Withstanding the plague: Institutional resilience of the East Asian welfare state

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Funding information
Ministry of Science and Technology, Taiwan,
Grant/Award Numbers: MOST 108-2, 410-H-002-205-MY2

Abstract
As the origin place of the COVID-19 outbreak, East Asian welfare states have largely survived the immediate health threats out of the pandemic shock but have yet to deal with its dire social consequences. This paper offers an institutionalist account—in terms of the institutional resilience of the welfare state—to grasp the policy dynamics in East Asia. We select four cases under scrutiny: China, Japan, Korea and Taiwan, to analyse the major trend of social policy responses in this region. With a systematic comparison of the policy responses, in particular reference to the unemployment protection and social assistance that have arisen as the major crisis responses, we identify striking similarities in institutional arrangements but also some variation in policy approaches. Given the effective containment of the pandemic spread and the comprehensive social safety nets, region-wide measures such as consumption vouchers, prolonged unemployment benefits and emergency relief aids are of a one-shot nature that will fall off once this crisis abates. The common trend of social policy responses to the crisis is largely an extension, not replacement or reinvention, of the existing institutional edifice of the East Asian welfare state. However, the pandemic crisis may offer a window of opportunity for gradual institutional change in light of the exacerbating social inequalities.

KEYWORDS
coronavirus, East Asia, institutional resilience, social policy
1 INTRODUCTION

East Asia was the first region hit by the COVID-19 pandemic following the initial (disclosed) outbreak in China in February 2020. Since then, the virus has plunged the region into multiple, interdependent crises ranging from public health threats to economic downturn. In particular, the sudden and broad disruption to production and consumption has led to massive unemployment, creating enormous pressure for immediate public bail-out programmes. Alongside efforts to contain virus transmission, governments have sought to implement social policy to meet the needs of these vulnerable populations. Indeed, emergency policy plans have been put in place to address the pandemic-related social fallout across the region—with striking similarities in institutional arrangements but also slight differences in policy approaches.

The impact of COVID-19 in East Asia has attracted growing research interest, but most of the relevant contributions focus on government endeavours to stem the spread of the disease and largely overlook other equally important policy domains (cf. Lee, Hwang, & Moon, 2020; Mei, 2020). This paper aims to address this gap by discussing the commonalities and differences of post-COVID-19 social policy development in East Asia. We offer an institutionalist account—in terms of the institutional resilience—to grasp the relevant policy dynamics in East Asia. The rationale for this approach is that, in East Asia, social policy is rooted in the institutionalization of the developmental political economy characterised by a strong state bureaucracy, a pronounced market-conform economy and sophisticated social insurance systems alongside various occupational groups (Haggard & Kaufman, 2008; Kwon, 2005). Abrupt crises resulting from the spread of COVID-19 may provide grounds for the gradual adaptation of the welfare state but do not threaten its foundations. Institutional resilience thus refers to stability of the East Asian welfare state, though it also entails dynamics for change—subject to the institutional frameworks of the respective countries.

Four cases are chosen to provide a big picture of the major trends of social policy responses in East Asia: The People's Republic of China (hereafter China), Japan, South Korea (hereafter Korea) and the Republic of China (hereafter Taiwan). Given its central role in the pandemic outbreak, China demonstrates how a large country under authoritarian rule has managed to weather the storm. In contrast to its steady growth from the 1990s to the early 2000s, the Chinese economy has been losing steam since 2010, with a 6% average annual growth rate over the past 5 years. Despite this slowdown, China has still emerged as the world's second largest economy. The other three countries belong to the East Asian developmental welfare regime with a long history of state welfare, especially Korea and Taiwan, which have grown as new welfare states after their democratic transitions (Hong, 2014; Kim & Shi, 2013; Kwon, 1998). Although the GDP growth rates of Japan, Korea and Taiwan appear relatively low compared to China, they have reached a higher level of economic development. According to the World Bank (2020), China's GDP per capita reached USD 10,276 in 2019, still far lower than Korea (USD 31,762), Taiwan (USD 24,827) and Japan (USD 40,247).

The past two decades have seen a significant increase in welfare spending in East Asian countries, with Figure 1 illustrating the growth of social expenditures and the resulting welfare architecture. Japan's social welfare spending rivals that of the OECD average (over 20% of GDP), as opposed to about 10% for China, Korea and Taiwan, but all four countries have seen increased social spending over the period, indicating a growing trend of the state's welfare commitments.

