of welfare services. In other words, the state tries to minimize his role in the financing and provision of welfare services and maximize the one of families and local businesses (Aspaltar, 2006; Holliday, 2000; Lee & Ku, 2007; Park & Jung, 2007). Social policies that are designed by the state concentrate on social investment rather than social protection. Therefore, public expenditures are mainly aimed at education and basic health care and not at guarantying a minimum income (Esping-Andersen, 1996; Wood & Gough, 2006; Park & Jung, 2007). This results in a relatively weak degree of de-commodification in the East Asian region. Governments deliberately pursued a strategy of 'commodification plus government regulation' in welfare provision (Aspaltar, 2011).

Since governments merely adopt a regulating role, responsibility for welfare provision lies almost completely with the family and local community, with the market fulfilling an important secondary role. The majority of the elderly lives with their children and depends completely on them for their welfare provision (Gough, 2000; Holliday, 2000; Lee & Ku, 2007; Park & Jung, 2007). As a result there exists a large tendency to save in the East Asian region, which is facilitated by the low tax rate (Jacobs, 1998). One could explain the large family responsibility by referring to the Confucian values which provide the family with a central role, so that there is less need for welfare creation by the state. Critics, however, argue that welfare provision by families is necessary because there is no alternative available (Esping-Andersen, 1996). This large support on the local community results in a very low level of redistribution (Park & Jung, 2007). However, Aspaltar (2011, 2006) states that mainly the level of direct redistribution is low because in East Asia it typically takes on a more indirect form. He points to the fact that redistribution is aimed at growth enhancing investments in education, health care and public housing, but increasingly also in social assistance. In other words, redistribution is mainly targeted at the immaterial (education and health care). Despite the fact that there is little direct redistribution, there is only a low to medium level of stratification and inequality. This is mainly the result of private transfers (Aspaltar, 2006; Croissant, 2004).

Initially, East Asian policy was mainly driven by nation building and regime legitimization (Wood & Gough, 2006). The countries of North and South East Asia have built strong systems in order to protect their own interests: to stay in power and to preserve their legitimacy (Aspaltar, 2011, 2006). Post-war social policy was initially developed under an authoritarian and unaccountable regime. It was the conservative elite of the political class that imposed their vision with regard to social policy to the rest of society (White & Goodman, 1998). However, after the process of democratization the population gained more participation.

Furthermore, the most important East Asian welfare programs are built upon the principles of Bismarckian social insurance and/or provident funds. The latter exist mainly in developing countries and are in essence mandatory savings programs where "employee and employer contributions are set aside for each employee in publicly managed special funds" (Social Security Administration, 2011, p.20). Both principles imply that benefit entitlements are conditional on past contributions. Moreover, they make sure the state can minimize its administrative and financial burden (Hwang, 2012; Lee & Ku, 2007). East Asian welfare programs typically do not include universalism. They evolved in a fragmented and gradual manner, by which, as mentioned before, welfare was targeted in first place at public employees and personnel in important private sectors. Extensions to other groups happened very slow (Lee & Ku, 2007; Park &

Jung, 2007) and only after the authoritarian regimes were replaced by democracies (Usami, 2004).

In short, the East Asian countries developed welfare programs envisioned by goals of economic progress and political legitimacy and not so much for the purpose of socio-economic redistribution. The family responsibility in social provision combined with the fact that welfare programs are aimed firstly at male employees in primary sectors, results in the preservation of the male breadwinner model. Other characteristics that the East Asian countries share are a low level of de-commodification, low public expenditures and taxes and a focus on social investments rather than on social security. "All this suggests that these countries manifest themselves to meet the definition of the welfare state at its most basic level" (Hwang, 2012, p.174).

2.2. Intra-regional differences

Although the East Asian welfare countries share a common welfare framework as aligned above, some authors argue that the region consists of a number of subtypes. As Ku & Jones Finer (2007, p.122) argue, "despite the significant growth of interest and research in East Asian welfare, findings so far have been more diversified than conclusive". One of the authors who distinguishes subtypes is Holliday (2000). As mentioned before, he assumes that there exists one world of welfare capitalism in the East Asian region, what he calls the productivist welfare regime. However, he also argues that there are three subtypes which differ slightly from each other. The fact that social policy is subordinated to economic policy remains the basis that all three types have in common. A summary of these three subtypes is presented in table 2. The first type is called 'facilitative' and applies to the case of Hong Kong. Social policy, among others, is aimed at the facilitation of economic growth. Social rights are minimal, there is hardly any redistribution and the market is given priority. Furthermore, there are two other types which take on a developmental attitude. Policymakers premise economic growth as general goal and a specific strategy is developed to accomplish this goal. Social policy can be either universal (at least for the productive elements of society) or particularistic. The 'developmental-universalist' type extends certain social rights for the productive elements whereby it creates a kind of "aristocracy of labour" (p.710). The state is a very important player with regard to economic policy, and therefore also a little, besides the market and family, in social policy. Examples of this type are South Korea, Japan and Taiwan. The 'developmental-particularist' type would be applicable to Singapore. In this welfare regime there are almost no social rights, but individual welfare provisions are promoted among the productive elements. The result is again a reinforcement of their position. With regard to the other countries, Thailand and Indonesia resemble the

most to the 'developmental-particularist' type because they emphasize the role of family and community rather than the state and Malaysia constitutes a hybrid between the second and third type (Gough, 2001).

Table 2: *The productivist welfare regimes according to Holliday (2000)*

	Social policy	Social rights	Stratification effects	State-market-family relationship
Facilitative <i>(Hong Kong)</i>	Subordinate to economic policy	Minimal	Limited	Market prioritized
Developmental-universalist <i>(Japan, South Korea, Taiwan)</i>	Subordinate to economic policy	Limited, extensions linked to productive activity	Reinforcement of the position of productive elements	State underpins market and families with some universal programs
Developmental-Particularist <i>(Singapore)</i>	Subordinate to economic policy	Minimal, forced individual provision linked to productive activity	Reinforcement of the position of productive elements	State directs social welfare activities of families

Source: Holliday (2000)

Hort & Kuhnle (2000) state that the East Asian region can barely be described in terms of one overarching welfare model. Path dependency is of crucial importance they argue. The colonial past of the East Asian countries largely influenced the initial characteristics of their welfare programs. It is argued that there are two groups of countries. South Korea and Taiwan were Japanese colonies and constitute one category of welfare systems that is based on the German inspired Japanese model of social insurance programs. A second group of countries fell under British authority and developed a system of provident funds. Members of this group are, among others, Hong Kong, Malaysia and Singapore (Hort & Kuhnle, 2000; Park & Jung, 2007). These two programs "create distinct benefits, cost structures and stake holders in subsequent welfare reforms" (Park & Jung, 2008, p.14). Even within the category of social insurance regimes large differences exist, for instance with regard to coverage of the programs (Holliday, 2000). These initial policy initiatives then laid the foundation for later policy developments. However, Esping-Andersen (1997) indicated, based on a case study of Japan, that one needs to be careful with overemphasizing the role of path dependency in East Asia.

More recently Kwon (2009, 2005) argued that the developmental welfare states are diverging into two groups: selective and inclusive welfare states. The two would differ with respect to the scope of coverage and the control of the state in welfare programs. Kwon's reasoning is that South Korea and Taiwan, and to a lesser extent Thailand, are adapting their welfare programs in the direction of the inclusive type. These countries

experienced a wave of democratization in the late 1980's and have significantly extended coverage of their welfare programs ever since. The role of democratization will be discussed in more depth in the third part.

In summary, although there exist a lot of similarities between the East Asian countries in terms of social provision and welfare, there are also quite some differences between separate countries. These differences are mainly a consequence of colonial history, initial economic development strategy, institutional inheritance of the first generation of welfare programs and timing and level of democratization (Park & Jung, 2007).

3. East Asian region after the crisis of 1997 and other challenges

The Asian economic crisis of 1997 has resulted in a revival of the academic debate on the East Asian welfare model. Recent studies (e.g. Choi, 2012; Hwang, 2012; Kwon, 2009; Croissant, 2004) investigate how East Asian economies have dealt with this crisis, its social and economic consequences and, more importantly, whether or not this has led to reforms in their social policy. Furthermore, also democratization and changing demography constitute(d) a challenge for social policy. On the one hand there are authors who believe that Japan, Taiwan and South Korea are today qualitatively different from the other countries and have abandoned the typical productivist and developmental characteristics (e.g. Kim, 2008; Peng, 2004; Wilding, 2008). On the other hand others state that subordination of social policy to economic growth remains the fundament of the East Asian welfare states (e.g. Holliday, 2005; Kwon & Holliday, 2007). There prevails large disagreement between these groups about the impact of several political and socio-economic factors on social policy reforms. For the ones who stand for change and discontinuity mainly political factors could explain this trend, while those who emphasize continuity focus on the after-reform social policy outcomes and state that these have not changed radically enough for a shift of the complete welfare logic (Hwang, 2012).

The open economies of East Asian were in 1997 exposed to large amounts of short term inflows of 'hot money' from the United States and Japan. This money was used to finance unsustainable bank loans and investment projects. As a result of the collapse of the Thai baht a monetary and banking crisis exploded. The crisis had a huge impact on incomes, poverty and living standards (Wood & Gough, 2006). At the same time the Philippines, Indonesia and Thailand suffered from an extreme drought, which even worsened the situation (Gough, 2001). The crisis created large social challenges, like for instance a high level of unemployment, which could be hardly tackled by the on full employment based developmental welfare state (Kwon, 2009). Yet, Holliday (2000) states that a strong social stability prevailed in the East Asian region. To deal with these

precarious social circumstances no consistent strategy was adopted throughout the region (Ku & Jones Finer, 2007; Kwon, 2009). This was, at least partly, attributable to the fact that the impact of the crisis was not spread evenly. Different strategies obviously lead to different effects on social policy. On the one hand the countries of South East Asia attempted to enlarge their existing welfare programs and to reemphasize traditional familialism. Thailand and Indonesia, however, followed a 'third way' based on innovations of the local community, while there were less policy innovations in Malaysia and the Philippines. On the other hand South Korea and Taiwan started evolving towards a fully developed welfare state since the crisis. Both have extended their social security systems and are moving towards a universal coverage (Croissant, 2004; Kwon, 2009, 2005), mainly in health care (Aspaltar, 2011). In all countries there emerged a growing interest in social policy as a relevant policy domain.

Not only the financial crisis of 1997 influenced social policy. In the late 1980's processes of democratization also played an important role in the development of the East Asian region. Democratization resulted in social policies which are more inclusive and universal. This transition to democracy combined with changing socio-economic structures has resulted in a larger impact of public opinion on policy development. This because democratization leads to a collective mobilization of citizens demanding policy answers to socio-economic problems. Moreover, as a result of greater competition political parties do not have a choice but to respond to demands (Aspaltar, 2006; Cheung, 2005; Park & Jung, 2008). Hwang (2012) argues that democratization has indeed resulted in a significant change from the past and that "as a result the relationship between economic development and social policy has no longer been one of subordination but more of a symbiotic one" (p.177).

Finally, as in large parts of the world also demographic factors had an impact on social policy and arguably this impact will become even larger in the future. As mentioned before family ties and local community are important welfare providers in the East Asian welfare regime. Their capabilities are, however, diminishing as a result of changing demographic structures. This trend is most dramatically present in Japan. Families can no longer permit themselves to take up the care for its members. Besides ageing of the population, there are also taking place some structural changes in family structures; women are participating more on the labor market and families are getting smaller because of a decreasing marriage and fertility rate (Hwang, 2012; Ku & Jones Finer, 2007).

