

Social security, the labour market and public health in the UK and South Korea: Lessons for post-pandemic recovery and reform

A collaboration between the University of Bath Institute for Policy Research (IPR) and Yonsei University Institute for Welfare State Research (IWSR). Sponsored by the UKRI Fund for International Collaboration.

Conference

13 - 14 June 2022

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Conference proceedings

Please note: All panels will take place in the Chancellor's Building, Room CB 3.16. Refreshments will be served in the CB Level 3 foyer.

Monday 13 June

09:00-09:10	Registration and opening remarks Professor Nick Pearce (IPR) Professor Young Jun Choi (IWSR)
09:10-11:00	Panel one: Lessons from the Covid-19 pandemic for welfare state reform Setting the scene: A brief introduction to social and economic policymaking during the Covid-19 pandemic in the UK and Korea Professor Nick Pearce (IPR) Universal Credit and the £20 uplift Dr Marsha Wood (IPR) Leader or laggard? Responses to the Covid-19 pandemic and Korean welfare state Professor Young Jun Choi (IWSR) Chair: Professor Jane Millar (IPR)
11:20-13:00	Panel two: Automation, technology, employment and the labour share: Tackling inequality and promoting inclusive economic growth Growth regimes, technology, skill level, and the labour share Dr Aida Garcia-Lazaro (IPR) Inclusive growth in the era of digital transformation in Korea: Issues and responses Professor Young Jun Choi (IWSR) Chair: Dr Charles Larkin (IPR)
13:00-14:00	Lunch

14:00-15:40 **Panel three: Universal basic income: Pilots and political developments and the Republic of Korea**

Testing our patience: Taking stock of the patterns, drivers and lessons from European basic income experiments
Dr Joe Chrisp (IPR)

An introduction to Gyeonggi Youth Basic Income
Dr Gwang Eun Choi (Yonsei University)

Chair: Professor Young Jun Choi (IWSR)

16:00-17:30 **Panel four: The social investment state in the UK and Korea pre-and-post-pandemic: Prospects and public policy options**

How the intersection of gender and dis-ability impacts on work and income and what policymakers can do about it
Dr Tina Skinner (Department of Social and Policy Sciences, University of Bath)

Work-life (balance) challenges in Korea and the role of social investment in childcare
Jihyun Kim (IWSR)

Basic income and the social investment state: Towards mutual reinforcement?
Dr Luke Martinelli (Ministry of Justice)

Chair: Dr Matt Dickson (IPR)

Tuesday 14 June

09:00-09:10 **Registration and opening remarks**

Professor Nick Pearce (IPR)
Professor Young Jun Choi (IWSR)

09:10-11:00 **Panel five: Young people, post-compulsory education and the future of the labour market**

The Covid pandemic and youth labour markets
Dr Matt Dickson (IPR)

Graduate underemployment in the UK
Predrag Lazetic (Department of Education, University of Bath)

Increasing insecurity and rise of the far-right among Korean young people in a comparative perspective
So-hyun Lim (IWSR)

Chair: Dr Gwang Eun Choi (Yonsei University)

11:20-13:00 **Panel six: Pensions and social care reform: A new gerontocracy or poverty in retirement?**

State pension eligibility age and retirement behaviour: Evidence from the United Kingdom Household Longitudinal Study

Dr Ricky Kanabar (Department of Social and Policy Sciences, University of Bath)

Drifting pension reforms under the Moon Jae-in government in South Korea

Professor Jae-jin Yang (Yonsei University)

Pensions reform, older workers and the post-pandemic labour market in the UK

Professor Nick Pearce (IPR)

Chair: Dr Charles Larkin (IPR)

13:00-14:00 **Lunch**

14:00-15:40 **Panel seven: Employment, social security and public health: Strengthening resilience to pandemics**

Exploring Covid as a 'critical juncture' for healthy urban development

Dr Geoff Bates (IPR)

Resilience and inclusive development: A necessity and not a luxury

Professor Allister McGregor (IPR)

Chair: Professor Jae-jin Yang (Yonsei University)

15:40-16:00 **Closing remarks**

Professor Nick Pearce (IPR)

Professor Young Jun Choi (IWSR)

Panel one: Lessons from the Covid-19 pandemic for welfare state reform

Both the UK and Korea have relatively low unemployment by OECD standards, but parsimonious levels of social security benefits, and limited coverage of workers in the so-called 'gig' or 'platform' economy (Choi, Fleckenstein, Lee, 2021).