These indicators suggest that East Asian welfare states have become sufficiently robust ahead of the outbreak of COVID-19. In addition to efficacious disease containment measures, the governments have sought to counter the impact of the ensuing economic downturn by instituting progressive labour market policies and providing social assistance. The present study seeks to assess the role these social policies have played in the wake of the pandemic and to discuss their implications for further development of the East Asian welfare state in the post-pandemic era.

This paper is structured as follows: The following section analyses the economic crisis triggered by the pandemic outbreak and notes the commonalities/differences in the welfare state architectures in East Asia. The third section offers a systematic comparison of policy responses, with particular reference to unemployment protection and social assistance. The fourth section discusses the key findings of the preceding analysis. The final section provides conclusions section and assesses the prospects of future welfare state development in East Asia.
The current pandemic outbreak presents two essential crisis management challenges: Timely prevention of disease contagion and effective countermeasures against economic recession and social dislocation. Both challenges are mutually reinforcing and present a combined existential crisis. But crises are hardly new to East Asian welfare states. In 1997 and 2008, respectively, two waves of financial crises engulfed this region and inflicted dire social consequences. Back then, East Asian policy responses were far from austerity measures as adopted by some Western countries (cf. Gough, 2011; Steinebach, Knill, & Jordana, 2019; Streeck, 2014). Quite the contrary: Social hardship has created a favourable circumstance for the state to expand the welfare institutions, though the natures of social policy responses varied across the countries (Haggard, 2013; Haggard & Kaufman, 2008; Lue, 2014). For instance, Korea was hit hard by the 1997 financial crisis, which forced the government to implement overhaul of the welfare state. Both Korea and Taiwan addressed the issues of unemployment and poverty by introducing active labour market policy and expanded social assistance programmes in the late 1990s, but Korea pursued a distinct path towards the social investment paradigm at an unmatched pace.

The expansionary momentum of the last two crises demonstrates the institutional resilience of East Asian welfare states—in terms of the persistence of the overall welfare architecture to endure the turbulence. They testify to the insight that the welfare state is a ‘crisis manager’ playing the roles of the macro-economic stabiliser and social security (Starke, Kaasch, & van Hooren, 2013). The dual roles of social policy are seen in other regions as well but perhaps more pronounced in East Asia. The close tie of East Asian countries to world economy contributes to a collective mindset of accelerating economic recovery in crisis times. A significant part of social policy responses often entails stimulus programmes that aim to boost domestic consumption. Even bailouts to enterprises in difficulty are conditional on the premise of avoiding mass dismissal.

Moreover, recurrent crises of the last decades offered East Asian welfare states unique opportunities to draw lessons from the past. A sudden shock such as COVID-19 often creates high uncertainty for policymakers to effectively assess problems and propose solutions. Under these opaque circumstances, governments are unlikely to probe with novel policy approaches that may carry unknown risks. Crisis management seeks to reduce emergent risks and to avoid exacerbating them. In decision-making, government officials typically rely on their own cognitive frame of reference, shaped by the existing institutional settings and policy legacies (Béland & Cox, 2011; Blyth, 2002). The ‘path dependency of ideas’ (Cox, 2004) or ‘crisis routines’ (Chung & Thewissen, 2011; Starke et al., 2013, p. 183) also pertain to the previous experiences of institutional adaptation learned from the 2008 financial crisis and the epidemic SARS outbreak of 2003, where governments had to act swiftly in the face of rapidly evolving crises. The consequence is that these East

**Figure 1** Social expenditures (in % of GDP) in China, Japan, Korea and Taiwan, compared to OECD average, 2010–2018. Sources: Directorate-General of Budget, Accounting and Statistics, Taiwan, 2020; Ministry of Finance, China, 2020; OECD, 2020 [Colour figure can be viewed at wileyonlinelibrary.com]
Asian countries generally pursue path-dependent social policy development. Institutional continuity is mirrored in the policy responses that are mostly extensions of existing programmes rather than replacement or even dismantlement. Such expansion efforts tend to last for a short span and recede once the crisis is over. Effective containment of the pandemic spread has further contributed to timely damage control of adverse social consequences.