In summary, when its vulnerability became apparent during the financial crisis of 1997 the sustainability of the East Asian welfare regime was questioned (Wood & Gough, 2006). However, the crisis did not result in any substantial long term changes (Park & Jung, 2008). Democratization, on the contrary, did had a large impact. The underlying goal of economic development is still present, but the relationship with social policy is no longer one of subordination, but rather a symbiotic one. Although there

have been some significant changes in social policy in the East Asian region, it is not (yet) possible to speak of a shift in its core logic of welfare production (Hwang, 2012). Once a certain style of welfare programs is institutionalized, the force of institutional inertia makes it hard to change the fundamentals, even when confronted with new socio-economic and political demands (Park & Jung, 2008). Unless it can be proved that welfare policy and systems have completely shifted away from the original set of logics and relations, it will always be difficult to show the transformation of a welfare regime. In other words, the concept welfare regime implies that a stable institutional context of production and distribution cannot just be altered by a few changes in social policy; otherwise it would strictly be inaccurate to speak of a *regime* (Ku & Jones Finer, 2007).

4. East Asian welfare states in comparative perspective

According to Esping-Andersen (1996) the East Asian countries constitute a paradoxical group of welfare states, because they can be regarded as both unique in the world and a hybrid form of existing welfare characteristics. This section compares the East Asian welfare states with the three traditional welfare regimes of Esping-Andersen (liberal, conservative and social-democratic) on the one hand and with other emerging welfare states in Latin America on the other hand. For a schematic overview of the following two paragraphs one is referred to annex 1.

4.1. Uniqueness with respect to traditional welfare states

Park & Jung (2007) declare that based on the common features covered in paragraph 2.1 one can argue that the East Asian welfare states are a case of the conservative welfare regime. Hong Kong is seen as the exception because it can be rather classified as a liberal welfare regime (Usami, 2004). Yet, most authors agree that the majority of these countries cannot be easily integrated into the traditional typology because the benefit levels or de-commodification are much lower than in the western welfare states.

The difference between the developmental and social-democratic regime (i.e. Scandinavian countries) is very large. In the social-democratic regime the tradition of universality and a high level of de-commodification are very important, while these two principles are hardly present in the East Asian countries. The systems in East Asia are rather based on the social insurance principle. Second, the large responsibility of the family in social provision in the developmental regime results in an emphasis on traditional gender roles, both in the household as on the labor market. The social-democratic regime, on the contrary, strives for full

employment, including women, and this is facilitated by effective policies regarding issues as maternity leave, child care, etc. Finally, social stratification is almost completely eliminated in the social-democratic regime, while a large part of labor market stratification is reproduced in East Asia (Lee & Ku, 2007).

At first sight the developmental and conservative welfare regime look very much alike. Both implement the Bismarckian social insurance principle and emphasize the central role of the family. As mentioned before, social security systems in the East Asian countries are segmented by profession, whereby in particular public servants are privileged. This professional segmentation is also present in the Continental European tradition. In both regimes social rights and obligations are determined according to status and income, so that inequalities in social positions are largely preserved. A significant difference between the two, however, is the fact that unions had a large impact on the development of the welfare system in the conservative regime, while in East Asia unions are of little significance. Initiatives in social policy came rather from the top, this in contrast to the conservative welfare states where policy was developed as a response to the demands of the working class (Kwon, 1997). In East Asia systems to the advantage of productive persons were deliberately introduced by the state in light of the economic goals (Esping-Andersen, 1996; Lee & Ku, 2007). Finally, social stratification reaches a higher level in the conservative regime than in the developmental regime. Usami (2004) indicates that South Korea and Taiwan could be viewed as conservative welfare regimes, but with very limited objectives.

The similarities between the developmental and liberal regime can be situated in two dimensions. First, both regimes have a significant means-tested social assistance system. In the East Asian countries this originated in the charity tradition. Second, both regimes try to minimize universality and generosity. However, apart from these similarities, the two regimes differ significantly from each other. In the developmental welfare regime, for instance, there is a relatively strong public intervention regarding the regulation of welfare provisions, while state intervention is highly restricted in liberal countries (Lee & Ku, 2007). Holliday (2000) argues that his facilitative subtype has some features in common with the liberal type. In both cases social rights are minimal, redistributive effects very limited and the market is prioritized. The difference between the two, however, lies in the overarching engagement for economic growth in the facilitative regime.

4.2. Uniqueness with respect to other emerging welfare states

The Latin American welfare regime comprises countries like Chile, Argentina, Brazil and Uruguay and potentially also Venezuela, Panama and Mexico. A strategy of regulated citizenship constitutes the fundament of these welfare states. This regulated citizenship regulates the existing inequalities between sectors and professions rather than tackling it. As a result there are large differences in benefit rights between different population groups and poverty is institutionalized. Since programs are typically progressive, social policy in Latin America is often advantageous to the rich. Furthermore, social security was mainly a political instrument rather than an instrument for social policy. The welfare characteristics of these countries also appear to be too distinct from the traditional welfare states, so that can be argued in favor of the existence of a fifth welfare regime (Aspaltar, 2011).

East Asian and Latin American countries have in common that they are emerging welfare states and have a competitive advantage in labor costs. Consequently these countries aim to create as little expensive welfare provisions as possible (Esping-Andersen, 1996). Both welfare regimes share a low level of guaranteed minimum income, the principles of Bismarckian social insurance or provident fund and a similar level of de-commodification (Aspaltar, 2011). The large difference between the two regions, however, is that the creation of the welfare state in Latin America happened in a time of economic crisis, while the economies of East Asia were very dynamic during the extension of their welfare state (Esping-Andersen, 1996). The factor that prevented the development of a social insurance system in East Asia was the fact that authoritarian regimes could easily suppress the demands of unions and other social organizations. However, in Latin America unions were strong, which resulted in a prioritization of economic development combined with the 'quid pro quo' logic, which improved social security. Hence, at the start coverage of social security was larger in Latin America than in East Asia. Second, East Asian countries are characterized by a relatively low level of public expenditures compared to their level of economic development. This constitutes a large difference not only with regard to the traditional welfare states, but also to the Latin American countries (Usami, 2004). Despite the high level of public expenditures in Latin America, most social programs are either badly focused or ineffective, resulting in worse welfare outcomes than in East Asia. The labor intensive manufactory of East Asia resulted in a low or absent level of unemployment and an improved income distribution. Figures from Usami (2004) show that South Korea and Taiwan score much better on Gini coefficients and other social indicators than Mexico, Brazil and Argentina. Finally, the Latin American welfare regime has a much higher level of social stratification because social rights are regulative (Aspaltar, 2011).

This twofold comparative perspective can be summarized as follows. Although some approach the East Asian welfare regime as a hybrid form of traditional regimes, it seems that most authors agree on the fact that they are very difficult to incorporate in the traditional framework of Esping-Andersen. Comparison with emerging welfare states in Latin America showed that the type of welfare programs and the level of de-commodification and individualization hardly differ from those of the East Asian countries. However, the Latin American welfare regime has a much higher level of social stratification, a higher level of public expenditures and worse welfare outcomes (Aspaltar, 2011). In other words, the East Asian welfare regime appears to differ significantly from both the traditional Western and emerging Latin American regimes.

5. Data & methods

The next section investigates several criteria in order to determine whether East Asian countries can formally be regarded as welfare states. These criteria focus on legislation, expenditures, program content and welfare outcomes. In section seven it is empirically investigated to what extent the East Asian countries are similar or different from each other and from welfare states in the West and Latin America. This is implemented by a fuzzy set ideal type analysis.

In the literature mainly Japan, South Korea, Taiwan, Hong Kong and Singapore are investigated because these countries/regions experienced an expansive economic growth during the 1970's. Some authors (Hort & Kuhnle, 2000; Park & Jung, 2007) also add the next generation of countries, which experienced strong economic progression at the end of the 20th century. These countries are China, Malaysia, Indonesia, Thailand and the Philippines. This paper analyses all ten previously mentioned cases. Where possible the results are analyzed comparatively to Western and Latin American countries. For the Western welfare states I take four countries for each ideal type of Esping-Andersen: Belgium, Germany, Austria and Italy for the conservative regime; Denmark, Norway, Finland and Sweden for the social-democratic regime and Australia, New-Zealand, Ireland and the United Kingdom for the liberal regime. The implementation of Italy as an example of the conservative regime is purposely done to indicate that the original typology of Esping-Andersen is followed and not the later extensions that regard Italy as a member of the Mediterranean regime. The other countries are chosen more or less arbitrarily. The six countries that are incorporated to represent the Latin American region are the ones mentioned by Aspaltar (2011, p.742) as possible welfare states: Argentina, Brazil, Chili, Panama, Mexico and Uruguay.

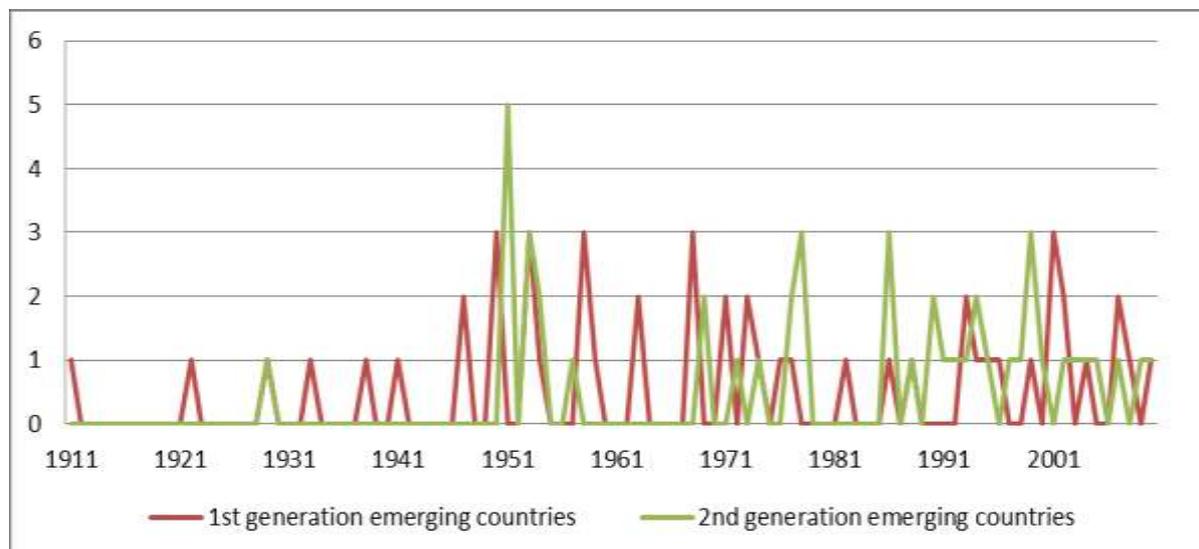
6. Are the East Asian countries welfare states?

In this part it is investigated whether the East Asian countries can in fact be regarded as formal welfare states. To determine whether a country can be defined as a welfare state one can apply three sets of criteria developed by Pierson (1998): whether a set of important social protection programs are present, whether these programs genuinely generate social expenditures (around 5% of GDP) and whether the government takes responsibility in fighting poverty. However, "the conditions of being a welfare state are debatable" (Choi, 2012, p.288). In what follows, I study four distinct welfare dimensions: legislation, public expenditures, specific program content and welfare outcomes.

6.1. Welfare legislation

The first measure of welfare states is a rather rough one. It looks at the quantity of legislation regarding welfare issues. Figure 1 depicts the cumulative quantity of legislation, both the introduction and subsequent adaptations of legislations, of the ten fore mentioned East Asian countries.