This panel will examine measures put in place to protect jobs and prevent poverty during the pandemic in both countries: the Job Retention ('Furlough') Scheme, reforms to Universal Credit, and the creation of self-employment support schemes in the UK; and corresponding programmes in the Republic of Korea, the short time working/job retention scheme, household cash transfers (Emergency Relief Allowance) and Employment Insurance Scheme (OECD, 2021).

This panel seeks to answer the following questions: How well did these schemes perform in providing social security and maintaining employment? What do they tell us about the resilience of labour markets and social security systems to global shocks?

More widely, the panel will examine comparative welfare state performance in the UK and Republic of Korea during the Covid-19 pandemic. This will include exploring the extent of the coverage of public policies and gaps in provision, for example for the recently self-employed; administrative efficiency and the resilience of public administration systems to a surge in demand, particularly in the context of enforced social-distancing and the closure of face-to-face services; and the impacts of welfare state and employment support schemes on minimising increases in poverty and inequality.

Panel two: Automation, technology, employment and the labour share: Tackling inequality and promoting inclusive economic growth

The UK is commonly considered archetypal of a service-based liberal market economy, and South Korea of an export-orientated industrial economy, with a growing high-tech services sector. Each has seen a decline in the labour share and a rise in non-standard employment. Income inequality is relatively high in both countries. Here, speakers will discuss research into these issues in the context of the recent literature on 'growth regimes' and how the institutions structuring the economy and welfare state have shaped political economic outcomes in recent years (Hassel & Palier 2021).

Papers will examine the contribution of automation and technological investment to the decline in the labour share in advanced economies (Garcia-Lazaro & Pearce, 2021); 'growth regimes', intangible capital and the labour share in Anglo-Saxon and East Asian economies; the role of in-work benefits and social security in maintaining household incomes in the UK and the Republic of Korea; and welfare states and their relationship to innovation and entrepreneurship (Koo, Choi, Park 2020).

Panel three: Universal basic income: Pilots and political developments in Europe and the Republic of Korea

Interest in universal basic income has risen during the Covid-19 pandemic, with increasing political support for pilot or trial schemes across the world. A Young People's basic income has been introduced in Gyeonggi Province, South Korea, and there are plans for pilots in the UK, including UBI in Wales for Care Leavers (Young Seong Yoo 2020; Chrisp et al, 2022). Under this strand of research, we will examine microsimulations of basic income schemes in the UK and South Korea; lessons from the evaluation of the Young People's UBI in Gyeonggi Province; and proposals for UBI pilots.

Papers will be presented on the political economy of basic income, pilots in Europe, examining what lessons can be learned from them; and on the Gyeonggi Youth Basic Income (Yang 2020; Choi, Yun 2019; Chrisp, J., Pulkka V., García LR., 2020).

Panel four: The social investment state in the UK and Korea, pre- and-post-pandemic: Prospects and public policy options

The UK and Republic of Korea have both seen extensive development of 'social investment' welfare state strategies in recent decades: improved childcare provision, paid parental leave and work-life balance employment regulations, and increased investment in skills and lifelong learning. Nonetheless, Korea's employment rate remains low, the gender pay gap is high, and take up of paternal leave is low (Lee, 2018). Labour productivity is low in SMEs and non-standard employment. The UK has also cut investment in education, skills and working-age social security in the last decade. Child poverty is rising, and childcare is unaffordable for many (Wood, 2021). There are extensive inequalities for people with disabilities. A regional economic policy agenda of 'levelling up' is preferred to social investment.

