

# Preface

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Korea has attracted worldwide attention for its rapid economic growth since the 1960s. Although the country's economic growth is considered relatively healthy by international standards, the Korean economy has faced many challenges. One of the challenges is the increasing needs of social policies such as support for elderly and poor people, stable employment for young people and support for women. The challenges Korea faces domestically have become more wide-ranging in scope and far-reaching in nature, as exemplified by the economic crises in 1997–98 and 2008–09.

In the wake of the recent global financial crisis, which wreaked havoc on government finance, many western countries have been reducing public spending in social policies as part of their general retrenchment effort. Long before the crisis, however, the slower economic growth and the accelerating pace of population aging had increased the need to rebalance the responsibilities of the state and individuals. References are now often made to permanent austerity. However, Korea is currently at a different stage of development from western countries in social policies. The Korean government has continuously expanded the social safety net by introducing new programs and enlarging the existing ones. Still, many Koreans feel excluded from adequate social protection. Public pensions, for example, cover only about 60 percent of workers; the rest must prepare for their retirement on their own. Public spending in social policies is therefore set to increase, rather than decrease, in the future. The problem is that population aging is proceeding at an unprecedented rate in Korea and that the need for austerity is no less urgent than in western countries.

With these considerations in mind, a conference on “Social Policies in an Age of Austerity: A Comparative Analysis of the US and Korea”, was held in Honolulu, Hawaii, in July 2011. The EWC-KDI conference gathered renowned scholars and practitioners to present and discuss issues surrounding reforms for social policy. The conference allowed comparisons of recent policies and reforms on social policies from the perspectives of Korea and the United States. This shed light on the fundamental differences in economic environments in the two countries as well as in their institutions and policies. Discussed in particular were specific supervisory

requirements that should be enforced to bring about reforms for social policy in an age of austerity. Finally, the conference was brought to a close by conducting a roundtable discussion of major findings and policy implications.

On publishing this volume, I would like to thank Dr John Karl Scholz, Nellie June Gray Professor of Economic Policy in the Department of Economics and Dean of the College of Letters and Science at the University of Wisconsin, Madison, Dr Hyungpyo Moon, former Senior Fellow of KDI and current Minister of Health and Welfare, and Dr Sang-Hyop Lee, Senior Fellow of the East-West Center and Professor, Department of Economics at the University of Hawaii at Manoa, for coordinating the conference and preparing this volume for publication. My gratitude also goes to Kennon Breazeale for production coordination. Finally and not least, I also wish to thank the authors of the papers, the discussants, and other participants who contributed to the conference.

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