Figure 1: Quantity of welfare legislation, introduction and adaptations, in the East Asian region



Note: 1st generation emerging countries: Japan, South Korea, Taiwan, Hong Kong & Singapore
2nd generation emerging countries: China, Thailand, Malaysia, Indonesia & Philippines

Source: Social Security Administration (2011)

In the period before the Second World War welfare legislation was created only in Japan, Malaysia and Taiwan. After the Second World War the majority of East Asian countries became independent and gradually all countries wrote some sort of formal legislation on welfare issues as part of their development to a modern state. In the period between the 1960's and 1980's these programs were also actually implemented, which

coincides with the start of full industrialization in the region. In this period South Korea, Hong Kong and Singapore were the leaders with regard to social policy progress. In the period after 1980 until today most legislative activities took place in the countries of the second generation of spectacular economic growth (China, Malaysia, Indonesia, Thailand and the Philippines). In other countries there were mainly legislative adaptations with the purpose of extending coverage. The pattern of legislative activities in the East Asian region is the result of both country specific factors as well as an institutional diffusion process whereby pioneers are imitated (Park & Jung, 2007).

Table 3 presents the years in which the first legislation with regard to five important welfare programs was introduced. This table clearly indicates what the priorities of the East Asian welfare states are. In the majority of countries programs on work injury were provided first. Second, a system of sickness and maternity benefits was introduced, followed by pensions. Unemployment programs and family allowances appear to be less important to the East Asian governments, which translates into a very recent initiation of regulations or even no regulations at all. In other words, social protection was first offered to those persons who are actually working – and thus contribute to the goal of economic growth – and only later to non-productive (unemployed or retired) persons. This means that the most vulnerable part of the population was not the first concern (Kwon, 1997). The fact that regulations on unemployment benefits were introduced fairly recently is also partly due to the fact that for a long period there was little or no unemployment in these countries (Holliday, 2000). A similar reasoning applies to pensions: only when the population started to age, there emerged a need and a program was initiated.

Table 3: Introduction year first legislation social security programs

	Work injury	Sickness and maternity	Pension	Unemployment	Family
Indonesia	1951	1957	1977	/	/
Hong Kong	1953	1968	1973	1977	1971
China	1951	1951	1951	1986	2010
Thailand	1972	1990	1990	1990	1990
Taiwan	1929	1950	1950	1968	/
South Korea	1953	1963	1973	1993	/
Singapore	1933	1953	1953	/	/
Philippines	1974	1954	1954	/	/
Malaysia	1929	1951	1951	/	/
Japan	1911	1922	1941	1947	1971

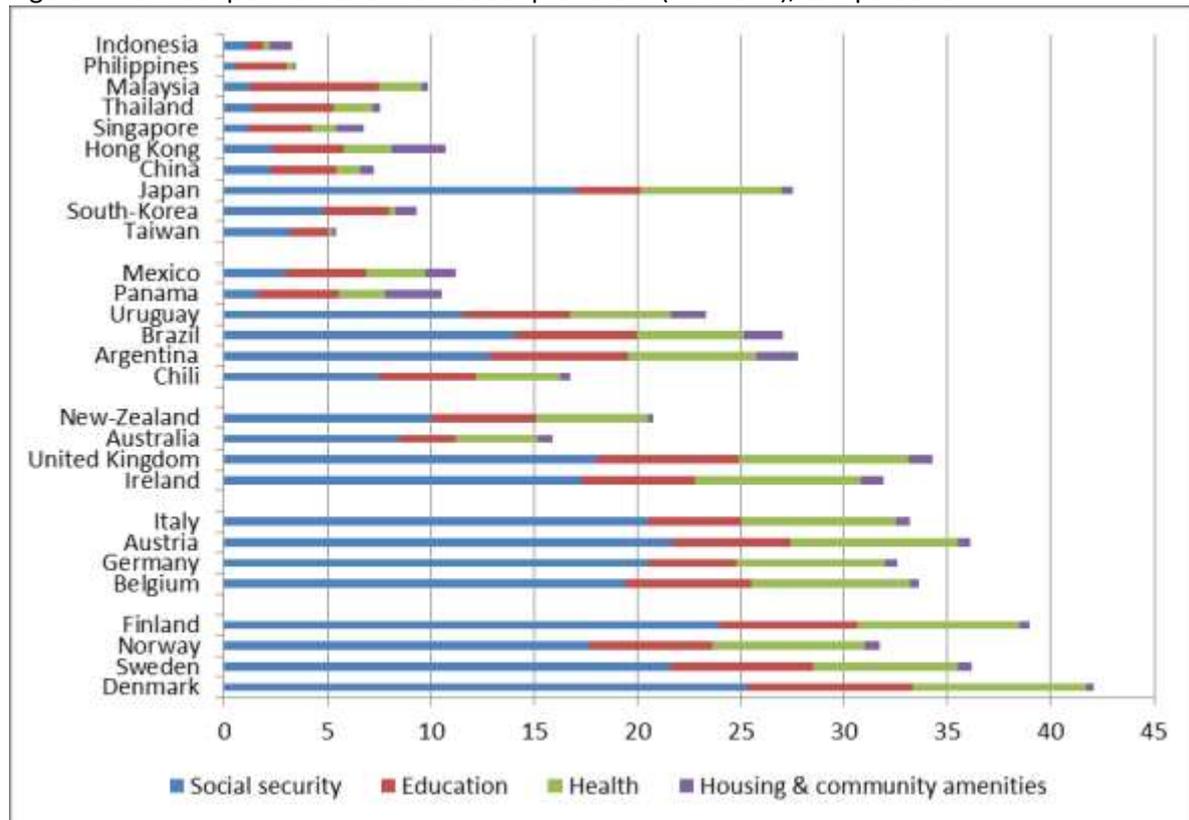
Source: Social Security Administration (2011)

A few notes are in place here. First and foremost these years refer to the first legislation. As mentioned before, initially these were solely focused on male primary sector workers. Later adjustments of these laws have extended coverage to other employees and citizens. Secondly, it should be noted that the years refer to the formal legislation, not to its actual implementation. In some cases this implementation occurred many years later. In Thailand, for example, unemployment regulation and family policy were already voted in 1990, but only implemented in 2004 and 1998 respectively.

6.2. Public expenditure

A second criterion of welfare states is government expenditures. Figure 2 shows public expenditures on four social provisions (social security & welfare, education, health and housing & community amenities) in a comparative way. The fact that four sectors are analyzed and not just the traditional definition of social security is of crucial importance when one wants to investigate expenditures of the East Asian countries. This because these countries typically focus on the other three sectors and merely giving a review of the expenditures on social security would lead to an underestimation of actual investments. Moreover, expenditures on, for instance, education can indirectly also be regarded as welfare investments (Kim, 2010). It must be taken into account that figures for the Latin American and East Asian countries are solely based on expenditures at the national level, except for China and Japan. Figures for the western welfare states, on the contrary, represent all government levels. There is thus a strong possibility of underestimation of East Asian expenditure figures. In Taiwan, for example, two thirds of the spending on education originates from local authorities (Croissant, 2004). It is, however, very difficult to find reliable figures with respect to these local expenditures. Rather than providing a mere idea on expenditures at one point in time, I show the evolution of public spending in the East Asian region during the last 25 years in annex 2. It is clear that public expenditures have remained relatively stable during the last 25 years, even during the Asian financial crisis of 1997 and the present international economic crisis. In other words, the results demonstrated in figure 2 appear to be relatively stable.

Figure 2: Public expenditures on four social provisions (% of GDP), comparative



Note: figures refer to 2010, except for Latin America: 2009 and New-Zealand & Indonesia: 2004

Source: for the East Asian countries + Australia & New-Zealand: Asian Development Bank (2013), for the European countries: Eurostat (2013), for the Latin American countries: United Nations (2013)

Figure 2 indicates that public social expenditures (measured as % of GDP) of the East Asian countries are much lower than those of the classic welfare states and a few Latin American countries. This is consistent with the fact that the largest responsibility for welfare in East Asia is located in the private sector and the fact that governments adopt a regulating role. "In short, the low level of governmental social expenditure in the developmental regime is the result of state intervention, not the absence of it" (Lee & Ku, 2007, p.210). Before the Asian financial crisis of 1997 the combination of low public welfare spending with economic dynamism was praised by western politics. After this crisis, however, it was emphasized that the East Asian safety nets are inadequate and need a consolidation with public money (Jacobs, 2000). A more specific look at the composition of expenditures indicates that in East Asia the majority of public resources is invested in education, while social security constitutes the largest expense in the other welfare states. As mentioned before, social investment in education is a typical productivist characteristic. The composition of welfare expenditures is also consistent with the historical development of the East Asian welfare state; at first attention was drawn to education, later on health care was introduced and programs with regard to health related income loss. Other welfare provisions like pensions were only introduced later and consequently are not yet fully

represented in these spending figures. However, Japan appears to be the large exception in the region. On the one hand it reaches a higher overall level of expenditures and on the other hand it invests more in social security than its neighboring countries. In other words, Japan leans, at least in terms of public expenditures, closer to the traditional than to the East Asian welfare states.

Jacobs (2000) discusses six factors which are responsible for the low public expenditures on social welfare in East Asia. First he denotes the large support on privately funded welfare programs. Governments finance or provide little or no welfare provisions, but rely on their regulatory power to enforce private provision of welfare. Second, the needs with regard to pensions, health care and so forth are strongly linked with the age structure of the population. Except Japan, the East Asian countries have a relatively young population, which results in a managing of public expenditures. A third explanation relates to the fact that pension systems are only recently introduced, resulting in an incomplete maturity of these programs. In East Asia pensions are typically linked to contributions that are made. This means that the first generation of pension beneficiaries does not receive a full pension. Only those who started their careers at the time of introduction of the pension plan will be entitled to a full pension. However, this will only take place within 20 to 30 years. Other reasons for the low public expenditures are the low generosity of benefits and the absence of universal coverage. Finally, the private sector is also responsible for important welfare functions on a voluntary base. This explanation is particularly applicable to the provision of work security. Unemployment benefits are less necessary because businesses emphasize 'lifetime employment' and provide for the care of children and elderly. This so-called 'enterprise and family welfare' is very strongly embedded in the East Asian culture.

One can conclude that in terms of public expenditures it is questionable to refer to the East Asian countries as being welfare states. The conventional definition of welfare states comprises mainly the dimension of social security and the East Asian region generally does not spend many resources on this. Moreover, the global level of social public expenditures is rather low. As mentioned before, a low level of public expenditures is an integral part of the East Asian welfare model. It is, however, argued that welfare expenditures are bound to increase in the near future. Although the East Asian population is currently relatively young compared to Western countries, it is forecasted that they will age at a higher speed and consequently end up with a similar population structure as Europe in the near future. Even when this demographic factor is not accounted for, expenditures will increase as a consequence of pension programs reaching their full maturity. Furthermore, the financial crisis of 1997 put pressure on businesses and families so that they can provide less in welfare. Only governments will be able to fill this gap (Jacobs, 2000).

6.3. Content of welfare programs

A third dimension of welfare states is the specific design of welfare programs. For this the following aspects are of significance: what kind of programs exist, who is covered by the programs, who finances them, etc. In what follows, each country is discussed separately. It is, however, not possible to discuss complete programs, so only a couple of interesting features are highlighted. A schematic summary of these characteristics can be found in annex 3. Everything was based on information from 'Social Security Systems throughout the World: Asia and the Pacific' (2011).

Japan

In Japan social security programs are organized around the principle of social insurance. There is a relatively high percentage of citizens covered by the programs. Contributions, which are income related, are made by employee as well as employer and government. In order to qualify for a full pension one needs to have worked for at least forty years, while in case of unemployment benefits twelve months of employment are required. Employment benefits amount between 50 to 80% of the last earned salary. In Japan there also exists a system that provides allowances to families with children.

South Korea

Just like in Japan, social security in South-Korea is based on the social security principle. All three parties (employer, employee and government) contribute to the systems, with the exception of unemployment where the government does not participate. Contributions are also income related. To qualify for a pension it is sufficient to have contributed for 20 years. With regard to sickness and maternity no cash benefits are provided. Unemployment benefits amount to 50% of the last wage.

Singapore

In Singapore social security is built on the principle of provident funds. The government contributes financially only to the system of sickness benefits, not to the programs of work injury or pensions. Furthermore there does not exist a system of unemployment benefits in Singapore. There are no contribution requirements for entitlement to pensions, but the replacement rate of the benefit compared to the last earned wage is very low.