Meanwhile, institutional resilience also denotes growing divergence amongst East Asian welfare states, which characterises some differences in the crisis responses. Over the past decades, Korea has made massive strides to promote family policy, partly owing to endeavours of the progressive ruling party. Japan also took pains to encourage female employment and improved childcare support (An & Peng, 2016; Fleckenstein & Lee, 2017a, 2017b). By contrast, Taiwan has achieved merely mediocre progress in this respect because a major part of the past reforms concentrated on pensions and healthcare. China has improved its social security system by leaps and bounds but has left family policy largely far behind (Chen & Shi, 2020; Ngok & Chan, 2015). Diversity in family policy is reflected in the pandemic-related social policy responses, in which Korea and Japan addressed the needs of families for care much more than Taiwan and China.

One further distinction lies in the roles of local governments in East Asian welfare states. Given the unequal impact of the pandemic crisis on various parts of one country, local governments of the severely-hit regions are likely to take initiatives. China stood out in this respect, as central government generally laid out broad social policy guidelines, whilst local cadres bore the major financial and administrative responsibilities of welfare provision (Béland, Rocco, Shi, & Waddan, 2018; Shi, 2017). Meanwhile, local governments in Korea have taken an active part in social programmes parallel to the central policy. During the pandemic crisis, regions have spent abundant budgets on emergency relief allowances with various policy packages. In contrast, Japan and Taiwan have seen little financial involvement on the part of local governments—at least this time, as Japanese welfare state generally allows for localised and company-based social protection (Estévez-Abe, 2008). Pandemic-related policy co-ordination has been highly centralised in these two countries, leaving little room for local initiatives in social provision.

In sum, the big picture about institutional resilience of East Asian welfare states during the pandemic crisis is that the extent of crisis management and the given domestic institutional settings shape their range of social policy reforms. Typical government responses to the common challenges such as rising unemployment and poverty are to strengthen support within the existing programmes of labour protection and social relief—virtually a recipe that stands the test of time. Nonetheless, the unusual patterns arising from the policy commonalities allude to the explicit support of families in Korea and Japan. These two aspects highlight the policy differences amongst the countries under discussion. To a large extent, even this variety is the legacy of welfare state transformations in East Asia in the last few years (Choi, Huber, Kim, Kwon, & Shi, 2020; Nam, 2020). The pandemic crisis seems to be intensifying this momentum of diverging institutional evolution. Convergence and divergence of social policy responses characterise the institutional resilience of East Asian welfare states, as illustrated in the next two sections.

3 | SOCIAL POLICY RESPONSES OF CHINA, JAPAN, KOREA AND TAIWAN

Global disruptions in economic activity and daily life are pushing East Asian countries to shift focus to fiscal policy and stimulus. In addition, governments have extended the social safety nets for labourers and other disadvantaged groups against the pandemic shock.

3.1 | (Un-)employment security

Major tools to protect against job and income loss include corporate subsidies to protect employment and direct wage assistance to workers. In terms of active labour market policies, all of the four countries assessed have offered public employment services, although Japan, Korea and Taiwan have focused on short-term work schemes while
China has promoted public infrastructure projects. Table 1 summarises the major policy approaches of the four country cases.

### 3.1.1 Corporate cash subsidies for employment protection

To alleviate the financial burden of enterprises and to stabilise the labour market situation of mass unemployment amidst the pandemic turbulence, East Asian countries have extended their support to enterprises as an indirect mean of employment protection. In Japan, Article 26 of the Labour Law stipulates that the employer must pay 60% of the average salary if he/she suspends work for reasons not attributable to his/her own responsibility. The government offered financial support to help enterprises maintain their workforces, primarily through the employment adjustment subsidies programme (雇用調整助成金). The subsidy rates for small- and middle-sized enterprises (SMEs) and large enterprises were 80–100% and 67–75%, respectively, with a maximum of USD 140.41 per worker/day (Ministry of Health, Labour and Welfare, Japan, 2020a). In Korea, a similar supporting measure was initiated in February, 2020. For SMEs, the employment maintenance subsidy (고용유지지원금) rate granted to employers to finance leave allowances was raised from the initial level of 67–75%, while the subsidy rate for large enterprises was raised.

