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Period Changes in Intergenerational Income Mobility between Welfare State Contexts
in South Korea and the United States

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A dissertation
submitted in partial fulfillment of the
requirements for the degree of
Doctor of Philosophy

University of Washington

2019

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Program Authorized to Offer Degree:

School of Social Work

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Abstract

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Social mobility has stalled or declined in most advanced welfare states in an era of rising inequality, implying that socioeconomic disadvantages persist across generations and questioning the permeable class structure premised by a capitalist democracy. Welfare state policies aim to enhance upward social mobility for the citizenry by reducing inequality and promoting inclusive growth; however, social mobility is rarely examined as embedded within the institutional and sociocultural contexts of alternative forms of the market economy welfare state.

Although South Korea and the United States have generally similar residual and limited welfare state regimes, this dissertation finds that the intergenerational income mobility (IGM) trends in recent decades differ remarkably between the two countries; thus, this paradox becomes the focus of the dissertation. This dissertation analyzes cross-national differences in IGM in South Korea and the United States for two birth cohorts representing contrasting period effects:

between 1980-1995 and 1996-2015, using data from the Korean Labor and Income Panel Study in South Korea and the Panel Study of Income Dynamics in the United States. It then conducts a historically informed comparative analysis of between-country mobility differences as contextualized by different philosophical underpinnings of the welfare state—Confucian familial orientation in South Korea vs. libertarian individualistic orientation in the United States.

This study presents findings in four areas. First, findings suggest no period effects on IGM in both countries, though the Korean IGM improved and the U.S.'s IGM eroded. Second, results suggest that women's IGM in Korea changed: shifting from less to more mobile than that of men between the two study periods; whereas in the United States, IGM eroded for both men and women, with the erosion of IGM particularly pronounced among women. Third, results indicate that not only income but also family structure impacts IGM in both countries. Finally, this dissertation theorizes that it is plausible that more favorable IGM trends in Korea might in part be attributable to the benefits of its Confucian Welfare State orientation, which emphasizes promoting family system support and responsibility, over the more individualistic orientation of the American welfare state.

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ACKNOWLEDGMENTS

While in graduate school, the list of individuals contributing to my personal and professional growth has been beyond description. Although I may not be able to name each and every person who helped me go through this journey, I am truly grateful to everyone who engaged with me in this research in any capacity at any time or place.

My first and deepest gratitude goes to my chair, Dr. Gunnar Almgren, who has been my academic advisor through the years. I consider myself lucky to have met Gunnar. He is my teacher, my mentor, my friend, and spiritual anchor for my academic journey. Despite his retirement in 2018, Gunnar has generously served as my chair to help me finish this daunting task. This project would not have been possible without his incomparable help, indescribable encouragement, and indefinable support.

My sincere thanks go to my committee members, Dr. Taryn Lindhorst, Dr. Jean Kruzich, and Dr. Kyle Crowder. Taryn's insightful advice, Jean's reflective comments, and Kyle's helpful feedback helped me develop and fine-tune my work. I am profoundly grateful for their consistent guidance and support.

My unfeigned appreciation also goes to my doctoral colleagues, Dr. Odessa Gonzalez Benson at the University of Michigan, Andre Stephens at the UW Department of Sociology, and Martha Aby, Shannon Blajeski, and Asia Bishop at the UW School of Social Work. I am especially grateful to Odessa for her alacritous help in elaborating and polishing my work. My colleagues were sincere in providing emotional and practical support for brainstorming my not-fully formed ideas of this project, sometimes over coffee, IPAs, and burritos. Thank you to Cafe Solstice for keeping me caffeinated and to Chipotle for keeping me fed.

Thankfulness goes to the faculty and staff at the UW School of Social Work for their advice and support. I wish to, particularly, thank Dr. Emiko Tajima, Dr. Paula Nurius, and Dr. Gillian Marshall for their academic and financial support during my doctoral journey. I am thankful to Dr. Sue Sohng, Dr. Susan Kemp, Dr. Nancy Hooyman, Dr. Marcia Meyers, Dr. Melissa Martinson, Chanira Reang Sperry, Kath Wilham, and Brooks Callison. Appreciation also goes to the faculty at the UW Center for Statistics and the Social Sciences and Center for Demography and Ecology. I am grateful to Dr. Jerald Herting, Dr. Jake Rosenfeld, Dr. Elena Erosheva, and Dr. Darryl Holman for their support in learning theory and method. Thanks also to my doctoral cohort; my academic journey would not have been achievable without their motivation and support.

Weighty thanks goes to Dr. Meegon Kim and Dr. Eugene Yeo at the Korea Institute for Health and Social Affairs (KIHASA) for their unconditional love, confidence in me, and support. I would also like to thank Dr. Taewan Kim at the KIHASA for his funding assistance. My ardent appreciation is extended to all the professors at Seoul National University for their encouragement to provide further fuel for the pursuit of doctoral education. My earnest gratitude also goes to my family back in Korea.