China

Social security in China works according to the social insurance principle. Typically distinct programs are created for employees in rural versus urban areas. To qualify for a pension one needs to have contributed for at least fifteen years. Unemployment benefits are determined locally and must be higher than the local social assistance level, but lower than the local minimum wage. Finally, in China there is also an allowance for

families with children whose income per capita is lower than the minimum level. This program is financed with tax resources and works according to a system of means-tested benefits.

Taiwan & Hong Kong

Taiwan en Hong Kong are special regions in China, but are administratively independent. In other words, they can implement their own policies, also in the area of social policy and welfare.

Social security programs in Taiwan rely on the principle of social security. Pension, sickness and unemployment programs are financed by employer, employee and government. To qualify for a pension one needs to have contributed to the system for at least fifteen years. In case of sickness one receives a benefit equal to 50% of the wage, in case of unemployment this is 60%.

Hong Kong is a large exception compared to the other cases investigated in this paper because it works with a system of social assistance in pensions, sickness and unemployment. The country also uses provident funds systems, but these are privately organized occupational funds instead of the publicly organized national funds that are implemented in other countries. Unemployment benefits are completely financed by the government. In Hong Kong there also exists a program which allocates family allowances. These allowances are provided under the form of means-tested benefits.

Indonesia

In general social security in Indonesia is built on the idea of social insurance. Within the pension system, however, there also exists a program that follows the provident funds mechanism. Indonesia did not yet initiated an unemployment program. The government finances none of the existing programs; resources mainly originate from employer contributions. The system of sickness and maternity does not provide any cash benefits.

Philippines

Systems of social insurance dominate in the Philippines. Employer, employee and government contribute to social security and the contributions are fixed amounts. For work injuries only employers have a contributory duty. There does not exist an unemployment program. Although pension and sickness programs are very generous (up till 90% of wages), the share of the labor population actually covered by the program is extremely small.

Thailand

In Thailand there is in most cases a social insurance system present, except with regard to work injuries where it implements a system of employer responsibility. The three parties (employer, employee and government) finance all systems, except for work injuries where only

employers contribute as a consequence of the employer responsibility. One needs to have contributed at least fifteen years to qualify for a pension. Unemployment benefits amount to 50% of the last earned wage. Finally, allowances are provided to families with children younger than six years and this for maximum two children at the time.

Malaysia

Malaysia has mixed systems of social insurance and provident funds. The government does not contribute financially. Contributions by employers and employees are income related. There are no cash benefits provided in the sickness and maternity program. An unemployment program has not yet been initiated in Malaysia.

In general I conclude that social security in the East Asian region is usually based on the principles of Bismarckian social insurance or provident funds. As mentioned before both principles are more or less similar because one is only entitled to a benefit after contributing and because they make sure that the state can minimize its administrative and financial burdens. Hong Kong forms an exception because it works with social assistance and a different kind of fund. Apart from some exceptions, employers, employees and governments contribute to the financing of programs. Contributions that need to be made are mainly income related. The conditions to qualify for a benefit or allowance are usually less strict than in western countries. The systems are, however, almost never universal and the benefits are not so generous.

6.4. Welfare outcomes

Finally, one can also analyze the welfare outcomes that are attained by the countries. As Esping-Andersen (1990, p.2) argues: "the existence of a social program and the amount of money spent on it may be less important than what it does". Figures with regard to the welfare outcomes of the East Asian countries are shown in table 4. The results indicate that in general the East Asian countries score relatively well on several social indicators. The fact that governments invest strongly in education and health care is clearly visible; all countries score well on literacy rate, expected years of schooling and life expectancy at birth. With regard to child mortality only half of the countries reaches a decent level. Child mortality remains an important problem in China, the Philippines, Thailand, Malaysia and Indonesia. The results for poverty also sketch a mixed image. In Taiwan only a small amount of people live under the poverty threshold, while there is a very high poverty rate in the Philippines. Other countries have poverty figures that are comparable to those of Western Europe. However, it is important to note that poverty lines can be defined very differently across countries. In China, for instance the poverty line is set at 2300 Yuan (about USD370 or € 269)

(www.gov.cn), while the poverty threshold of Thailand is based on the cost of basic needs (food and non-food items) (www.nscb.gov.ph). In the field of inequality Japan, Taiwan and Indonesia are the leaders, while there exists a very large inequality in Hong Kong and Thailand. In annex 4 the same indicators are shown for the Latin American countries. When we compare these outcomes with the ones in table 4, it is clear that the Latin American countries generally score worse than the first generation of East Asian emerging countries, but better than the second generation.¹ Furthermore, the countries of Latin America appear to have a relatively high level of poverty compared to the East Asian countries. Figures with respect to the welfare outcomes of the Western countries are not explicitly presented here. However, since these countries are more advanced in social and economic development, it is realistic to assume that generally speaking the indicators for the western countries will be better than those of East Asia and Latin America.

¹ 1st generation emerging countries: Japan, South Korea, Taiwan, Hong Kong & Singapore.
2nd generation emerging countries: China, Malaysia, Indonesia, Thailand & Philippines.

Table 4: Welfare outcomes for the East Asian countries

	Japan	China	South Korea	Hong Kong	Singapore	Taiwan	Philippines	Thailand	Malaysia	Indonesia
Human Development Index (HDI)	0,912	0,699	0,909	0,906	0,895	N.A.	0,654	0,69	0,769	0,629
Gender Inequality Index	0,131	0,213	0,153	N.A.	0,101	N.A.	0,418	0,36	0,256	0,494
School life expectancy	15 years	12 years	17 years	16 years	N.A.	N.A.	12 years	12 years	13 years	13 years
Literacy rate (>15 year)	99,0%	92,2%	97,9%	93,5%	92,5%	96,1%	92,6%	92,6%	88,7%	90,4%
Life expectancy at birth	83,91 years	74,84 years	79,3 years	82,12 years	83,75 years	78,48 years	71,94 years	73,83 years	74,04 years	71,62 years
Child mortality (per 1000 births)	2,21	15,62	4,08	2,9	2,65	4,6	18,75	15,9	14,57	27
Poverty (% below national poverty line)	16%	13,40%	16,50%	N.A.	N.A.	1,45%	26,50%	7,75%	3,80%	11,70%
Income distribution										
(Gini coefficient)	37,6	47,4	41,9	53,7	47,8	34,2	44,8	53,6	46,2	36,8
GDP per capita	\$ 36 200	\$ 9 100	\$ 32 400	\$ 50 700	\$ 60 900	\$ 38 500	\$ 4 300	\$ 10 000	\$ 16 900	\$ 5 000

Source: United Nations Development Programme Statistics (2012) & CIA World Factbook (2013)

Note: figures refer to the latest year available; it is possible that the indicators are not defined in the same way in all countries; N.A. = figure not available

6.5. De-commodification index

Esping-Andersen (1990, 1996) also mainly analyses welfare outcomes. The most important concept that he studied was de-commodification. As mentioned before, the concept of de-commodification means the extent to which individuals, or families, can maintain an acceptable living standard independent of market participation (Esping-Andersen, 1990, p.37). I calculated de-commodification indices for the East Asian, Latin American and traditional welfare states, which are presented in table 5. The calculation procedure of these indices is explained in annex 5. Here, the de-commodification index is used firstly to determine the degree of independence from the labor market, not to group these countries into welfare types, as Esping-Andersen did. I group the countries according to a fuzzy set ideal type analysis in the next section. It studies multiple dimensions, in which the de-commodification index is only one dimension.

Table 5: De-commodification indices

Country	Pensions	Sickness	Unemployment	Total
Japan	3,4	7,7	7,5	18,6
China	3,0	2,6	3,2	8,8
South Korea	2,7	0,0	5,9	8,6
Hong Kong	4,0	0,9	5,0	9,9
Singapore	3,5	1,5	0,0	5,0
Taiwan	7,3	8,0	5,7	21,0
Malaysia	2,2	0,0	0,0	2,2
Indonesia	1,6	0,0	0,0	1,6
Philippines	1,7	0,7	0,0	2,4
Thailand	1,6	1,9	3,5	7,0
Argentina	5,5	3,4	3,6	12,5
Brazil	7,7	4,2	4,5	16,4
Chili	5,1	2,5	5,3	12,9
Mexico	1,3	5,0	0,0	6,3
Panama	4,8	6,5	0,0	11,3
Uruguay	6,1	8,8	5,4	20,3
Australia	5,0	5,0	4,5	14,5
New-Zealand	5,0	4,5	4,5	14,0
United Kingdom	5,1	8,6	8,3	22,0
Ireland	4,5	9,0	9,0	22,5
Belgium	5,7	9,8	9,5	25,0
Austria	9,3	10,9	7,7	27,9
Germany	7,0	11,2	12,0	30,2
Italy	4,0	6,0	6,0	16,0
Denmark	12,0	11,9	14,0	37,9
Finland	9,0	9,0	10,0	28,0
Norway	6,6	14,0	11,6	32,2
Sweden	8,0	10,2	11,1	29,3

Source: own calculation based on Social Security Administration (2011, 2012a, 2012b), ILO (2010, 2013), OECD (2009, 2011), Scruggs (2011), Note: zero means that the program does not exist in the concerning country or that it does not provide cash benefits

The figures in table 5 show that the East Asian countries generally score lower on the de-commodification index than the traditional welfare states and also slightly lower than the emerging welfare states in Latin America.

Only Japan and Taiwan appear to be exceptions with a relatively high de-commodification index. The three ideal types of Esping-Andersen (1990) are clearly found in the results; the countries within an ideal type have a de-commodification index of a similar level. Moreover, also the Latin American countries appear to have a more or less equal level of de-commodification. It is necessary to note that these de-commodification indices are calculated based on very different sources and years, so that the figures need to be interpreted with care. However, de-commodification indices have not yet been calculated for the East Asian countries, so that this exercise is no doubt a useful one.

Based on the results for the different criteria the following is concluded. First, in the East Asian welfare states there is a relatively large amount of welfare legislation, but a low level of public expenditures on social programs, especially in the case of social insurance. This clearly demonstrates the regulating role of the state. Furthermore, the East Asian countries reach a low level of de-commodification. There are, however, fairly good outcomes achieved on several social indicators. Because of the important private provision, a mere summary of public expenditures would consequently result in an underestimation of the actual provision of social welfare. The level of public expenditures constitutes the largest difference compared to the traditional and Latin American countries, as other criteria are analyzed this difference diminishes. In short, in the East Asian countries there is presence of a welfare *regime*, but due to the significant private welfare provision, to a lesser extent a welfare *state* (Choi, 2012), or in the words of Wood and Gough (2006), these countries can be regarded as informal security regimes rather than welfare regimes. Whether these countries constitute one unique, homogeneous welfare type, sufficiently distinct from other types, is investigated in the following section.

7. Fuzzy set ideal type analysis

In the real world each welfare state is a unique model. However, in order to theoretically make an adequate classification, one needs to demonstrate degrees of similarity. The difficulty in this is with regard to which criteria these degrees of similarity need to be investigated (Ku & Jones Finer, 2007; Lee & Ku, 2007). Although the majority of the empirical literature concerning East Asian welfare states use a cluster analysis to group countries into welfare types (see for example Lee & Ku, 2007; Park & Jung, 2007, 2008), I chose to implement a fuzzy set ideal type analysis. The fuzzy set technique originates from qualitative comparative analysis and "is a fine-grained, continuous measure that has been carefully calibrated using substantive and theoretical knowledge relevant to set membership" (Ragin, 2000, p.7). For the analysis in this paper the fuzzy set ideal type analysis (FSITA) seems to be the most

appropriate method because it lends itself to the comparison of very different countries (Hudson & Kühner, 2012). Other techniques often require homogeneous cases (Lee, 2013). Another advantage of this technique is that several, even conflicting, dimensions can be analyzed simultaneously. Furthermore, there are also no compensation effects. This means that when a country performs weak on one particular dimension, it cannot make up for this by performing well on other dimensions (Hudson & Kühner, 2012, 2009, 2008). Finally, with FSITA researchers need to link data and concepts so that a bridge can be built between quantitative and qualitative methods (Ragin, 2000). More precisely, it is stressed that not all variation between countries is important, so that extreme outliers do not have a disruptive effect on the grouping of welfare states in ideal types. Countries are regarded as a whole and are not divided into variables (Lee, 2013).