### Table 1 Key employment measures adopted by China, Japan, Korea and Taiwan (Year 2020)

| Country  | Corporate cash support to stabilise employment | Direct wage subsidies | Support for self-employed | Active labour market policy |
|----------|-----------------------------------------------|-----------------------|---------------------------|-----------------------------|
| China    | February: Refund of up to 100% of unemployment insurance premiums. March: Central government orders that, for the first salary payment cycle, employers must pay the wage written in the labour contract. | | | March: Public infrastructure jobs programme. |
| Japan    | June: Corporate subsidies for leave allowance was USD 77.98 per worker/day initially but was nearly doubled to USD 140.41 in June. May: Direct payments for unpaid leave workers up to USD 105/day, 41,569 | | | April: Government employment service centre (Hellowork) provides job matching. |
| Korea    | April: Corporate subsidies for leave allowance up to USD 55.26/worker/day. June: Direct monthly payments of up to USD 415.69 for those earning annual incomes below USD 58,196.61 (relaxed to USD 41,569 in September) and incomes in March–April reduced 25–50% (relaxed to 25% in September) compared to the average/same period of 2019 under the ‘emergency employment security assistance’ scheme. June: Self-employed are eligible to receive up to USD 415.69/month. | | | April: Short-time work schemes provide 15–40 hr of paid work per week. |
| Taiwan   | March: One-off operating capital subsidy and subsidies for enterprises that maintain payroll to a maximum of USD 707.60/worker/month. March: ‘Plan for Employment at Ease,’ provides up to USD 374.22/month for workers on unpaid leave. May: Subsidies of up to USD 509.07/month/worker for specified, hard-hit industries. | | | April: Hourly work opportunities are provided for up to 80 hr/month. |

Note: Compiled by authors.
from 50 to 67%. The subsidy rate to support SMEs was further expanded to as high as 90% in April, 2020 with an upper ceiling of USD 55.26 per worker/day (Ministry of Employment and Labour, Korea, 2020a).

Taiwan has set stricter criteria for similar support: Starting from March, 2020, enterprises had to present proof of a 50% decline in sales to meet the application requirement. They were entitled to government subsidies that made up 40% of the original monthly salary (with a cap of USD 707.60/month for three months) and a one-off operating capital subsidy if they refrained from enforcing lay-offs, pay-cuts or unpaid leave on their employees (Shi & Soon, 2020, p. 6).

Rather than provide corporate cash subsidies, China focused on refunding unemployment insurance premiums. According to the ‘Notice on the Implementation of the Special Support Plan for Enterprises to Stabilize Employment and Create Jobs’ (关于实施企业稳岗扩岗专项支持计划的通知) in February, 2020, SMEs that refrained from significant layoffs would be rewarded with a maximum full refund of premiums paid by the SMEs and their employees in the previous year (State Council, China, 2020a).

3.1.2 | Wage subsidies paid directly to the employees

To support workers who took unpaid leave involuntarily, those whose working hours were reduced, as well as non-standard workers, the governments initiated associated measures. In May, the Japanese government announced the ‘Support Fund and Allowance’ (新型コロナウイルス感染症対応休業支援金・給付金), with 80% of the daily wages (maximum daily amount USD 105) directly paid to unpaid leave workers of SMEs (full-time and non-regular workers) (Ministry of Health, Labour and Welfare, Japan, 2020b). As for the Korean counterpart, in addition to unpaid leave workers, non-standard workers such as artists or freelancers, those who met the eligibility criteria, were eligible to apply for the Emergency Employment Security Assistance (긴급고용안정지원금). The eligibility criteria were further relaxed in September, 2020, so as to extend as much support to the most disadvantaged workers as possible (Ministry of Employment and Labour, Korea, 2020b). In Taiwan, the ‘Plan for Employment at Ease’ (安心就業計畫) was launched in March, 2020, to assist those employees whose working hours had been reduced for more than thirty days. A subsidy of 50% of the monthly salary difference would be granted with a maximum of USD 374.22/month for up to six months (Ministry of Labour, Taiwan, 2020).

China is unique in that it has made local governments responsible for worker compensation, in line with common practises wherein financial responsibilities rest with sub-national administrations. For this reason, starting from February, 2020, a wide variety of local programmes have been rolled out for unemployment aids.

3.1.3 | Special support for the self-employed

Additional support has been made available to the self-employed. The Korean Emergency Employment Security Assistance scheme provided financial protection to self-employed workers with subsidies amounting to USD 415.69/month for three months (Ministry of Employment and Labour, Korea, 2020b). Similar to Korea, subsidies to self-employed workers in Taiwan were means-tested and assisted the disadvantaged. Eligible applicants receive a monthly subsidy of USD 339.38 for three months. Members of high-risk groups, such as self-employed masseurs with visual impairment, were eligible to receive subsidies of USD 509.07/month. These businesses could also receive subsidies to purchase personal protective equipment (Shi & Soon, 2020, p. 7).