We will discuss research into social investment strategies and their alternatives in the UK and South Korea, building on extensive research at both the IPR (on Universal Credit, childcare, and education and skills policies) and IWSR (social investment in Europe and East Asia). Do social investment strategies ensure minimum levels of social protection, and are there trade-offs between social investment and income security? Can social investment strategies favour Minimum Income Guarantees and/or UBI? What are the political economic institutions favouring social investment? (Choi, Fleckenstein, Lee, 2021).

Panel five: Young people, post-compulsory education and the future of the labour market

The Republic of Korea and the UK have amongst the highest rates of populations educated to tertiary level in the OECD. Both have successfully expanded their post-16 and higher education systems in recent decades. Both also have high and rising minimum wages, and labour market activation programmes. Tailored support – such as the Kickstart scheme – was put in place to tackle youth unemployment during the Covid-19 pandemic. Yet in both the UK and Korea, the pandemic has had a greater impact on vulnerable groups, such as non-regular workers, the low paid and young people.

In Korea, the employment rate for young people (aged 15-29) fell in 2020 by 1.3 percentage points compared to the previous year, showing the largest decline among all age groups. Similarly in the UK, by the end of 2020 the employment rate among 16-24-year-olds had fallen 3.8 percentage points, with this age group accounting for almost 50% of the total fall in employment since the start of the pandemic. Graduate under-employment is an emerging challenge in both the UK and the Republic of Korea, and in both countries wage inequality is high (Belfield et al, 2019, Green and Henseke, 2016).

This panel will showcase research into the youth labour market during the Covid-19 pandemic in the UK and Republic of Korea; vocational education and training reforms, and pathways to work in the post-pandemic economy; and the issue of graduate under-employment and diminishing returns to higher education.

Panel six: Pensions and social care reform: A new gerontocracy or poverty in retirement?

The Republic of Korea is a rapidly ageing society, whose old age dependency ratio will be the highest in the OECD by 2060. It has high rates of pensioner poverty, and low and restricted means-tested benefits for pensions (Lee, 2019). The UK has a relatively low rate of Basic State Pension but has implemented a successful new auto-enrolment system for occupational savings and has protected pensioner benefits from cuts to social security since the financial crisis (Massala and Pearce, 2021). There are sharp demographic divides in voting in the UK, and older voters have decisively shaped recent referenda and general elections, leading to new interest in age as a predictor of political economic outcomes (Chrissp and Pearce, 2019).

In this panel, speakers will discuss research into the political economy of older age in the UK and Republic of Korea: pensions and sustainable pensions reform; proposals for reforms to the funding and provision of social care in the UK and Republic of Korea. and the political economy of demographic divides in the UK and Republic of Korea.

Panel seven: Employment, social security and public health: Strengthening resilience to pandemics

The Covid-19 pandemic revealed stark inequalities in vulnerability to infection, sickness and morbidity in many countries across the world. Countries with existing health inequalities, weak social security systems, and limited access to public health protection saw these socio-economic inequalities reproduced in Covid infections and fatalities. Reducing inequalities and building more resilient forms of social and economic inclusion are therefore critical to strategies for pandemic resilience.

Speakers in this session will discuss the relationship between inclusive growth and pandemic resilience; urban planning, employment and public health (Moon and Chung, 2018; Black, Bates, Gibson et al 2020; Black, Ayres et al, 2021); and sickness benefits, support for isolation and infection control during pandemics, analysing what these mean for future priorities in social security and public health.

Speaker biographies

Dr Geoff Bates

Geoff Bates is a Research Associate at the IPR, primarily working on public health and urban planning. He was previously based at the National Institute for Health and Care Excellence (NICE) and the Public Health Institute at Liverpool John Moores University.

Dr Gwang Eun Choi

Gwang-Eun Choi is a Research Professor at the IWSR. His research interests include political inequality, economic inequality, perceived inequality, redistribution, basic income, and welfare attitudes. He is currently researching democratic responsiveness and unequal representation in Korea.

Professor Young Jun Choi

Young Jun Choi is a Professor in the Department of Public Administration and Director of the IWSR at Yonsei University in South Korea, and Visiting Fellow at the IPR, University of Bath.