The first step in the process of FSITA is specifying the dimensions that are the focus of analysis. Each of these dimensions needs to be regarded as a set in which countries can have different degrees of membership. To determine this membership each country is assigned a score between 0 (full non-membership) and 1 (full membership) for all dimensions (Ragin, 2000). For this a method needs to be chosen, but researchers always determine themselves which raw values on the dimensions correspond with the scores 0; 0,5 and 1. It is important that researchers approach their qualitative and quantitative data from a conceptual point of view and not fall back on means and standard errors that depend strongly on the individual samples (Kvist, 2007; Ragin, 2007). After all countries are assigned a score on each dimension, these scores need to be brought together. Two logical principles are of importance here: the logical NOT (negation principle) and the logical AND (intersection or minimum principle). The logical AND is implemented by taking the minimum of the membership scores, while with the logical NOT membership scores are deducted from one (Ragin, 2008). Together these two principles are implemented to calculate all possible combinations between the fuzzy sets. Where the countries receive the highest combined membership score is regarded as the fuzzy set ideal type to which they belong to.

This paper broadly follows the approach of Hudson and Kühner (2012, 2009, and 2008). These authors classify welfare states along protective and productive dimensions, where protective dimensions are assumed to be more important in traditional welfare regimes and productive dimensions in East Asian welfare regimes. In this paper three dimensions will be analyzed, two protective and one productive. As first protective dimension work protection is taken. For this data of the 'Rigidity of Employment Index' (REI) of the Worldbank (2010) will be used. This index indicates how difficult or easy it is to employ or dismiss people or to adjust their working hours. This is presented on a scale of 0 to 100, where larger values indicate a more rigid regulation. Figures refer to 2008. For the second protective dimension, income protection, the above

calculated total de-commodification indices are used. These indices comprise information about income protection in case of retirement, sickness and unemployment. For the productive side only one dimension is analyzed: investment in education. This is calculated as the percentage of total expenditures assigned to education. For the sources of these figures and the years to which they refer, I refer to the sources mentioned under figure 2. These three dimensions can be seen as three sets in which the countries have a different degree of membership. The three sets are then combined to eight different ideal types of welfare states. These types are presented in table 6.

Table 6: Summary fuzzy set models

Ideal type	Investment in education (E)	Work-protection (W)	Income-protection (I)	Model
<i>'Pure' ideal types</i>				
Productive-protective	IN	IN	IN	$E \bullet W \bullet I$
Productive	IN	OUT	OUT	$E \bullet \sim W \bullet \sim I$
Protective	OUT	IN	IN	$\sim E \bullet W \bullet I$
Weak	OUT	OUT	OUT	$\sim E \bullet \sim W \bullet \sim I$
<i>'Hybrid' ideal types</i>				
Productive + work protection	IN	IN	OUT	$E \bullet W \bullet \sim I$
Productive + income protection	IN	OUT	IN	$E \bullet \sim W \bullet I$
Work protection	OUT	IN	OUT	$\sim E \bullet W \bullet \sim I$
Income protection	OUT	OUT	IN	$\sim E \bullet \sim W \bullet I$

Note: \bullet stands for the logical AND, \sim stands for the logical NOT

Source: Hudson & Kühner (2009, 2012)

The technique that is used to determine the values between 0 and 1 is an automatic method based on the software of Ragin & Davey (2009). With this software the researcher specifies the values of the three breakpoints: the threshold for full membership (1), the threshold for full non-membership (0) and the cross-over point (0,5)². "These three benchmarks are used to transform the original ratio or interval-scale values into fuzzy membership scores, using transformations based on the log odds of full membership" (Ragin, 2008, p.17). Critics argue that the usage of software packages can lead to the implementation of FSITA in a mechanistic manner that can suppress the importance of the determination of the thresholds based on information outside the data (Schneider & Wagemann, 2012). However, it remains a transparent technique because the researcher, and not the computer, establishes the three breakpoints. Moreover the researcher needs to substantiate his choices on the basis of a theoretical and/or empirical perspective

² Because the logistic function is used the actual points are 0,95; 0,5 and 0,05.

(Rihoux, 2006). Furthermore, it is argued that other functional forms than the logistic one can be implemented. However, as long as the cross-over point remains unchanged, the effect of other functional forms appears to be rather marginal (Schneider & Wagemann, 2012).

The three breakpoints for each dimension are determined as follows. For the work protection set one can argue that, although the index varies between 0 and 100, there are only a few countries that score extremely high on this scale. Countries with an index score of 50 or above can already be regarded as countries with a very rigid regulation. Consequently, an index score of 50 was set as the threshold for full membership and an index score of 0 was set as the threshold for full non-membership. The cross-over point (i.e. membership score of 0,5) was determined at an index score of 30. With respect to the income protection set one can again argue that the maximum de-commodification index of 42 does not exist in reality. A de-commodification index equal to 30 can, however, be regarded as a high level because in that case a country needs to achieve a de-commodification of 10 on all three dimensions (pensions, sickness and unemployment). A total de-commodification of 10 is considered low because then a country either scores well on only one of the three dimensions or scores relatively weak on all three³. Consequently, a score of 30 means that the country completely belongs to the set and a score of 10 means completely out of the set. The cross-over point was set at 18 (a mean score of 6 on the three dimensions). In the set concerning the investment in education as percentage in total expenditures the first breakpoint, full membership was set at 20%; the cross-over point at 25% and the third point, full non-membership, at 30%. The reasoning behind this was taken over from Hudson & Kühner (2012, 2009, and 2008) and is as follows. Both in figure 2 as in the calculation of this set the expenditures on four social sectors are being investigated. When on each of this four domains equal emphasize is made, it would result in a share of 25% for each of these sectors in the total expenditures. A share lower than 25% for education means that no special emphasis is made on education, while a share larger than 25% indicates a clear investment in education above and beyond the other three sectors.

Table 7 shows the results of the fuzzy set ideal type analysis. The membership scores are given between brackets. The higher the score, the stronger they belong to the ideal type. For the intermediate results of calculations I refer to annexes 6 and 7. The results show that all East Asian countries, except Japan and Indonesia, belong to one of the productive ideal types. These results are in line with what Holliday

³ See annex 5 on the calculation of de-commodification indices in order to understand this fully.

(2000) argues, namely that the productive feature is what distinguishes the East Asian countries from other types of welfare states. There are, however, only five countries from the East Asian region that belong to the pure productive ideal type. Furthermore, there are also three Latin American countries member of the productive set, while no Western welfare state belongs to any of the productive ideal types. As expected, the Western welfare states can mainly be found in the protective ideal types. The Latin American countries, on the other hand, do not appear to constitute one close group of welfare states. The countries belong to very diverse ideal types, from Chili that is purely productive to Argentina that scores weak on all dimensions. I conclude that in general there is in fact a unique fourth East Asian welfare regime. The majority of the countries belong to one of the productive ideal types. Furthermore, they appear to be sufficiently different from traditional and other emerging welfare states. Since no two countries can be completely identical, there exist some differences within the East Asian region, but of course such differences also exist between the separate traditional welfare states.

In order to prove the complete variation between welfare states it is natural that more dimensions and countries need to be investigated. The dimension 'expenditures on education' is clearly not sufficient to determine the productive character of a welfare state. As a consequence of data limitations it was, however, not possible to do more in this paper. Moreover, the data used were not extracted from the same sources, so that definitions and reference years do not always coincide. Finally, although FSITA is a solid method for the research question of this paper, it cannot overcome all methodological problems. It remains a difficult task to compare countries with very different social policy frameworks.

Table 7: Countries classified according to membership in fuzzy set ideal types

<u>Productive</u> Hong Kong (0,95) Singapore (0,95) Malaysia (0,88) Thailand (0,87) Chili (0,77) Philippines (0,52)	<u>Productive + work protection</u> China (0,54) South Korea (0,77) Mexico (0,84) Panama (0,93)
<u>Productive-protective</u> Taiwan (0,68)	<u>Productive + income protection</u> /
<u>Protective</u> Germany (0,86) Finland (0,84) Norway (0,89) Sweden (0,77)	<u>Work protection</u> Indonesia (0,59) Brazil (0,65) Italy (0,68)
<u>Weak</u> Argentina (0,64) Australia (0,79) New-Zealand (0,60)	<u>Income protection</u> Japan (0,54) Uruguay (0,64) United Kingdom (0,73) Ireland (0,75) Belgium (0,79) Austria (0,65) Denmark (0,91)

Source: own calculations

8. Conclusion & discussion

This paper investigated in first instance whether ten East Asian countries can be formally regarded as welfare states. Based on the results of different welfare criteria it is concluded that the presence of a welfare regime cannot be denied. The term 'welfare state', however, appears to be less appropriate because of the large private responsibility in welfare provision and the mere regulatory role of the state. Furthermore, it was also investigated to what extent these East Asian countries constitute one common welfare regime, which is sufficiently distinct from the traditional Western welfare states on the one hand and other emerging welfare states in Latin America on the other hand. Although there exist both strong similarities as significant differences within the East Asian region, on the basis of the results of the fuzzy set ideal type analysis this paper argues in favor of the presence of one overarching unique welfare regime. This welfare regime is characterized by low public responsibility, priority of economic to social policy, social investment in education, relative strong welfare outcomes and a low level of stratification. Whether one calls this welfare regime Confucian, productivist or developmental, depends on which features are emphasized.

Confucianism focuses on the role of family and community in the provision of welfare, while productivism focuses on the priority of economic growth and the investment in education. When the concept of the developmental welfare state is used, one draws attention to the fact that social policy in the region is underdeveloped.

The largest limitations of this paper are mainly situated with the data that are used. A large part of it is outdated and moreover definitions of indicators can differ strongly along countries and sources. To be able to make more accurate analyses, there is a need for an institution that collects international data in a harmonized manner. As a consequence of these data limitations the fuzzy set ideal type analysis is a very basic one, since it only contains three dimensions. To obtain a more valid ordering one needs to investigate more countries and more dimensions. The analysis in this paper thus needs to be seen as a beginning in the implementation of FSITA for countries outside the traditional welfare states. It will be interesting to check whether future research will obtain similar or very different results.

With regard to the future it will be particularly interesting to investigate whether there will emerge convergence or divergence between the separate East Asian countries on the one hand and with respect to the traditional and other emerging welfare states on the other hand. Possible factors for the emergence of convergence lie in the fact that countries will have to face the same demographic, political and economic challenges. Such challenges are for example globalization and increasing economic integration (Ku & Jones Finer, 2007), but also ageing (Jacobs, 2000) and urbanization (Esping-Andersen, 1996). Furthermore, the rise in individualism combined with changing family structures leads to a less stable familial foundation (Croissant, 2004). In other words, the family oriented East Asian welfare regime will probably not be sustainable. The state will be obliged to exercise a larger role. Although all countries will have to deal with the same factors, this does not mean, however, that they will react in the same way. Moreover, also the diverging role of institutions and institutional inertia will remain important.

Although in recent decades there has been written a lot on the East Asian welfare model, the question remains to what extent this kind of research can or needs to cut ties with the analyses and classifications that were developed in a Western context against setting up a framework based on their own, unique history. Moreover, it is also argued that it is maybe not correct to typify the East Asian welfare regime already. When one wants to apply the welfare framework on the East Asian countries, this implies a mature and stable welfare system and economic environment so that their specific position in the welfare framework can be determined. The fact that authors obtain very diverse findings is the consequence of the large differences in the region concerning the level of economic development and transition from colonialism and communism.