3.1.4 | Active labour market policy

East Asian countries generally feature policies for strong active labour market intervention. For instance, Korean government has provided public job opportunities of 15–40 hr/week with minimum wage of USD 7.15/hr to mediate
deteriorating labour market conditions. In addition, it has also launched short-term work schemes related to IT- and digital-fields to benefit the young (Ministry of Economy and Finance, Korea, 2020).

Meanwhile in April, 2020, Taiwan introduced her ‘Start to Work at Ease Immediately’ (安心即時上工計畫) programme, providing hourly public works opportunities to workers whose working hours have been reduced. Inclusion criteria required that applicants had been insured under the Labour Insurance or Employment Insurance at the time of application. Eligible workers received USD 5.36/hr, with a maximum of 80 hr/month for six months (Shi & Soon, 2020, p. 7).

Most cities in China - with the exception of Wuhan - reopened in March, 2020, raising an urgent need to create jobs through public infrastructure projects. The State Council urged localities to accelerate the resumption of public construction projects in domains including energy, power and ‘new infrastructure’ such as information networks. Special local government bonds were issued for these purposes (State Council, China, 2020b). Whilst initiatives in other East Asian countries focused on short-term job schemes, these programmes in China sought to boost investment in state-owned enterprises to permanently reduce unemployment.

### 3.2 Livelihood support and protection

To address the economic crisis faced by vulnerable groups during the pandemic and to revitalise the domestic economy, governments have extended either the eligibility criteria or benefits of existing welfare programmes. Table 2 summarises the major assistance policies presented below.

#### 3.2.1 One-off payments and stimulus vouchers

In April, the Japanese government provided emergency support to all residents including foreigners in the form of a one-off cash payment of USD 961.43. In Korea, similar measure took effect in May with its Emergency Relief Payment (긴급재난현금). All households could apply for cash benefits of up to USD 909.94 for a household of four or more people. Citizens received payments in the form of e-money or vouchers to be redeemed only within their residential districts by August 31, 2020. Aimed at supporting the SMEs, these vouchers could not be used at large department stores or retailers (Ministry of the Interior and Safety, Korea, 2020). In fact, both Japan and Korea had heated debates about whether the cash transfers should be a universal or targeted programme before finally deciding the universal option (Ando, Furukawa, Nakata, & Sumiya, 2020, pp. 919–920; Yang, 2020).

By contrast, the Taiwanese government introduced the Triple Stimulus Voucher (振興三倍券) scheme to boost domestic consumption. Instead of directly receiving cash, citizens were required to ‘purchase’ the vouchers to ensure that the money would be spent than saved (Shi & Soon, 2020, p. 7). This voucher scheme resembled the Korean programme, albeit without the latter’s geographic limitation of voucher usage.

#### 3.2.2 Livelihood stabilisation for disadvantaged groups

Social distancing measures out of the pandemic crisis have substantially reduced the scope and extent of public activity. This was particularly hard for the disadvantaged groups, and governments had to respond to mitigate the adverse impact. For instance, following the January 23rd lockdown, Wuhan city raised the monthly subsidies for urban and rural Dibao (social assistance) recipients, respectively, from USD 112.22 and USD 91.36 to USD 19.42 and USD 97.84. The poorest urban residents received USD 238.84 per month, whilst their rural counterparts received USD 184.16, and the subsidies were increased sixfold for Dibao recipients who contracted COVID-19. Moreover,
Each retained migrant worker in Wuhan received a one-off cash assistance payment of USD 431.63 (Government of Wuhan, China, 2020).

In Taiwan, vulnerable groups already relying on social assistance, including the elderly people and children from middle-low- and low-income households, as well as people with disabilities, received an additional USD 50.74/month from April to June, 2020 (Ministry of Health and Welfare, Taiwan, 2020a). The government kicked off a means-tested emergency relief scheme (with a one-off payment of USD 338.30) to protect those not covered by social insurance programmes or subsidies (Ministry of Health and Welfare, Taiwan, 2020b).

In addition to those low-income households, the Korean government assisted workers financially stricken by the sudden shutdown of their companies, mainly with the Special Regional Employment Support Aid that provided 100,000 workers on unpaid leave with a two-month emergency livelihood subsidy (USD 452.81 monthly). Moreover, the government expanded its Emergency Welfare Aid (긴급복지지원) scheme to support specifically ordinary workers.