DEDICATION

Dedicated to Jihyun Oh and your love, patience, support, and being there for me while conducting my work. You have been my longtime colleague and a great source of strength for bearing with me through the toughest times, and I am truly lucky to have you in my life.

CHAPTER 1. INTRODUCTION TO SOCIAL MOBILITY AND WELFARE STATE

Introduction

Research Background: Social Mobility and Welfare State Context

Despite significant progress in research on welfare states and social mobility among scholars, little attention has been given to the fundamental question of the role of “small” welfare states (Yang, 2017) in shaping patterns of social mobility, particularly the association between institutional arrangements of welfare state provision and intergenerational social mobility (Fox, Torche, & Waldfogel, 2016; Nolan, Esping-Andersen, Whelan, Maitre, & Wagner, 2011). In the past decade, a number of scholars, mainly economists and sociologists, have extensively examined intergenerational social mobility among advanced capitalist democracies (for a review of these studies, see Fox et al., 2016). The consensus today is that “small” welfare states—many liberal welfare states with low levels of social spending and limited redistribution—tend to have lower levels of intergenerational social mobility, as well as higher levels of market-generated inequalities, compared with “big” welfare states such as the Nordic countries with high levels of social spending led by the solidarity-based principles of universalism and welfare generosity (Beller & Hout, 2006a; Corak, 2006; Esping-Andersen, 2015; L et al., 2006; Yang, 2017).

For South Korea and the United States, the most recent observations of intergenerational social mobility measured by earnings elasticity¹ between fathers and sons² are respectively 40% and 41% (Organization for Economic Cooperation and Development [OECD], 2018a, p. 195).

1. The higher the elasticity, the higher the persistence of earnings between generations is and so the lower the intergenerational mobility is. Across the 26 OECD countries, the average intergenerational earnings elasticity is 38%, ranging from 12% in Denmark to 67% in Luxembourg (OECD, 2018a).

2. Note that similar data is unavailable on daughters (OECD, 2018a).

This means that, in both nations, it would take five generations for children from poor parents at the bottom 10% of the income distribution to attain the mean income. In contrast, the Nordic countries such as Denmark, Norway, Finland, and Sweden have less than 20% intergenerational earnings elasticity. This indicates that only two to three generations would be needed for children at the bottom 10% of the income distribution to reach the average income in Scandinavian welfare states. This stark difference in intergenerational social mobility between small and big welfare states suggests that the institutional contexts of welfare states play a significant role in the determination of social outcomes such as intergenerational social mobility.

Extant scholarship on social mobility and the welfare state indicates that social mobility has stalled or declined in most advanced welfare states in an era of rising inequality since the early 1980s. Comparative welfare state scholarship suggests the early 1980s as the dividing point between two welfare state phases: the first phase from 1945 to the late 1970s is defined as welfare state development or expansion, characterized by remarkable enlargements of social protection that had been strongly supported by the “Keynesian compromise” between capital and labor;³ the second phase from the early 1980s onwards is defined as welfare state retrenchment or recalibration, and has featured substantial cutbacks and readjustments of social protection. The pressure by the globalization of capital markets and the hegemonic predominance of neoliberal capitalism across the world brought about the collapse of the Keynesian compromise. In this

3. The “Keynesian compromise” between capital and labor means that the former provided the de facto protection supported by the state’s welfare expansion to the latter against all the potential risks from market competition with the proviso that the latter conceded the hegemonic power of the former (Przeworski & Wallerstein, 1984; Jessop, 1994; Levi, 2010). This “Keynesian compromise” in conjunction with rapid industrialization and relatively higher economic growth contributed to a significant progress in social protection across Western European countries and the United States in the three decades after World War II (Levi, 2010).

context, the focus of this dissertation is on the second phase, the so-called welfare state retrenchment from 1980 to 2015.

However, regarding this era of welfare retrenchment, few researchers have examined how and why varying institutional welfare contexts of small welfare states, as well as disparate historical and macroeconomic contexts, influence intergenerational social mobility. To help fill this research gap, this dissertation aims to analyze cross-national differences of intergenerational social mobility, particularly income mobility, in two selected small welfare states—South Korea and the United States—using two birth cohorts representing contrasting period effects between 1980-1995 and 1996-2015. These periods differ across the two countries in terms of economic trends and public welfare structure. As such, it is important to examine the role of social welfare policies to explain mobility differences between the two countries.

