

## Abstract

Familial Foundations of the State Welfare:  
A Comparative Approach to the National Health Insurance Program  
in South Korea and Taiwan

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This research aims to explain the development of welfare institutions and their characteristics focused on families. Most of existing studies on welfare state highlight formal variables in determining the development of welfare state, such as industrialization, power resource mobilization, or state intervention on welfare. Explaining the welfare development solely from the perspective of economic or political formalism, they dismiss the role of culture and norms; therefore, this perspective allows no rooms for cultural diversity and historical path dependency in each society. To make up these shortcomings, this research intends to show how various informal factors, especially family norms or familialism, can determine characteristics of welfare institutions and development trajectories of welfare states. This dissertation attempts to go beyond the formal factors and consider the role of families in explaining the state welfare development.

To evaluate effects of family variables in welfare institutions, this research compares the national health insurance programs in South Korea and Taiwan. The National Health Insurance in Taiwan and South Korea share some commonalities: compulsory and universal social insurance programs based on family unit. In essence, both of the two programs employ the “Bread-winner model,” which encompass not only the insured but also their dependents (眷屬 or 被扶養者).

However, in spite of being included in the Confucian clusters stressing the importance of family values, the two societies develop their own different family cultures according to their unique historical path. Therefore, the definitions of “who is entitled to be dependents and how” in two programs are different despite the common point that both operate based on the family unit. First, according to the National Health Insurance Act in South Korea, the scope of dependents can be easily extended along the blood ties, encompassing immediate and collateral families. In Taiwan, the National Health Insurance Act also determines the eligibility based on the familial membership, but the available category of dependents is even smaller and the degree of relationship or age also matters. Secondly, there is a pivotal issue on how much the insured have to pay, in other words, how much the premium individuals have to pay. In South Korea, the health insurance fee one should pay does not change according to the number of one’s dependents. Meanwhile, in Taiwan, as one increase dependents under the insurance plan, the person should pay as much additional health insurance fee.

Such differences in institutional arrangements can lead to the statistical difference in dependent ratios in Taiwan and South Korea. Here, the “Dependents Ratio” means how many family members belong to one insured as dependents. This statistics is closely related with the institutional arrangements of National Health Insurance Program in two countries. In Taiwan, the financial burden of the insureds can place a certain disincentive in increasing the number of their dependents. Contrary to the Taiwanese case, relatively generous institutional arrangements in South Korea offer individuals economic incentives to increase the number of dependents. To verify such effect of different institutional arrangement, this research collects and analyzes the annual statistics and compares the dependents ratio in two programs. In result, this research finds out that the dependent ratio of Korea’s program is much larger than that of Taiwan’s.

In sum, we can tentatively conclude that the Korean program employs the extended family model which is relatively closer to the Confucian ideal of family. Meanwhile, the Taiwanese program, even though its society is also a part of

Confucian clusters, shows the relatively narrow term in defining dependents: it adopts the stem and nuclear family model. Results indicate that two National Health Insurance Programs in Taiwan and South Korea, even though they share some socio-economic and cultural backgrounds, reveal different institutional arrangements and different family norms.

Then, what has made such institutional differences in two seemingly similar welfare programs? Considering that both institutions are based on the family, we can easily suppose that the differences are caused by different family structures in each society. That is, it is reasonable to suppose that large or extended families are universal in South Korea, while nuclear or stem families are common in Taiwan. However, most of industrialized and urbanized countries including South Korea and Taiwan show similar family structure in terms of its size and constituents. It is true that there exist a convergence in family structure in industrialized countries into a nuclear family. It implies that the family structure does not automatically determine the institutional features on welfare arrangement. Then, what can be the reason?

To answer this question, this research pays attention to the difference between material families and normative families. “Material families” is referred to the physical structure or functions of families, which is close to the term “household”: “normative families” is more related to norms and values and crystallized as “an ideal type of family” which people at large in a certain society consider as desirable or take for granted. The material family is easily changed according to the social and political environments, but the conceptual family is resistant to such environmental changes. It argues that the prevailing family norms or concept, that is, family culture in two countries, contribute to making of such national variation in the similar welfare institutions.

Next, this research shows how a certain family norm in each society came to be so strong in the first place. For certain values or norms to be crystalized into the state’s formal institutions, it requires agents who carry and mobilize those cultural resource in the institution building process. Especially, this research pays

attention to the role of the state and the insureds as agents. The state deliberately fosters a certain kind of family ideal for its economic and political needs. The Korean government relied on the extended family norms to cope with the social problems that the rapid industrialization had brought as well as to utilize the Confucian tradition for political and social control. In Taiwan, institution building process was dominated by the state elites, that is, the mainlanders who had a nuclear family because of the recent immigration from China to Taiwan.

As a result, different family norms are shined in formal welfare institutions. And such institutions limit actor's behaviors and choice of actions. However, they are never automatically determined by the institutional constraints, but they depend on the contextual and "ad-hoc" invention by the strategic actors. In this process, certain norms are strategically mobilized from the existing institutional frameworks in the name of tradition and some new norms are created and invented. It unintentionally involves the change or maintenance of the existing institutions. In Korea, the insureds demanded the extension of dependents for familial and economic reasons, because according to the given institutional arrangement, it was more reasonable to have as many dependents as possible. And this led to the development of insurance system as well as the reinforcement of existing family norms. Meanwhile, in Taiwan, under the given dependents system, it was more rational to have less dependents. It resulted in the scale-down of ideal family norms.

As such, this research attempts to take balanced consideration on historical legacy and its modern adaptation and invention. Tradition matters only when "through practices it can be constantly reconstructed and mobilized." And in the very momentum of reconstruction and mobilization of tradition, the essence of which are political agenda, how political actors respond to them is critical in shaping the actual arrangements of certain welfare institutions.

Key Words: health insurance, family, South Korea, Taiwan, the National Health Insurance, dependents, familism, family norms, recognition