Dr Joe Chrisp

Joe Chrisp graduated from Oxford University with a BA in Philosophy, Politics and Economics. He subsequently earned a MSc in Public Policy at the University of Bristol and a PhD in Social Policy at the University of Bath. In 2020/21 he was a Postdoctoral Research Fellow at the University of Bergen, and since 2021 he has been a Research Associate in the IPR at the University of Bath.

Dr Matt Dickson

Matt Dickson is a Reader in Public Policy at the IPR, where he leads the programme of research on widening participation in higher education.

Dr Aida Garcia-Lazaro

Aida Garcia-Lazaro is a macroeconomist and Research Associate at the IPR. She attained a PhD in Economics from the University of York in 2019; and an MSc in Economics from the National Autonomous University of Mexico (UNAM). Her research agenda includes the labour market, innovation and technological change, Brexit, supply chains and migration.

Dr Ricky Kanabar

Ricky Kanabar is currently Assistant Professor of Social Policy in the Department of Social and Policy Sciences at the University of Bath. His principal research interests are in the economics of ageing, and his secondary interests include health economics and welfare economics.

Jihyun Kim

Jihyun Kim is a researcher in the IWSR and PhD candidate in the Department of Public Administration at Yonsei University.

Dr Charles Larkin

Charles Larkin is Director of Research at the IPR. His research interests include IMF bailouts, economic history, history of economic thought, and Eurozone political economy.

Dr Predrag Lažetić

Predrag Lažetić is a Lecturer in the Department of Education at the University of Bath. His interests are in the field of labour market outcomes of higher education graduates, youth underemployment and unemployment, and socio-economic determinants of participation in specific study programmes and levels of education.

So-hyun Lim

So-hyun Lim is a researcher in the IWSR and PhD candidate in the Department of Public Administration at Yonsei University.

Dr Luke Martinelli

Luke Martinelli is an Associate Fellow at the IPR, where he formerly led research on microsimulations of UBI schemes, the relationship between automation, technology and employment, and political economic analysis of UBI. He now works for the Ministry of Defence.

Professor Allister McGregor

Allister McGregor is a Visiting Professor at the IPR. He previously worked as Professor of Political Economy in the Department of Politics at the University of Sheffield. Before that he was Head of the Vulnerability and Poverty Team at the Institute of Development Studies at the University of Sussex. While at the IPR, he continues to work on issues of inclusive development and on initiatives that bring the University and local community together.

Professor Jane Millar

Jane Millar is Emeritus Professor of Social Policy at the IPR. Her research interests include social security policy, family policy and the policy implications of family change. She has been a Specialist Adviser to the House of Commons Select Committee for Work and Pensions (2004 and 2007) and to the House of Lords Economic Affairs Committee (2020). She is Chair of the Trustees Child Poverty Action Group.

Professor Nick Pearce

Nick Pearce is Professor of Public Policy and Director of the IPR at the University of Bath. He has extensive experience in policy research and government policymaking

and writes on a wide range of issues, from contemporary British politics, public service and welfare state reform to Britain's place in the world.

Dr Tina Skinner

Tina Skinner is Associate Professor at the University of Bath. She is one of the founders of the 'Special Interest Group on Disability, Work, Family and Care' within the international Work and Families Researcher Network. She has published on disability, work and motherhood; the economic well-being of disabled men and women; and gender, dis-ability and employment. She is currently working, with her colleague Dr Matt Dickson, on the gendered effects of becoming disabled on work and income, the largest study of its kind in the UK. Tina Skinner is herself disabled and has spoken of the implications of dis-ability in her own work and personal life.

Dr Marsha Wood

Marsha Wood is a Research Assistant at the IPR. Prior to joining the IPR in 2016, she spent 10 years as Research Associate in the School for Policy Studies at the University of Bristol, where she developed her research expertise by working on numerous studies and evaluations, mainly around disadvantaged young people, children. She received her doctorate in 2021.

Professor Jae-jin Yang

Jae-jin Yang is a Professor of Public Administration and former Director of the IWSR at Yonsei University. His work focuses on comparative political economy of the welfare state.