As an overall analytic period in this dissertation, the 35-year time span of 1980-2015 is selected because the year 1980 is considered as a watershed moment in terms of the historical development of welfare states (Huber & Stephens, 2001; Levy, 2010). This span, 1980-2015, is subdivided into two contrasting periods because the year 1995 is viewed as a critical juncture in terms of economic trends and welfare state contexts in Korea and the United States. First, 1980-1995 is characterized by a period of rapid economic development and pre-welfare state for Korea and for trickle-up economics,⁴ globalization, and rollback of the welfare state for the United States. Second, 1996-2015 features a period of economic stagnation and early evolution of the Confucian welfare state for Korea and economic prosperity leading to recession and

4. As Hacker and Pierson (2010) state, trickle-up economics are “[t]he rich are getting fabulously richer while the rest of Americans are basically holding steady or worse.” Over the last three decades, trickle-up effects have been dominant in the U.S. economy as evidenced by hyperconcentration of income and wealth to the top rich 1 percentile (Hacker & Pierson, 2010). In contrast, trickle-down economics means, “more money and tax breaks are given to the rich and therefore the money will flow to the bottom echelons of the economy” (Hemraj, 2017).

retrenchment of the welfare state for the United States. Especially, the post-1995 period has witnessed sea changes in the basic direction and implementation of social welfare policies: the 2000 welfare reform called the National Basic Livelihood Security Act (NBLSA) in Korea (Kim, 2013) and the 1996 welfare reform called the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in the United States (Plotnick, 2012) are examples of significant policy changes.

Significance of Comparative Study on Social Mobility in Advanced Capitalist Democracies

Decreasing intergenerational social mobility has become an important dimension of the public debate in both developed and newly developing countries because it directly violates the norm of equality of opportunity, which is the very existential rationale for modern democracies with market economies (Almgren, 2017a; Mayer & Lopoo, 2005, 2008; Solon, 1992; Torche, 2005). Theoretically, democracy is in essence predicated on permeable class structure, indicating that all the citizens should be guaranteed the opportunity to freely move upward or downward in the ladder of social positions through their meritocratic achievements regardless of class, gender, race, and any other given characteristics (Almgren, 2017a). Unless a contemporary democratic nation eliminates or minimizes intergenerational persistence of lower social status, it cannot achieve a high level of political legitimacy. Thus, the study of intergenerational social mobility is instrumental in providing evidence to assess the quality of the current socio-politico-economic system in a given democratic society.

Three of the biggest social institutions contributing to levels of intergenerational social mobility, as identified by previous research, are the family system, the labor market system, and the state welfare system (Corak, 2006, 2013, 2016a; Hout & DiPrete, 2006; Nolan et al., 2011; Smeeding, Erikson, & Jäntti, 2011). These three institutions function as mechanisms through

which economic advantages or impediments can be transferred from one generation to the next to either facilitate or impede intergenerational social mobility (Smeeding et al., 2011). Because the interactions between families, labor markets, and public welfare policies that shape the life chances of citizens are embedded in national contexts (Beller & Hout, 2006b; Corak, 2013; Esping-Andersen, 2015; Tieben, Hofacker, & Biedinger, 2013; Yaish & Andersen, 2012), intergenerational income mobility is in large part a product of different institutional contexts of welfare states, as explained by Esping-Andersen's (1990) familiar typology of liberal, conservative, and social democratic welfare states. In this vein, international comparison of intergenerational social mobility is instructive for evaluating whether one nation has favorable levels of social mobility relative to other nations and delving into the causal processes at play (Smeeding et al., 2011; Ragin, 2014; Fox et al., 2016). Especially, a comparative case study of intergenerational social mobility between nations is useful to assess the contributions of such factors as welfare state arrangements, political systems, and cultural values as structural antecedents that promote or constrain the chances for upward social mobility (Torche, 2015a; Yaish & Andersen, 2012).

Rationale for Comparative Study on Social Mobility in Korea and the United States

As a central aim, this dissertation seeks to analyze cross-national differences in intergenerational income mobility (IGM) in South Korea and the United States. In both Korea and the United States, decreasing social mobility has recently emerged as an important issue of the political debate. In Korea, in 2013, President Geun-Hye Park proposed the ambitious project to rebuild the middle class to restore the size of the middle class up to 70% of society (Lee, 2013). In that same year in the United States, President Barack Obama proclaimed in his state of the union address, "It is our generation's task, then, to reignite the true engine of America's

economic growth—a rising, thriving middle class” (Politico, 2013). Later in 2013, President Obama acknowledged the urgency, asserting, “the combined trends of increased inequality and decreasing mobility pose a fundamental threat to the American Dream, our way of life, and what we stand for around the globe” (The White House, 2013; Atherton, 2016, p. 7). These political pledges, regardless of their actual implementation, call into question the role of government actions in strengthening the middle class to improve each country’s collective well-being and upward social mobility.