Furthermore, the process of political democratization is in some countries still in progress. Esping-Andersen (1990) executed his research on the western welfare states at a time all these countries were at similar levels of economic and political development. The countries of East Asia, however, are to date still undergoing major changes. Only when the East Asian social systems are grown into fully-fledged welfare states, the regime type that they constitute will become clear. However, East Asian welfare will remain important in the literature, not because of the model it will turn out to be, but because of the developmental processes they have undergone. There are a lot of actors involved in the welfare development in East Asia. What they think, what they decide and how the interaction between them goes, will determine the welfare mix in the specific cases and the path to future development (Ku & Jones Finer, 2007; Lee & Ku, 2007).

References

- Arts, W. & Gelissen, J. (2002), "Three worlds of welfare capitalism or more? A state-of-the-art report", *Journal of European Social Policy*, 12(2), p. 137-158.
- Asian Development Bank (2013), Statistical Database System, last consulted on 07/03/2013, from: <https://sdfs.adb.org/sdfs/index.jsp>
- Aspaltar, C. (2006), "The East Asian welfare model", *International Journal of Social Welfare*, 15(4), p. 290-301.
- Aspaltar, C. (2011), "The development of ideal-typical welfare regime theory", *International Social Work*, 54(6), p. 735-750.
- Bonoli, G. (1997), "Classifying welfare states: a two-dimension approach", *Journal of Social Policy*, 26(3), p. 351-372.
- Cheung, A.B.L. (2005), "The politics of administrative reforms in Asia: paradigms and legacies, paths and diversities", *Governance*, 18(2), p. 257-282.
- Choi, Y.J. (2007), "Coming to a standstill: A new theoretical idea of East Asian welfare regimes", *Barnett Papers in Social Research*, Oxford: Department of social policy and social work, University of Oxford.
- Choi, Y.J. (2012), "End of the era of productivist welfare capitalism?" Diverging welfare regimes in East Asia", *Asian Journal of Social Science*, 40(3), p. 275-294.
- Chinese Government's Official Web Portal (1/09/2012), consulted on 28/05/2013, from: http://english.gov.cn/2012-09/01/content_2214644.htm
- CIA World Factbook (2013), consulted on 15/04/2013, from: https://www.cia.gov/library/publications/the-world-factbook/wfbExt/region_eas.html

- Croissant, A. (2004), "Changing welfare regimes in East and Southeast Asia: Crisis, change and challenge", *Social Policy & Administration*, 38(5), p. 504-524.
- Esping-Andersen, G. (1990), *The three worlds of welfare capitalism*, Princeton, Princeton University Press, 248 p.
- Esping-Andersen, G. (1996), *Welfare states in transition: national adaptations in global economies*, London, Sage, 276 p.
- Esping-Andersen, G. (1997), "Hybrid or unique? The Japanese welfare state between Europe and America", *Journal of European Social Policy*, 7(3), p. 179-189.
- Eurostat (2013), European statistics database, consulted on 27/04/13, from: http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_data_base
- Ferrera, M. (1996), "The 'Southern' model of welfare in social Europe", *Journal of European Social Policy*, 6(1), p. 17-37.
- Gough, I. (2000), "Welfare regimes in East Asia and Europe", paper presented on: *Annual World Bank conference on development economics Europe*, Paris, 27 June 2000.
- Gough, I. (2001), "Globalisation and regional welfare regimes: The East Asian case", *Global Social Policy*, 1(2), p. 163-189.
- Gough, I. (2004), "East Asia: the limits of productivist regimes", in: Gough, I. & Wood, G. (eds.), *Insecurity and welfare regimes in Asia, Africa and Latin America: Social policy in development contexts*, Cambridge, Cambridge University Press, p. 169-201.
- Holliday, I. (2000), "Productivist welfare capitalism: Social policy in East Asia", *Political Studies*, 48(4), p. 706-723.
- Holliday, I. (2005), "East Asian social policy in the wake of the financial crisis: farewell to productivism?", *Policy & Politics*, 33(1), p. 145-162.
- Hort, S.O. & Kuhnle, S. (2000), "The coming of East and South-East Asian welfare states", *Journal of European Social Policy*, 10(2), p.162-184.
- Hudson, J. & Kühner, S. (2008), "The challenges of classifying welfare state types: capturing the productive and protective dimensions of social policy", in: Gerovska Mitev, M. (Ed.), *Reframing social policy: actors, dimensions and reforms*, Skopje, Friedrich Ebert Stiftung.
- Hudson, J. & Kühner, S. (2009), "Towards productive welfare? A comparative analysis of 23 OECD countries", *Journal of European Social Policy*, 19(1), p. 34-46.
- Hudson, J. & Kühner, S. (2012), "Analyzing the productive and protective dimensions of welfare: looking beyond the OECD", *Social Policy & Administration*, 46(1), p. 35-60.
- Hwang, G.-J. (2012), "Explaining welfare state adaptation in East Asia: The cases of Japan, Korea and Taiwan", *Asian Journal of Social Science*, 40(2), p.174-202.

- International Labour Organization (2010), *World social security report 2010/2011: Providing coverage in times of crisis and beyond*, Geneva, Social security department ILO.
- International Labour Organization (2013), *Social Security Inquiry*, consulted on 24/04/2013, from: http://www.ilo.org/dyn/ilossi/ssimain.home?p_lang=en, Social security department ILO.
- Jacobs, D. (1998), "Social welfare systems in East Asia", *CASE paper nr.10*, Centre for the analysis of social exclusion, Londen School of Economics, Londen.
- Jacobs, D. (2000), "Low public expenditures on social welfare: do East Asian countries have a secret?", *International Journal of Social Welfare*, 9(1), p. 2-16.
- Jones, C. (1990), "Hong Kong, Singapore, South Korea and Taiwan: Oikonomic welfare states", *Government and Opposition*, 25(4), p. 446-462.
- Jones, C. (1993), "The Pacific challenge: Confucian welfare states" In: C. Jones (ed.), *New Perspectives on the Welfare state in Europe*, Londen, Routledge, p.198-217.
- Kim, P.H. (2010), "The East Asian welfare state debate and surrogate social policy: an exploratory study on Japan and South Korea", *Socio-Economic Review*, 8(3), p.411-435.
- Kim, Y.-M. (2008), "Beyond East Asian welfare productivism in Korea", *Policy and Politics*, 36(1), p. 109-125.
- Ku, Y.-W. (1997), *Welfare capitalism in Taiwan: State, economy and social policy*, Basingstoke, Macmillan, 291p.
- Ku, Y.-W. & Jones Finer, C. (2007), "Developments in East Asian welfare studies", *Social Policy & Administration*, 41(2), p. 115-131.
- Kvist, J. (2007), "Fuzzy set ideal type analysis", *Journal of Business Research*, 60(5), p. 474-481.
- Kwon, H.-J. (1997), "Beyond European welfare regimes: Comparative perspectives on East Asian welfare systems", *Journal of Social Policy*, 26(4), p.467-484.
- Kwon, H.-J. (1999), *The welfare state in Korea: The politics of legitimation*, Basingstoke, Macmillan, 144p.
- Kwon, H.-J. (2002), "Welfare reform and future challenges in the Republic of Korea: Beyond the developmental welfare state?", *International Social Security Review*, 55(4), p. 23-38.
- Kwon, H.-J. (2005), "Transforming the developmental welfare state in East Asia", *Development and Change*, 36(3), p. 477-497.
- Kwon, H.-J. (2009), "The reform of the developmental welfare state in East Asia", *International Journal of Social Welfare*, 18(S1), p. 12-21.
- Kwon, S. & Holliday, I. (2007), "The Korean welfare state: a paradox of expansion in an era of globalisation and economic crisis", *International Journal of Social Welfare*, 16(3), p. 242-248.

- Lee, S. S.-Y. (2013), "Fuzzy-set method in comparative social policy: a critical introduction and review of the applications of the fuzzy-set method", *Quality & Quantity*, 47(4), p. 1905-1922.
- Lee, Y.-J. & Ku, Y.-W. (2007), "East Asian welfare regimes: Testing the hypothesis of the developmental welfare state", *Social Policy & Administration*, 41(2), p.197-212.
- Midgley, J. (1986), "Industrialization and welfare: the case of the four little tigers", *Social Policy & Administration*, 20(3), p. 225-238.
- National Economic and Social Development Board, *Thailand's official poverty lines*, consulted on 28/05/2013, from: http://www.nscb.gov.ph/poverty/conference/papers/7_thai%20official%20poverty.pdf
- OECD (2009), *Pensions at a glance. Special edition: Asia and the pacific*, OECD Publishing, 102p.
- OECD (2011), *Pensions at a glance 2011: Retirement income systems in the OECD and G20 countries*, OECD Publishing, 325p.
- Park, C.-U. & Jung, D. (2007), "The Asian welfare regimes revisited: The preliminary typologies based on welfare legislation and expenditure", *Paper prepared for the 4th International Conference on 'Restructuring care responsibility. Dynamics of welfare mix in East Asia'*, 20-21 October 2007, University of Tokyo, Japan.
- Park, C.-U. & Jung, D. (2008), "Making sense of the Asian welfare regimes with the Western Typology", *Paper prepared for the 5th International Conference on 'Welfare reform in East Asia'*, 3-4 November 2008, National Taiwan University, Taiwan.
- Peng, I. (2004), "Postindustrial pressures, political regime shifts, and social policy reform in Japan and South Korea", *Journal of East Asian Studies*, 4(3), p. 389-425.
- Pierson, C. (1998), *Beyond the welfare state: The new political economy of welfare*, 2nd edition, Cambridge, Polity Press, 273p.
- Ragin, C. (2000), *Fuzzy set social science*, Chicago, University of Chicago Press, 370p.
- Ragin, C. (2007), "Fuzzy sets: calibration versus measurement", *Compass Working Paper, WP Series 2007-44*, consulted on 2/05/2013, from: <http://www.compass.org/wpseries/Ragin2007.pdf>
- Ragin, C. (2008), "User's guide to Fuzzy set/Qualitative comparative analysis", consulted on 2/05/2013, from: <http://www.u.arizona.edu/~cragin/fsQCA/download/fsQCAManual.pdf>
- Ragin, C. and Davey, S. (2009), *Fs/QCA software, Version 2.5*, Tucson, University of Arizona.
- Rihoux, B. (2006), "Qualitative comparative analysis (QCA) and related systematic comparative methods: recent advances and remaining challenges for social science research", *International Sociology*, 21(5), p. 679-706.

- Schneider, C.Q. & Wagemann, C. (2012), *Set-theoretic methods for the social sciences. A guide to qualitative comparative analysis*, Cambridge University Press, 367p.
- Scruggs, L. & Allan, J. (2006), "Welfare-state decommodification in 18 OECD countries: a replication and revision", *Journal of European Social Policy*, 16(1), p. 55-72.
- Scruggs, L. (2011), "Comparative welfare entitlements dataset", consulted on 29/04/2013, from: <http://www.nsd.uib.no/macrodataloguide/set.html?id=7&sub=1>
- Social Security Administration (2011), *Social security programs throughout the world: Asia and the Pacific, 2010*, Washington DC, Social Security Administration.
- Social Security Administration (2012a), *Social security programs throughout the world: Europe, 2012*, Washington DC, Social Security Administration.
- Social Security Administration (2012b), *Social security programs throughout the world: The Americas, 2011*, Washington DC, Social Security Administration.
- Takahashi, M. (1997), *The emergence of welfare society in Japan*, Avebury, Aldershot, 260p.
- Tang, K.-L. (1998), *Colonial state and social policy: Social welfare development in Hong Kong 1842-1997*, Lanham, MD, University Press of America.
- United Nations Development Programme Statistics (2012), consulted on 15/04/2013, from: <http://hdr.undp.org/en/statistics/>
- United Nations (2013), *CEPALSTAT Database*, Economic Commission for Latin America and the Caribbean, consulted on 19/04/2013, from: <http://websie.eclac.cl/sisgen/ConsultaIntegrada.asp>
- Usami, K. (2004), "Introduction: Comparative study of social security systems in Asia and Latin America. A contribution to the study of emerging welfare states", *The Developing Economies*, 42(2), p. 125-145.
- Worldbank (2009), *Doing Business 2010. Reforming through difficult times*, The International Bank for Reconstruction and Development, The World Bank, Palgrave MacMillan, 231p.
- White, G. & Goodman, R. (1998), "Welfare orientalism and the search for an East Asian welfare model", in: Goodman, R., White, G. & Kwon, H.-J. (eds), *The East Asian welfare model: Welfare orientalism and state*, Routledge, London, p. 1-23.
- Wilding, P. (2008), "Is the East Asian welfare model still productive?", *Journal of Asian Public Policy*, 1(1), p. 18-31.
- Wood, G. & Gough, I. (2006), "A comparative welfare regime approach to global social policy", *World Development*, 34(10), p. 1696-1712.