### Table 2

| One-off payments and stimulus vouchers | Livelihood stabilisation | Childcare support | Rent support |
|---------------------------------------|--------------------------|-------------------|-------------|
| China                                 | April: Wuhan increases subsidies for dibao recipients and tekun renyuan. | February: Subsidies for parents taking childcare leave: USD 77.98/worker (USD 140.41 since April) and USD 38.38/ freelancer (USD 70.21 since April). April: Additional USD 96.18 child allowance. | April: Benefits subject to rent expenditures, household sizes and municipality of residence. |
| Japan                                 | April: USD 961.43 cash payment per person. | April: USD 452.81 monthly grants (two months total) for up to 100,000 workers on unpaid leave. USD 588.65 monthly payments available to dependent self-employed or freelancer workers (dependant on number of household members). | April: Childcare coupons (USD 362.25 per child) issued to households with children aged seven and under. Subsidies for workers taking care leave: USD 45.28 per diem, maximum ten days (relaxed to twenty days with fifteen days subsidised for a couple/ twenty-five days with twenty days subsidised for single parent in September) a year. |
| Korea                                 | May: Voucher or e-money payments of up to USD 904.94 for households with four or more people. Vouchers must be used before August 31, 2020 at small-medium enterprises within the residential region. | April: USD 452.81 monthly grants (two months total) for up to 100,000 workers on unpaid leave. USD 588.65 monthly payments available to dependent self-employed or freelancer workers (dependant on number of household members). | April: Childcare coupons (USD 362.25 per child) issued to households with children aged seven and under. Subsidies for workers taking care leave: USD 45.28 per diem, maximum ten days (relaxed to twenty days with fifteen days subsidised for a couple/ twenty-five days with twenty days subsidised for single parent in September) a year. |
| Taiwan                                | July: Consumer vouchers worth USD 101.49 available for purchase at USD 33.83 (not means-tested). Vouchers may be used nationwide (except on certain e-commerce platforms or for tax payment), and must be used before December 31, 2020. | April: Subsidies for vulnerable groups increased by USD 50.74/month, for three months. Those not covered by social insurance or other subsidies may apply for a one-off payment of USD 338.30. | April: Benefits subject to rent expenditures, household sizes and municipality of residence. |

Note: Compiled by authors.
on unpaid leave or leave of absence, along with workers in special employment types (Ministry of Employment and Labour, Korea, 2020c). Those with incomes below 75% of the median were eligible to apply for an average monthly subsidy of USD 588.65, depending on the number of household members.3

3.2.3 | Childcare support

Family policies in Japan and Korea have witnessed a rapid expansion over the last decade. Against this background, in April, Japan offered an additional subsidy of USD 96.18 per child to families already receiving childcare allowances (Ando et al., 2020, pp. 18–19). Instead of cash payments, Korea provided childcare coupons worth USD 362.25 per child to households with children aged 7 and below (Ministry of Health and Welfare, Korea, 2020). Parents having to take parental leave could receive a further subsidy of USD 45.28 per diem (Ministry of Employment and Labour, Korea, 2020d).4

3.2.4 | Rent support

The Japanese Housing Security Benefit (住居確保給付金) is part of the ‘Independence Support System for the Poor’ (生活困窮者自立支援制) which provides rent support to low-income households (Ministry of Health, Labour and Welfare, Japan, 2020c). Since April, 2020, the government expanded the eligibility for this programme to prevent tenant evictions. The benefit continued for three months, with amounts subject to the rent expenditures, household sizes and municipality of residence.

4 | RESPONSES OF EAST ASIAN WELFARE STATES: COMMONALITIES AND DIFFERENCES

The unprecedented collapse of socioeconomic activity due to lockdown has wreaked havoc on the economic security of ordinary people. Governments, therefore, must initiate policy programmes in response. The policy packages amongst East Asian countries demonstrate salient institutional commonalities. Despite the packages’ multi-dimensional orientations, there is no sign of any fundamental reconfiguration to the existing institutions. These packages feature three types:

1. Benefit increase: subsidies or allowances of existing schemes are temporarily increased to support affected groups, including both business owners and vulnerable populations. Examples include subsidies for Dibao recipients in China, employment adjustment subsidies and childcare allowances and wage subsidies in Japan, employment maintenance subsidies, childcare coupons and care leave subsidies in Korea, and subsidies for people with disabilities and middle-low- and low-income household children and elderly people in Taiwan.