Korea and the United States are presented as two distinctive cases for how those national contexts are linked with IGM. In terms of income inequality, Korea and the United States are the two most unequal among advanced industrialized nations, with a hyperconcentration of national income to the richest 10%. According to the World Inequality Database (WID) (website: <https://wid.world/>), which is coordinated by five leading economists (Facundo Alvaredo, Tony Atkinson, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman), in Korea and the United States at least 45% of the share of national income goes to the top 10%.⁵ Additionally, out of the 34 Organization for Economic Cooperation and Development (OECD) membership countries included in that database, Korea and the United States are the only two with continuously rising rates in the top 1%’s share of total national income since 2000,⁶ while rates in the other countries have been either fluctuating or declining.

However, in regard to intergenerational social mobility, the two nations are very different. In a review of the most recent cross-country research on estimates of intergenerational earnings

5. As of 2012, the income shares of the top 10% relative to the total national income were 47.1% and 44.9% in the United States and Korea, respectively (WID, 2018). In contrast, the corresponding rates in 2012 were respectively 39.5%, 39.1%, and 30.4% in Germany, the United Kingdom, and Sweden.

6. In the United States, this continuous rise was briefly interrupted with a dip in the rate of the top 1% share of total national income due to the Great Recession of 2007-2009 (WID, 2018).

persistence across pairs of fathers and sons in 24 high- and middle-income countries, including Korea and the United States, Corak (2016b) suggested that intergenerational earnings persistence in the United States (0.47) is much higher than that of Korea (0.25). The 0.47 elasticity in the United States indicates that 47% of the difference between the earnings of fathers is echoed in the difference in the earnings of their sons. In other words, an American father who makes twice as much as other fathers (i.e., 100% more) can expect his son to earn 47% more in adulthood while a Korean father in the same case can expect his son to earn 25% more. The elasticity of 0.47 categorizes the United States as a country with “high” persistence or “low” mobility, using the standard suggested by Smeeding et al. (2011).⁷ In contrast, Korea's elasticity of 0.25 classifies it as a “low” persistence or “high” mobility country. Given the inverse relation between elasticity and mobility (mobility = 1 – elasticity), intergenerational mobility in Korea is thus much higher compared with the United States.

The two nations of Korea and the United States retain a great similarity in that both belong to small welfare states with high levels of inequality (Yang, 2017), and yet produce different intergenerational mobility outcomes. Regarding the inequality-mobility link across countries, the Great Gatsby Curve (GGC) is a well-established phenomenon, suggesting that higher income inequality is generally associated with lower intergenerational mobility (Corak, 2013, 2016b; Durlauf & Seshadri, 2018; Torche, 2015a). The U.S. case is consistent with the GCC, whereas the Korean case is not. This difference warrants further critical inquiry as to why these two nations' similarity in income inequality yields a significant difference in

7. Higher elasticity indicates lower mobility. Using the values of elasticity, countries can be classified into three groups: “low” persistence (or “high” mobility) = < 0.3; “medium” persistence (or “medium” mobility) = 0.3 to 0.4; “high” persistence (or “low” mobility) = > 0.4 (Smeeding et al., 2011, p. 9).

intergenerational social mobility, which is uncharted territory that will be explored through the course of this dissertation.

Social mobility scholarship has focused on structural economic contexts and labor market policies in determining socioeconomic outcomes, but one line of research considers the interlocking relationship of social welfare policies with the emphasis on the role of the welfare state in shaping citizens' prospects for intergenerational upward mobility (Hwang, 2010). By incorporating Esping-Andersen's analysis of welfare regimes with the "varieties of capitalism" or production regimes (Hall & Soskice, 2001),⁸ this line of welfare state scholarship claims that particular combinations of institutions that govern both the economic and social policy areas play a key role in yielding differences in the level of socioeconomic performance of welfare states regarding growth, unemployment, redistribution, and social well-being (Huber & Stephens, 2001), thereby emphasizing the increasing interface between social and economic policy (Hwang, 2010). Indeed, as discussed above, there are differences in social mobility between small and big welfare states. In this viewpoint, social policy should not be isolated from economic policy but incorporated into it to achieve both economic development and social cohesion in a harmonized way. The key implication is that the function of social welfare policy has shifted from a traditional "protective" instrument for income maintenance toward a "productive" investment in human capital (Hwang, 2010). Accordingly, this paradigm shift on viewing the function of social welfare policy leads to growing intellectual interest in the role of social welfare policies in

8. Based on five key spheres (industrial relations, vocational training and education, corporate governance, inter-firm relations, and internal relations with employees) that interact to settle a set of coordination problems such as wage, employment, and investment levels in the capitalist political economy, there are two types of contemporary capitalism: liberal (or uncoordinated/deregulated) market economies (LMEs) and coordinated market economies (CMEs). LMEs rely on market modes of coordination (i.e., competitive market arrangements and hierarchies between firms) whereas CMEs depend on nonmarket modes of coordination (i.e., collaborative strategic interaction between firms and other actors) in order to resolve those coordination problems (Hall & Soskice, 2001; Hwang, 2010).

tandem with structural economic contexts and labor market policies in the determination of socio-political outcomes within and between distinctive welfare state regimes (Hwang, 2010). In this context, the comparative study of social mobility between Korea and the United States as distinctive cases of small welfare states can contribute to a more systematic and comprehensive understanding of the dynamic relationship between welfare state and social inequality.