Annexes

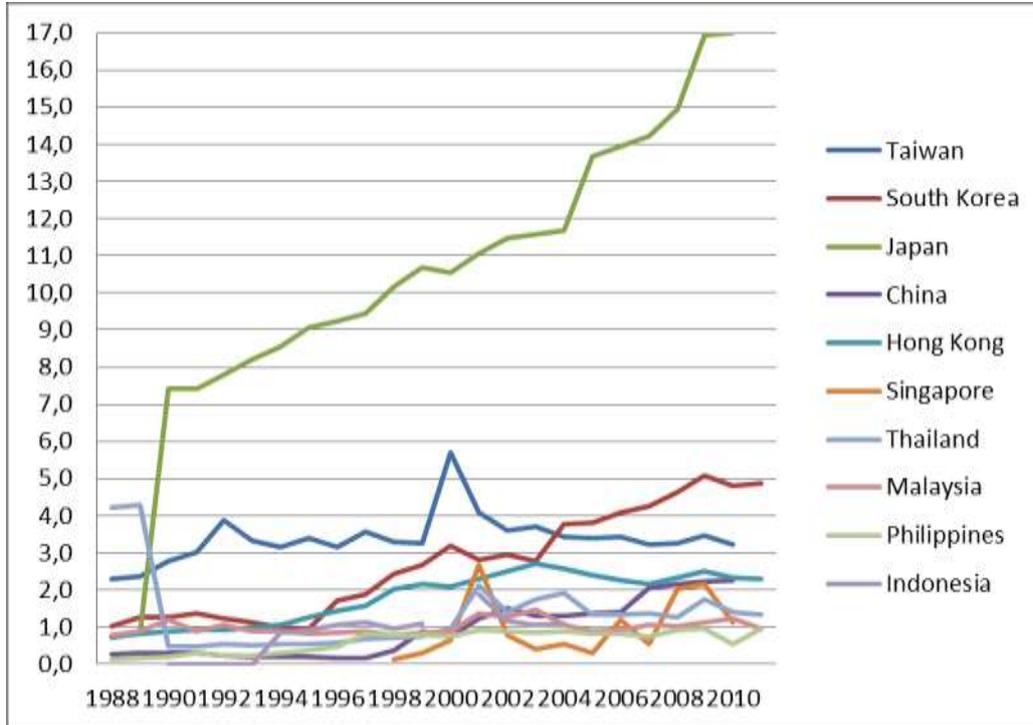
Annex 1: Summary of the most important elements of the five ideal type welfare regimes

Welfare ideology	Social-democratic	Christen-democratic	Liberal	Pro-welfare conservative	Anti-welfare conservative
Region/countries	Scandinavia (e.g. Sweden, Norway, Denmark, Finland)	Continental Europe (e.g. Germany, Benelux, Spain, Poland)	Anglo Saxon countries (e.g. US, UK, Australia, Canada)	East Asia (e.g. China, South Korea, Thailand, Malaysia, Singapore)	Latin America (e.g. Chili, Argentina, Brazil, Uruguay)
Social rights	Universal	Performative	Clientelistic	Productive	Regulative
General level of guaranteed minimum income (GMI)	High levels of GMI for wages, state pensions and social assistance	High levels of GMI for wages, state pensions and social assistance	Low levels of GMI for wages, state pensions and social assistance	Low levels of GMI for wages, state pensions and social assistance	Low levels of GMI for wages, state pensions and social assistance
Welfare mix	Universal social security and welfare services	Bismarckian social insurance, NGO-based welfare services	Means-testing, limited social insurance, company-based welfare services	Universal social investment in education, health care, housing; Bismarckian social insurance and/or provident funds	Bismarckian social insurance and/or provident funds, universal and means-tested social assistance and health care services
Emphasis on: State Market Family Individual	Strong Weak Weak Weak	Strong Weak Strong Weak	Weak Strong Weak Strong	Increasing Decreasing Strong Weak	Decreasing Increasing Strong Weak
Degree of de-commodification	High	Medium	Low	Medium-low	Medium-low
Degree of stratification	Low	Medium	High	Medium	Extremely high
Degree of individualization	High	Low	High	Medium	Medium

Source: Aspaltar (2011)

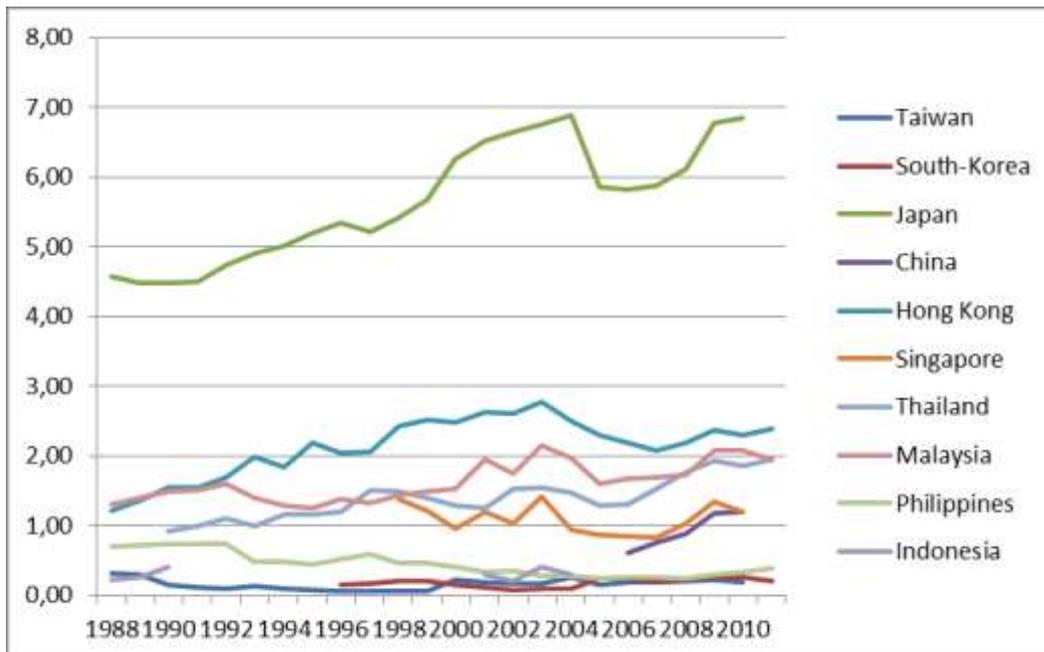
Annex 2: Evolution of public expenditures on four kinds of social policy

Social security & welfare (% of GDP)



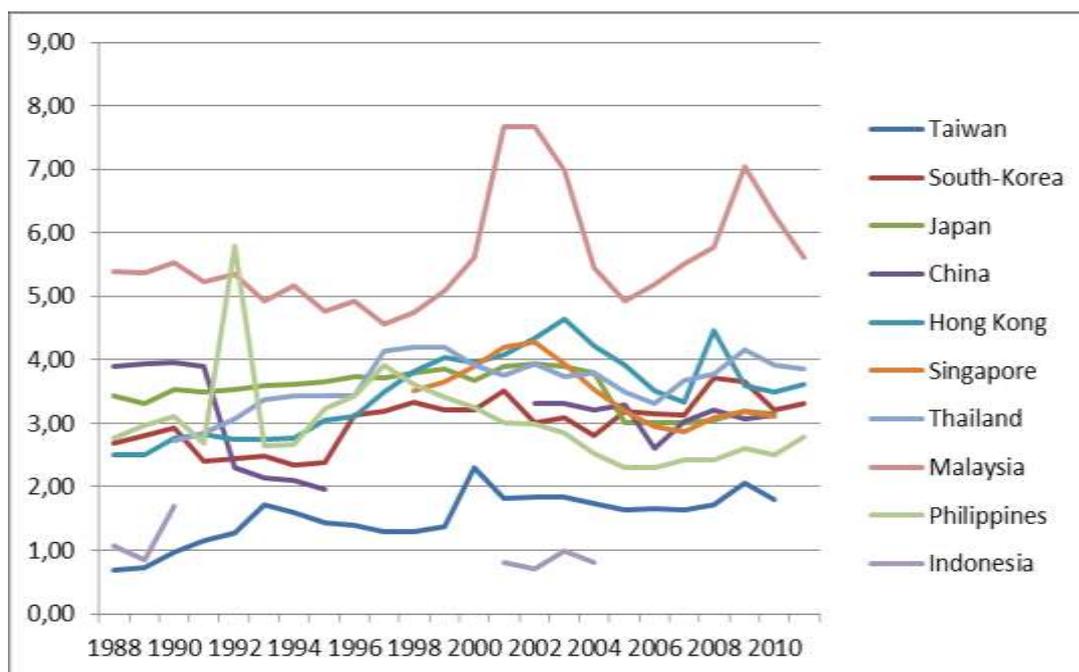
Source: own graph based on Asian Development Bank (2013)

Health (% of GDP)



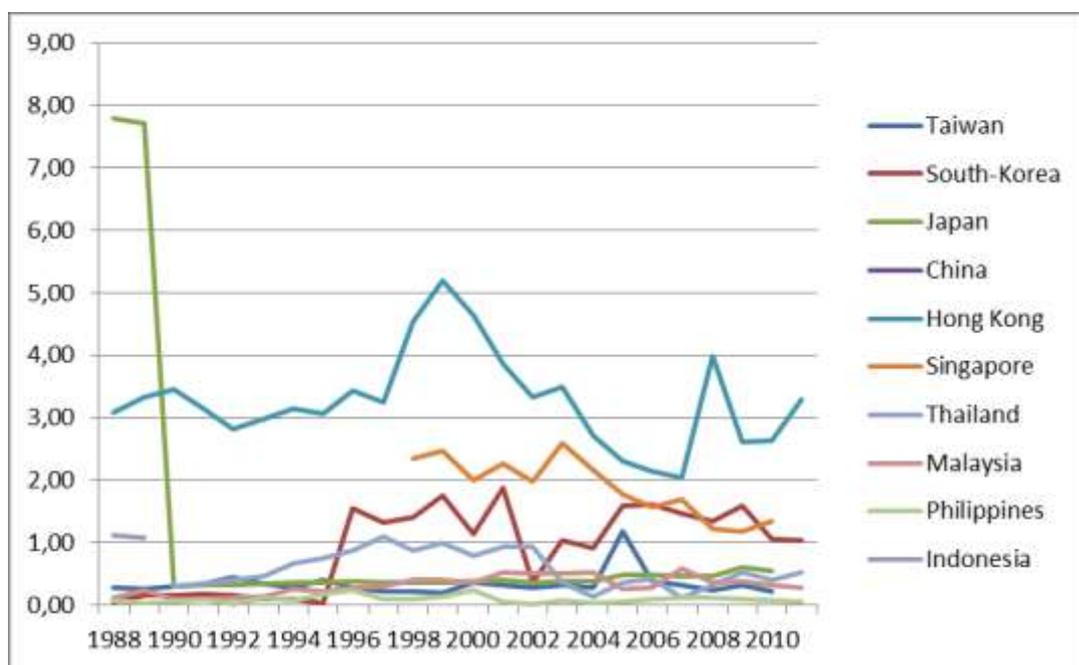
Source: own graph based on Asian Development Bank (2013)

