

**The 5th Seoul ODA International Conference**

# **Social Policy and South Korea's Development: An Interrogation**

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# Problems of learning

- Theoretical “noise” interferes in looking at the past
- Problem of Bad teachers
  - ▣ The “usable past” problem and mystification of “success”
  - ▣ Collective amnesia
  - ▣ Unwillingness to share experience
    - Restrictive intellectual property regime
    - Pulling the ladder (Ha Joon Chang)

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# Problems of Learning

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- Bad learners
  - ▣ « Closed » societies
- Low investment in Institutions of learning
  - ▣ Absence of national R and D
  - ▣ Human capital
- Dependence mentality
- Lack of Direct experience with Asian Experience
  - ▣ Lessons lost in translation

# Competing Ontologies of “Welfarism and “Developmentalism.

- Gap between the “Welfare regimes” and “developmental state” literature
- The Linear view – welfare state as end state
- “Demand side” focus of “Keynesian Welfare state vs the Supply side” preoccupation of growth and development
- Fear of instrumentalisation of social policy

# Developmentalism and Social Policy

- End justifies the means
  - ▣ “Steep Ascent”
  - ▣ Acceptance on growing inequality
  - ▣ Kuyets Hzpothesis
  - ▣ Or classical view of profit, distribution and investment
  - ▣ Acceptance of authoritarian rule (authoritarian advantage)
- Amartya Sen on
- BLAST Blood Sweat and Tears view

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# A Framework

- Initial conditions
- Political conditions
- Thriftiness conditions
- Distribution or the “Wage Bargain Conditions”
- Economic structure
- Financial conditions
- Investment conditions
- Labour Market conditions
- Technological Conditions
- International conditions

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# Initial Conditions

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- Colonial legacies
- Tradition - “Confucian values”
- Ethnic homogeneity
- Land reform

# Political regimes

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- Ideas Ideology and the Politics of ‘Legitimation’
- Nationalism and nation-building
- Ideas of “catch-up”



# Income Distribution and Thriftness conditions

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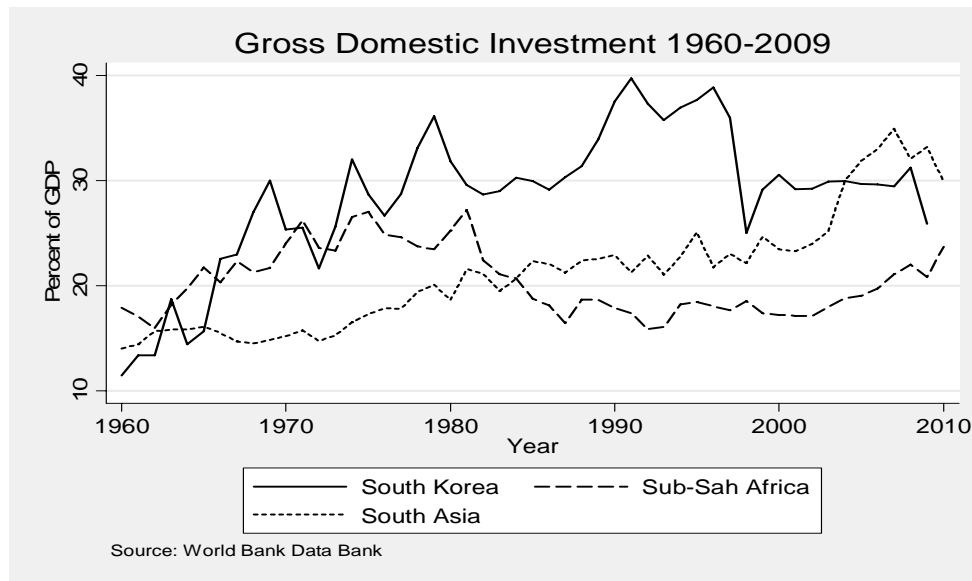
- Personal income distribution versus functional income distribution
- Personal income distribution concerned with such measures as GINI coefficients
- Functional income distribution – wages, profits, interest, rent

# Thriftiness

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- Forced savings
- “Culturalist arguments” (e.g. Protestant Ethic, Confucian frugality and African and Latin profligacy etc)
- Pension schemes
- Restrictions on credit for consumption
- Low wages

# Resource Mobilisation



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# Labour market

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- “Taxing Labour”
- Social Pacts
- Wage compression policies \*e.g. “solidarity wages”

## ...And how has Investment been assured?

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- “Patent capital” and “patient labour”
- Restrictive capital flows
- State involvement in Banking

# Financial Conditions



- “Rhein Model” vs Anglo-Saxon Banking
- Pensions and the financial sector

# Economic structure

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- Dualism and segmented social policies
  - ▣ Problems of “labour aristocracy”
- Openness and social policy

# Social Policy and technology

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## Human capital

- ▣ The “training regime”

- Creating the “Social capability” to handle

## Technologies

- ▣ Reconciling Productivity of new technologies

## with other values

- ▣ Social policies and technological dualism



# Social Policy by other means

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- Land reform
- Farm subsidies
- Marketing boards
- Life-time employment



**Thank you**

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