Therefore, the major aim of this dissertation is to empirically analyze differences in social mobility between Korea and the United States and examine the role of the welfare state and its relevant social welfare policies in influencing between-country social mobility differences. However, this task necessitates a comprehensive understanding of social mobility and its theoretical and empirical link to the welfare state. For this reason, it is imperative to clarify three crucial issues: 1) conceptualization of social mobility, its theoretical framework, and key findings from previous research, 2) a coherent and conceptual narrative of the welfare state, and 3) explanation of the potential impact of welfare state provisions (or policies) on social mobility. In the following sections of Chapter 1, these three main issues are discussed in detail.

Social Mobility

Aim of the Section

A review of social mobility research reveals that there have been divergent theoretical frameworks and empirical discrepancies with regard to social mobility (Jäntti & Jenkins, 2015; Torch, 2015a; Fox et al., 2016). Because a comprehensive elaboration about the entirety of social mobility research is beyond the scope of this study, I will confine my discussion to the rationale for why social mobility in this dissertation is defined as intergenerational income mobility, the rationale for why the human capital investment framework is selected among several competing

theories of intergenerational mobility, a brief overview of the human capital investment framework as a key to understanding the underlying mechanisms of intergenerational mobility, and empirical evidence on intergenerational income mobility in the United States, Korea, and other countries.

Conceptualization of Social Mobility: Intergenerational Income Mobility

Social mobility is concerned with the shifting of individuals within any stratified society, referring to “any transition of an individual or social object or value—anything that has been created or modified by human activity—from one social position to another” (Sorokin, 1959, p. 133). It is separated into two distinct types: intragenerational and intergenerational social mobility (Breen, 2004). The former refers to changes in the social position over an individual’s own lifetime, whereas the latter denotes changes in the social position of an individual relative to that of his or her parents (Breen, 2004). Because “the degree to which success in life is contingent on circumstances of birth and upbringing, or the persistence of advantage across generations” (National Research Council, 2013, p. 5), the major focus of research on social mobility has been on intergenerational mobility instead of intragenerational mobility.⁹

Intergenerational social mobility is defined as the association between socioeconomic positions of parents and their children; thus, it is a key indicator to assess life chances for children to achieve social statuses beyond the social origins inherited from parents (Fox et al., 2016). At the conceptual level, because intergenerational social mobility is a complex multi-dimensional construct, capturing the latent concept of socioeconomic advantage (social standing or well-being) in parents and their adult children has been a subject of a long-standing

9. The study of intragenerational mobility is a more challenging task than that of intergenerational mobility because the former requires more sophisticated data with detailed career trajectories of respondents compared with the latter (Breen, 2004).

debate within mobility studies (Torche, 2015a). Based on differing theoretical lens and empirical concerns across disciplines, intergenerational social mobility has been conceptualized using various aspects of socioeconomic positions in parents and their adult children—social class, occupation, earnings, family income, education, wealth, health, and so forth (Smeeding et al., 2011; Fox et al., 2016).

Despite the diverse conceptualizations, two main research traditions on intergenerational social mobility have been long established: sociological and economic approaches (Morgan, 2006; Fox et al., 2016). The key distinction between the sociological and economic approaches is that the former focuses on “social divisions and ascriptive processes in the opportunity structure” whereas the latter focuses on “how the labor market functions” in terms of theoretical interest in the transmission process of socioeconomic advantages and disadvantages over generations, although both approaches are “pretty much two sides of the same coin” (Esping-Andersen, 2004, p. 290).

While sociological literature primarily investigates intergenerational social mobility based on the concept of intergenerational reproduction of socioeconomic standing using social class or occupation, econometric literature typically examines intergenerational social mobility using earnings or family income with an emphasis on the economic dimension of intergenerational mobility (Blanden, 2013; Smeeding et al., 2011; Torche, 2015a). To estimate intergenerational mobility, sociologists prefer categorical and non-linear measures, whereas economists favor continuous and linear measures (Björklund & Jäntti, 2000; Esping-Andersen, 2004). Sociological versus economic measures of intergenerational mobility have yielded differences in research outcomes, thus warranting continued scholarly attention in describing,

measuring, and monitoring intergenerational mobility (National Research Council, 2013; Torche, 2015a).