2. Relaxation of eligibility criteria: Entitlements to certain programmes are expanded to ensure timely aid to those in need. For example, Japan extended the application criteria for Housing Security Benefit, whilst the Korean Emergency Welfare Aid scheme lent support to workers on unpaid leave or leave of absence, as well as to the self-employed.

3. Enhancement of existing systems: New temporary programmes or extension programmes were launched within existing systems. Instances include the ‘Plan for Employment at Ease’ in Taiwan funded by the Employment Security Fund until December 31st, 2020 (Ministry of Labour, Taiwan, 2020) and the introduction of public employment in all the countries examined.
In addition to the above measures, Japan, Korea and Taiwan introduced one-off universal cash transfer schemes with extraordinary budgets as short-term stopgap measures for both individual financial support and domestic economic revitalization.

Moreover, policy learning matters. The uncertainty created by abrupt economic turmoil has prompted government officials to seek advice from the past irrespective of party ideologies and differences (Starke et al., 2013; Wong, 2020; Yang, 2012). This can be best illustrated by the cases of Korea and Taiwan where the current ruling parties are ideologically different from their predecessors during the 2008 financial crisis but they have adopted broadly similar responses. The introduction of Taiwanese ‘Triple Stimulus Vouchers’ scheme is a case in point, as a similar scheme was adopted in 2008 amidst the financial crisis by the then KMT government. The same is true of Korean measures implemented in 2008, such as job creation and job sharing; even the expansion of unemployment benefits and employment-related allowances are reused this time (cf. Mok, 2011).

Policy responses in Japan and China to this crisis also refer to previous experiences. In Japan, direct financial assistance to employees was implemented through the ‘deemed unemployment system’ (みなし失業制度) introduced to disaster-stricken areas during the 2011 Great East Japan Earthquake. Without requiring new legislation, the system allows for the application of the existing Unemployment Insurance Act to selected areas. The emphasis of China’s active labour market policy initiatives is clearly influenced by the lesson learned from its 2008 stimulus plan in terms of the negative impact of redundant infrastructure investment that caused industrial overcapacity in economy. This time, the government has highlighted the importance of new technologies in boosting employment. These examples reflect the importance of the institutional resilience of existing social security systems, as experiences gained in previous initiatives can significantly influence policymaking processes in terms of problem definition and policy solution.

East Asian policy responses to the pandemic crisis are further characterised by differences in two aspects: the role of local governments as well as various policy legacies. China distinguishes itself from the other East Asian counterparts by its decentralisation of social security coordination. Whilst China is typically organised around centralised command, major responsibilities for social policy implementation and financial subsidies rest with local administration (Béland et al., 2018; Shi, 2017). For instance, a March 7th central government communiqué pledged to protect underprivileged groups, but this document merely outlined the policy framework and left all substantial details blank to be determined by local cadres (State Council, China, 2020c). Given the unusual devastation created by the pandemic, the Premier Li Keqiang announced at the 13th National People’s Congress that the central government would issue a special two-trillion-yuan bond, the proceeds of which would be transferred directly to local governments to ensure successful policy implementation (State Council, China, 2020d).

Meanwhile, the Korean local governments have actively launched supportive and stimulus policies consistent with the central government initiatives. In addition to a number of subsidy programmes introduced to support the vulnerable groups, Daegu and Gyeonggi-do, for instance, installed their own one-off universal cash transfer schemes complementary to the central one. Seoul, Daegu and Busan, too, introduced regional vouchers/prepaid-cards with which residents could purchase at a discounted price, and enjoyed further cashbacks or even tax rebates if they conducted transactions within the designated regions. Seoul took a step further towards the implementation of emergency living funds to assist non-Korean residents within its jurisdiction. In Japan, some local governments such as Tokyo and Hokkaido lent support to those residents in difficulties of rental payments, though the extent of financial aids remained very limited. Taiwan witnessed almost none local initiatives in this regard, mainly because the pandemic shock here has been so mild thus far that local governments—which owned weak fiscal capacities—barely bothered to elaborate additional programmes.