Education (%of GDP)



Source: own graph based on Asian Development Bank (2013)

Housing & community amenities (% of GDP)



Source: own graph based on Asian Development Bank (2013)

Annex 3: Summary of welfare programs of the East Asian countries

		Program type				Coverage				Contributor			Contribution type				Cash benefit	
		Social security	Provident funds	Social assistance	Other	All employees	Selected employees	Self employed	Others	Employee	Employer	State	Income related	Fixed amount	Means tested	Other		
Pensions	Hong Kong			x	x	x		x		x	x	x	x		x		x	
	Singapore		x			x		x		x	x	x	x				x	
	Japan	x					x	x		x	x	x	x	x			x	
	South Korea	x				x		x		x	x	x	x				x	
	Taiwan	x					x			x	x	x	x				x	
	Malaysia	x	x				x			x	x		x					x
	Indonesia	x	x				x			x	x		x					x
	Philippines	x					x	x		x	x	x		x				x
	Thailand	x					x			x	x	x	x					x
	China	x			x		x	x		x	x	x	x					x
Sickness and maternity	Hong Kong			x	x	x				x	x	x				x		x
	Singapore		x	x		x		x		x	x	x	x					x
	Japan	x				x		x		x	x	x	x	x				x
	South Korea	x				x				x	x	x	x					
	Taiwan	x					x			x	x	x	x					x
	Malaysia		x				x			x	x		x					
	Indonesia	x					x			x	x		x					
	Philippines	x					x	x		x	x	x	x	x				x
	Thailand	x					x			x	x	x	x	x				x
	China	x			x	x		x		x	x	x	x					x

Source: Park & Jung (2007) & Social Security Administration (2011)

		Program type				Coverage				Contributor			Contribution type				Cash benefit	
		Social security	Provident fund	Social assistance	Other	All employees	Selected employees	Self employed	Others	Employee	Employer	State	Income related	Fixed amount	Means tested	Other		
Work injury	Hong Kong		x			x					x				x		x	
	Singapore		x				x				x						x	
	Japan	x				x					x	x					x	
	South Korea	x				x					x						x	
	Taiwan	x					x				x	x					x	
	Malaysia	x					x				x						x	
	Indonesia	x					x				x						x	
	Philippines	x				x					x						x	
	Thailand		x				x				x			x				x
	China	x				x		x			x	x						x
Unemployment	Hong Kong			x		x					x				x			x
	Singapore																	
	Japan	x				x				x	x	x						x
	South Korea	x				x				x	x							x
	Taiwan	x					x			x	x	x						x
	Malaysia																	
	Indonesia																	
	Philippines																	
	Thailand	x					x				x	x	x					x
	China	x					x				x	x	x				x	x
Family allowances	Hong Kong			x		All residents.						x		x				x
	Singapore					Family with children up to 15 years.												
	Japan			x	x						x	x						x
	South Korea																	
	Taiwan																	
	Malaysia																	
	Indonesia																	
	Philippines																	
	Thailand	x					x				x	x	x					x
	China (*)																	

Source: Park & Jung (2007) & Social Security Administration (2011), Note: (*) In China the system of family allowances was only implemented in 2011, so that the precise aspects are not yet completely clear.

Annex 4: Welfare outcomes for the Latin American countries

	Argentina	Brazil	Chili	Panama	Mexico	Uruguay
Human Development Index (HDI)	0,811	0,730	0,819	0,780	0,775	0,792
Gender Inequality Index	0,380	0,447	0,360	0,503	0,382	0,367
School life expectancy	16 years	14 years	15 years	13 years	14 years	16 years
Literacy rate (>15 year)	98,1% (*)	88,6%	95,7%	91,9%	86,1%	98%
Life expectancy at birth	77,32 years	73,02 years	78,27 years	78,13 years	76,86 years	76,61 years
Child mortality (per 1000 births)	10,24	19,83	7,19	11,01	16,26	9,2
Poverty (% below national poverty line)	30%	21,4%	15,1%	26%	51,3%	18,6%
Income distribution (Gini coefficient)	45,8	51,9	52,1	51,9	48,3	45,3
GDP per capita	\$ 18 200	\$ 12 000	\$ 18 400	\$ 15 300	\$ 15 300	\$ 15 800

Source: United Nations Development Programme Statistics (2012) & CIA World Factbook (2013)

Note: figures always refer to the latest year available; it is possible that the indicators are not defined in the same way in all countries; (*): literacy rate for persons > 10 year

Annex 5: Explanation of the calculations of the de-commodification indices

The de-commodification indices are broadly calculated according to the method of Esping-Andersen (1990, p.54). He used the following elements in the calculation of the de-commodification in pensions: 1) replacement rate of the minimum pension to normal worker earnings, 2) replacement rate of the standard pension to normal worker earnings, 3) contribution (or employment) period, measured in years, to qualify for a pension and 4) individual's share of pension financing. As a consequence of data limitations and the fact that it is not completely clear what Esping-Andersen regards as the difference between a 'minimum pensions' and a 'standard pension' (Scruggs & Alan, 2006), in the calculations in this paper only one replacement ratio was used. Where the replacement ratio differed between men and women the mean of both values was taken. The third and fourth factors were just adopted from Esping-Andersen. For the calculation of the de-commodification in sickness and unemployment programs the same factors as those of Esping-Andersen were used. These are: 1) replacement rate of the benefit during the first 26 weeks of sickness/unemployment, 2) number of weeks of employment required prior to qualification, 3) number of waiting days before benefits are paid and 4) number of weeks that a benefit can be maintained.

Based on the values on these dimensions, for each dimension there was given a score. Although the method was already criticized (see for example Scruggs & Alan, 2006), the classification is made just like with Esping-Andersen, more specifically based on one standard error below and above the mean. A score of 1 is given for low de-commodification, 2 for an average de-commodification and 3 for a high de-commodification. For each program the scores on the replacement ratios were doubled in order to let its importance weigh and subsequently the dimensions are summed. Finally, this sum is weighted by the percentage of the (relevant) population that is covered by the program.

In countries where there exists a program according to the principle of means-tested benefits a value of 0 was given to the contribution period and 0,5 to the population that is covered. This is the case in all three programs in Australia and New-Zealand and the unemployment programs in Hong Kong and Brazil.

The final general de-commodification index is the result of the sum of the three separate de-commodification indices.

Annex 6: Values of raw indicators and 'fuzzified' values for three dimensions

Land	Values raw indicators			'Fuzzified' values		
	Expenditures on education	Work-protection	De-commodification index	E	W	I
Japan	11,44	16	18,6	0,00	0,20	0,54
China	42,99	31	8,8	1,00	0,54	0,03
South Korea	34,48	38	8,6	1,00	0,77	0,03
Hong Kong	32,47	0	9,9	0,99	0,05	0,05
Singapore	45,80	0	5,0	1,00	0,05	0,01
Taiwan	33,09	46	21,0	0,99	0,92	0,68
Malaysia	63,46	10	2,2	1,00	0,12	0,00
Indonesia	24,39	40	1,6	0,41	0,82	0,00
Philippines	72,25	29	2,4	1,00	0,48	0,00
Thailand	51,78	11	7,0	1,00	0,13	0,02
Argentina	24,04	21	12,5	0,36	0,29	0,11
Brazil	21,73	46	16,4	0,12	0,92	0,35
Chili	28,03	18	12,9	0,86	0,23	0,13
Mexico	34,94	41	6,3	1,00	0,84	0,01
Panama	37,68	66	11,3	1,00	1,00	0,07
Uruguay	22,07	18	20,3	0,15	0,23	0,64
Australia	17,38	0	14,5	0,01	0,05	0,21
New-Zealand	24,29	7	14,0	0,40	0,09	0,18
United Kingdom	20,12	10	22,0	0,05	0,12	0,73
Ireland	17,24	10	22,5	0,01	0,12	0,75
Belgium	18,15	17	25,0	0,02	0,21	0,85
Austria	15,79	24	27,9	0,00	0,35	0,92
Germany	13,19	42	30,2	0,00	0,86	0,95
Italy	13,55	38	16,0	0,00	0,77	0,32
Denmark	19,00	7	37,9	0,03	0,09	0,99
Finland	16,92	41	28,0	0,01	0,84	0,92
Norway	18,61	44	32,2	0,02	0,89	0,97
Sweden	19,06	38	29,3	0,03	0,77	0,94

Source: own calculations.

Annex 7: Fuzzy set membership scores

Country/region	Membership scores							
	$E \bullet W \bullet I$	$E \bullet \sim W \bullet \sim I$	$\sim E \bullet W \bullet I$	$\sim E \bullet \sim W \bullet \sim I$	$E \bullet W \bullet \sim I$	$E \bullet \sim W \bullet I$	$\sim E \bullet W \bullet \sim I$	$\sim E \bullet \sim W \bullet I$
Japan	0,00	0,00	0,20	0,46	0,00	0,00	0,20	0,54
China	0,03	0,46	0,00	0,00	0,54	0,03	0,00	0,00
South Korea	0,03	0,23	0,00	0,00	0,77	0,03	0,00	0,00
Hong Kong	0,05	0,95	0,01	0,01	0,05	0,05	0,01	0,01
Singapore	0,01	0,95	0,00	0,00	0,05	0,01	0,00	0,00
Taiwan	0,68	0,08	0,01	0,01	0,32	0,08	0,01	0,01
Malaysia	0,00	0,88	0,00	0,00	0,12	0,00	0,00	0,00
Indonesia	0,00	0,18	0,00	0,18	0,41	0,00	0,59	0,00
Philippines	0,00	0,52	0,00	0,00	0,48	0,00	0,00	0,00
Thailand	0,02	0,87	0,00	0,00	0,13	0,02	0,00	0,00
Argentina	0,11	0,36	0,11	0,64	0,29	0,11	0,29	0,11
Brazil	0,12	0,08	0,35	0,08	0,12	0,08	0,65	0,08
Chili	0,13	0,77	0,13	0,14	0,23	0,13	0,14	0,13
Mexico	0,01	0,16	0,00	0,00	0,84	0,01	0,00	0,00
Panama	0,07	0,00	0,00	0,00	0,93	0,00	0,00	0,00
Uruguay	0,15	0,15	0,23	0,36	0,15	0,15	0,23	0,64
Australia	0,01	0,01	0,05	0,79	0,01	0,01	0,05	0,21
New-Zealand	0,09	0,40	0,09	0,60	0,09	0,18	0,09	0,18
United Kingdom	0,05	0,05	0,12	0,27	0,05	0,05	0,12	0,73
Ireland	0,01	0,01	0,12	0,25	0,01	0,01	0,12	0,75
Belgium	0,02	0,02	0,21	0,15	0,02	0,02	0,15	0,79
Austria	0,00	0,00	0,35	0,08	0,00	0,00	0,08	0,65
Germany	0,00	0,00	0,86	0,05	0,00	0,00	0,05	0,14
Italy	0,00	0,00	0,32	0,23	0,00	0,00	0,68	0,23
Denmark	0,03	0,01	0,09	0,01	0,01	0,03	0,01	0,91
Finland	0,01	0,01	0,84	0,08	0,01	0,01	0,08	0,16
Norway	0,02	0,02	0,89	0,03	0,02	0,02	0,03	0,11
Sweden	0,03	0,03	0,77	0,06	0,03	0,03	0,06	0,23

Source: own calculations

Note: bold figures are the highest figures and show the ideal type to which the country belongs