A central issue in this field of research on intergenerational mobility is the data available with accurate and sophisticated information about the socioeconomic statuses of two generations (i.e., fathers [or parents] and sons [or adult children]), regardless of dissimilar conceptualizations of intergenerational mobility using either social class (or occupation) or individual earnings (or family income). In the 1960s, research on intergenerational mobility was in its early stages, and most initial studies were based on respondents' retrospective survey questions that could not provide reliable information of fathers' incomes and occupations relative to their own; thus, the sociological research on intergenerational mobility using occupation commenced earlier compared with the economic approach (Björklund & Jäntti, 2011).

In sociology, driven by a central question of "Mobility between what?" (Morgan, 2006, p. 4), two main approaches have been established: one is *class structure approach* initiated by Lipset and Zetterberg (1959) and later refined by Erikson, Goldthorpe, and Portocarero (1979) that assesses intergenerational mobility using cross-classifications of aggregated social classes measured by occupational titles between generations; the other is a *status attainment approach* developed by Blau and Duncan (1967) that evaluates intergenerational mobility using correlations of socioeconomic status measured by parents' and children's occupations (Breen, 2004; Morgan, 2006).

For economics, in the late 1960s, there was a major breakthrough in collecting representative data including the National Longitudinal Study (NLS) and the Panel Study of Income Dynamics (PSID) initiated in 1966 and 1968, respectively (Björklund & Jäntti, 2011). After a quarter century of refined and sustained efforts on data collection with more ample

information about the economic positions of respondents, these longitudinal datasets reached maturity, thereby providing a foundational basis for empirical researchers to advance the economic analysis of intergenerational mobility. Eventually, the year 1992 witnessed two seminal works on the U.S. intergenerational economic mobility: Solon (1992) and Zimmerman (1992) using PSID and NLS, respectively (Björklund & Jäntti, 2011). Since then, economic research on intergenerational mobility has burgeoned owing to continuous advancement in data collection and more refined econometric methods (Torche, 2015a).

The economic approach using continuous income metrics is arguably preferable compared with the sociological approach using discrete class categories in the following three aspects: cross-national comparability, simplicity of interpretation, and practicality of policy consideration (Björklund & Jäntti, 2000). First, income data is more reliable and widely comparable across countries than occupation data because it does not yield serious difficulty arising from the arduous realigning of country-specific occupational coding into the same class schema for cross-country comparison. Second, the economic approach produces a single and simple summary statistic about the degree of intergenerational mobility, offering a straightforward interpretation of results compared with complex class mobility matrices by the sociological approach. Third, income is more closely tied to relative risk of poverty, which is of particular interest to social welfare policy; thus, economic mobility measured by income can be more pragmatic for policymakers to assess the impact of policies on intergenerational mobility instead of that measured by class.

For this reason, this dissertation follows this line of economic research to conceptualize social mobility as intergenerational income mobility (hereafter, IGM), referring to the relationship of the income of young adults and the income of their parents (Björklund & Jäntti,

2011; Blanden, 2013; Fox et al., 2016). Economists have commonly examined IGM by using its complementary concept, intergenerational income elasticity (henceforth, IGE) (Blanden, 2013; Torche, 2015a). IGE refers to the average percentage of change in children's income associated with a 1% of change in parental income (Blanden, 2013; Torche, 2015a). It captures the degree of intergenerational persistence of inequality between generations, suggesting the level of transmission of economic inequality from one generation to the next as a "moving picture" of inequality (Aaronson & Mazumder, 2008). Higher IGE means stronger intergenerational transmission of advantages and disadvantages, indicating more persistence and less mobility; thus, a complement of IGE (i.e., $1 - \text{IGE}$) is interpreted as IGM (Blanden et al., 2011; Bloome, 2015; Breen, 2004; Fox et al., 2016; Smeeding et al., 2011).

Competing Theories of the Determinants of Social Mobility

In explaining the relationship between welfare states and their differences in social mobility, it is indispensable to adopt the most plausible theory among various competing theories that may explain the determinants of social mobility. On the whole, there are four main theories with reference to explaining changes in social mobility over time and place: 1) the liberal theory of industrialism (or modernization theory), 2) the constant social fluidity thesis, 3) the Easterlin hypothesis (or relative income hypothesis), and 4) the human capital investment theory.

First, the liberal theory of industrialism formulated by Lipset and Zetterberg (1959) postulates that the extent of industrialization (or post-industrialization) and economic development in a given nation determines levels of social mobility (Breen, 2004; Ganzeboom, Luijkx, & Treiman, 1989; Gil-Hernández, Marqués-Perales, & Fachelli, 2017). From this point of view, economic development with industrialization and modernization will inevitably result in higher rates of social mobility, suggesting a universal tendency toward greater fluidity across

countries with a certain level of industrialization and economic expansion.¹⁰ However, some influential scholars (e.g., Goldthorpe, 1964; Treiman, 1970) criticized this Lipset-Zetterberg's theory due to its inconsistency with emerging empirical results. Over the last three decades, research (e.g., Alderson & Nielsen, 2002; Hout & Beller, 2004) has found evidence contradicting the Lipset-Zetterberg's theory, suggesting the importance of other factors (e.g., state intervention or welfare state regimes) in addition to industrial development in determining social mobility trends (Hout & DiPrete, 2006, p. 8).