Finally, although policy responses of East Asian welfare states encompass various forms of measures, ranging from targeting to universal in coverage, or from workers to households as beneficiaries, one major difference merits attention. Programmes initiated in China and Taiwan largely followed their conventional policy legacies: social benefits went to the individuals according to their occupational status in the form of income maintenance or social assistance to those most disadvantaged. Japan and Korea employed similar in-cash programmes, too, but explicitly...
expanded childcare support in a bid to assist parents in their increased financial needs for care arrangement during lockdown. In addition, Korean and Japanese labour market policies entailed something almost unheeded in their Taiwanese and Chinese counterparts, namely broadening the programmatic coverage to workers in irregular employment, freelancers and self-employed. The pronounced emphasis on support of childcare and precarious employment in Japan and Korea can be attributed to their policy shift to the social investment paradigm over the last decades (Choi et al., 2020; Fleckenstein & Lee, 2017a, 2017b; Peng, 2014). This manifests the profound impacts of the existing welfare institutions on the pandemic-related social policy, even when it comes to the variation in policy priority amongst East Asian welfare states.

5 | CONCLUSION

The current progress of COVID-19 containment in East Asia suggests that the public health impact has been confined, but the impact on economies and labour markets lingers. All countries under examination have export-oriented economies that rely heavily on the world economy, which remains sluggish, thus the resulting problems of unemployment and poverty will continue to dominate the social policy agenda. However, effective early measures to curb the pandemic will likely contribute to a regional economic rebound in the near future. Countries in this region are already showing signs of recovery in recent quarters. One-shot measures such as consumption vouchers, prolonged unemployment benefits and emergency relief aids will be discontinued once the crisis abates. The common trend of social policy responses to the crisis is largely an extension, not replacement or reinvention, of the existing institutional edifice of the East Asian welfare state.

In a sense, these policy responses seem to be a déjà-vu: Having sustained the past rounds of economic crunches, East Asian welfare states have become an adept crisis manager for reviving the economy and protecting the workers. Yet, this points to the importance of cognitive learning from the past that helps the government officials to react with standard policy repertoire. Explanations for countries (such as Taiwan) with relatively ‘effective’ responses to the pandemic crisis lie mainly in their prior experiences with similar incidents. Indeed, past crises have nurtured ingredients for the ‘immune system’ of the East Asian welfare state that tends to reinforce its institutional resilience and to strengthen the efficacy of social policy responses to the pandemic crisis.

However, this observation should by no means disregard the long-term impact. Whilst emphasising the path-dependent natures of pandemic crisis responses, the notion of institutional resilience we propose also entails certain potentials for change. The rationale is that the pandemic crisis has shifted the existing problems for the worse, thus generating political imperative for the government to take action. Irregular employment in Korea and Japan is a case in point: Both countries have been undergoing a widespread dualization trend in labour markets and social security between workers at large enterprises and their colleagues at small- and middle-sized enterprises (as well as irregular workers). As social insecurity of precarious employment arising from the pandemic outbreak continues to deteriorate, this issue has served as a catalyst for political change, for example, the introduction of the universal Emergency Relief Allowance in Korea amidst the COVID-19 crisis. Even heated discussion of a universal employment insurance scheme has started to unfold (Yang, 2020).

In this light, the pandemic crisis may offer a unique opportunity for East Asian welfare states not only to pass the stress test but also to review (and repair) their institutional loopholes where new social risks lurk. Given the magnitude of the pandemic shock, social inequalities and health disparities in many places are likely to exacerbate that require the governments to address adequately. To what extent the pandemic crisis may trigger further gradual institutional change of East Asian welfare states will hinge on the interplay of policy ideas and interest constellations of the involved actors. Understanding how such contentious social politics will be translated into real policies will remain a central theme for East Asian social policy research.

ACKNOWLEDGEMENT

We are very grateful to Daniel Béland, Rod Hick and the anonymous reviewers of SPA for their insightful comments.
ENDNOTES

1 Except for those on short stay, unregistered in the Basic Resident Registration System, and illegal aliens.

2 Payment amount hinges on the household sizes: USD 361.98 for a single household, USD 542.96 for a two-person household, and USD 723.95 for a three-person household.

3 A single household receives monthly USD 412.06 and the amount increases to USD 701.85 for a two-person household, and USD 114.14 for a four-person household with a maximum duration of six months.

4 A couple may apply for childcare leave of up to ten days a year, with a subsidy of USD 452.90.

5 Taiwan underwent her traumatic experience of the SARS (severe acute respiratory syndrome; originating from China) epidemic in 2003, which cost 73 lives (Shi & Soon, 2020; Wong, 2020).

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How to cite this article: Soon S, Chou CC, Shi S-J. Withstanding the plague: Institutional resilience of the East Asian welfare state. Soc Policy Adm. 2021;55:374–387. https://doi.org/10.1111/spol.12713