Second, the constant social fluidity thesis formulated by Erikson and Goldthorpe (1987a, 1987b, 1992) proposes that, as opposed to the prediction of monotonically increasing social mobility by the liberal theory of industrialism, there is a trendless fluctuation in terms of changes in social mobility (Breen, 2004; Gil-Hernández et al., 2017). From this perspective, there is little variation in social mobility through time or between countries except for those experiencing significant state interventions (e.g., Sweden and Hungary) (Erikson & Goldthorpe, 1992; Wong, 1994). Although the constant social fluidity thesis argues that there is no systematic change in social mobility across countries and over time, this perspective gives the possibility of the role of state intervention in influencing social mobility (Breen, 2004).

Third, the Easterlin hypothesis formulated by Richard Easterlin (1961, 1969, 1973) proposes that the size of the birth cohort of one generation has a significant effect on overall life chances (Wright, 1989). The Easterlin hypothesis assumes that an individual's "relative income" measured by the ratio of "earnings potential" (i.e., the income of the younger generation) to "material aspiration" formed in childhood (i.e., the income of its parental generation) determines its fertility behavior: the higher his or her "relative income" (i.e., income is greater than "material

10. Lipset and Zetterberg (1959, p. 13) summarize: "The overall pattern of social mobility appears to be much the same in industrial societies of various Western countries."

aspiration”), the greater the birth rate would be (Olneck & Wolfe, 1978; Wright, 1989).

Regarding the relationship between relative income and cohort size, high “relative income” tends to be associated with individuals born into a small cohort compared with those born into a large cohort because the former is expected to enter into a more favorable labor market than the latter due to its small numbers when reaching working age (Wright, 1989). Thus, relatively small birth cohorts can expect better prospects for the level of material well-being attained through labor market participation compared to relatively large birth cohorts. In this sense, the Easterlin hypothesis provides a compelling case for the role of birth cohort size as the prime determinant of prospects for social mobility.

Fourth, the human capital investment theory formulated by Becker and Tomes (1979, 1986) is one of the most widely adopted theories of a causal link between the economic status of parents and that of their adult children. The theory presumes that a child’s future economic status is a function of private and public investments in the child’s human capital and the child’s endowment (Björklund & Jäntti, 2011; Solon, 2004; Fox et al., 2016). Endowment refers to a variety of individual traits that are inherited both genetically (e.g., height, weight, perceived beauty, race, IQ, and ability) and environmentally (e.g., reputation, connections, learning, skills, goals, and other “family commodities” naturally furnished by the peculiarity of a certain family’s structure and its cultural surroundings). From this point of view, the intergenerational transmission of economic status from parents to their offspring is determined by changes in three key factors: (1) changes in the private (or parental) investment in children (i.e., the level of inequality in the investment spent on children by wealthy and impoverished households), as well as changes in the public (or governmental) investment in children (i.e., the progressivity of government programs for investing in children’s human capital); (2) changes in the returns to

investment in human capital (i.e., the economic returns to schooling, particularly the labor market returns to college education); and (3) changes in the returns to endowment or heritability of endowment (i.e., the magnitude of genetic transmission of income-producing traits) (Mayer & Lopoo, 2004, p. 92; Solon, 2004, p. 46; Fox et al., 2016, p. 3).

When reviewing the aforementioned competing theories for the determinants of social mobility, it can be argued that the Becker-Tomes human capital investment theory is preferable in that it incorporates the demographic and technological contexts of social mobility by its incorporation of returns on human capital investment and investments by the private family and the public sector. Furthermore, this human capital investment theory has intuitive implications for interpreting mobility differences when conducting a two-country comparison on IGM (Solon, 2004). If we find that country A has more intergenerational mobility (or less persistence) than country B, this can be explained by differences in the intergenerational mobility processes between the two countries through the above three important pathways—country A has less productive human capital investment (i.e., higher-income parents' private investment in their children would not work well) or more progressive public investment in human capital, lower returns to human capital, or weaker inheritability compared with country B (Solon, 2004). In this vein, this dissertation selects the intergenerational human capital investment theory as the main theoretical framework for analyzing differences in social mobility between Korea and the United States, which may result, to some extent, from differences in social welfare policies.

Selected Theory of Intergenerational Income Mobility: Human Capital Theory

This study's economic conceptualization of IGM as the complement of IGE (as discussed, $IGM = 1 - IGE$) follows the convention in the intergenerational income mobility literature grounded in the classical theories of IGM (Becker & Tomes, 1979, 1986; Loury, 1981; Solon,

2004), also called the Becker-Tomes human capital model or the intergenerational human capital investment (or accumulation) framework (Fox et al., 2016; Grawe, 2001). The intergenerational human capital investment framework, as the standard model of human capital, is the most commonly used theoretical cornerstone for researchers to understand the underlying processes behind intergenerational persistence (or mobility) from one generation to the next (Björklund & Jäntti, 2011; Mayer & Lopoo, 2008; Fox et al., 2016). The theory was formulated by Becker and Tomes (1979) and then expanded by them (1986) to include the notion of credit constraints, and it was later refined by Solon (2004) to devise a theoretically delicate and empirically stylized version¹¹ of the Becker-Tomes model (Björklund & Jäntti, 2011; Fox et al., 2016).

In essence, the Becker-Tomes human capital model states that multiple processes determine the intergenerational transmission of economic status from parents to their offspring (Björklund & Jäntti, 2011; Fox et al., 2016). To explain how children's future outcomes are influenced by parents' decisions about investments in children and their realized investments, the Becker-Tomes human capital model is premised on two empirically vital equations: one explicates the determination process of parents' life-time income given the parental budget constraint; the other expounds the determination process of adult children's lifetime income (Fox et al., 2016). The first equation regarding parental long-run income of generation t-1 would be in the following form:

$$Y_{t-1} = C_{t-1} + I_{t-1} \dots \dots (1)$$

where parental lifetime income (Y_{t-1}) is separated into the parents' own consumption (C_{t-1}) and investment in children's human capital (I_{t-1}). This equation assumes that parents allocate their

11. This is a simple model of understanding key pathways for intergenerational income persistence with four main parameters: 1) the heritability of income-related traits, the efficacy of family's investment in children's human capital, the earnings return to human capital, and the progressivity of public investment in human capital (Solon, 2004).

lifetime income into both their own consumption and investment in children by maximizing a Cobb-Douglas utility function.¹² From the first equation, investment in children's human capital (I_{t-1}) equals parental lifetime income (Y_{t-1}) minus parental personal consumption (C_{t-1}). Then, children's lifetime income (Y_t) of generation t is a function of parental investment in children's human capital (I_{t-1}), child's endowment (e_t), and market luck (u_t):

$$Y_t = a \left[(1+r)I_{t-1} + \lambda e_t + u_t \right] \dots\dots (2)$$

where parental investment in children's human capital is influenced by parental propensity¹³ to invest in children (a) and the return to children's human capital invested (γ), and child's endowment is dictated by the level of inheritability of parental endowment (λ). Endowment, as discussed, signifies genetically and environmentally inherited individual traits. Market luck is considered as a stochastic error term reflecting the chances of children's success in the market predicted by parents' a priori knowledge to their investment in children's human capital before their realization of investing in children (Fox et al., 2016).

The Becker-Tomes human capital model points out that three key factors are fundamental in determining intergenerational mobility: the private family and governmental investment in children, the returns to investment in human capital in the labor market, and the returns to endowment (Mayer & Lopoo, 2004, p. 92; Solon, 2004, p. 46; Fox et al., 2016, p. 3). Among these three factors, considering the unchangeability of the heritability of relevant income-generating traits (Mayer & Lopoo, 2005), the first two factors can be modified by the

12. This is a particular functional form of the production function, which highlights the relationship between two inputs (e.g., capital and labor; work effort and saving; consumption and human capital investment) and the amount of output (e.g., utility) yielded by those two inputs (Tuerck, 2015).

13. It is also called the parental altruism parameter representing the parents' preference of investment in children to their own consumption (Solon, 2004, p. 41).

welfare state's enhanced public provision of human capital—increasing investments in the health, nutrition, and knowledge of poor children through various social welfare programs, making schooling institutions more accessible and publicly funded, and recalibrating labor-market institutions to be more egalitarian and inclusive systems with less wage differentials between skilled and unskilled workers (Mayer & Lopoo, 2004; Björklund & Jäntti, 2011). In addition, considering that the process of intergenerational transmission of advantages and disadvantages starts in the very early years of a child's life and persists across childhood, adolescence, and young adulthood, earlier, and more progressive governmental investments in children through a comprehensive system of affordable early child care and education combined with guaranteed paid parental leave for the first year after childbirth and strong work-family reconciliation policies would likely have a crucial equalizing effect on child outcomes, especially those of children residing in low-income families (Fox et al., 2016).

Empirical Evidence on Intergenerational Income Mobility

Evidence on Intergenerational Income Mobility in the United States.

Many Americans desire to believe that the concept of the “American Dream,” linked with high IGM, still holds true for the United States; however, the American Dream is more achievable in Europe than the United States, particularly in Denmark (DeParle, 2012; Corak, 2016b: 52). Despite conflicting findings across studies,¹⁴ there is a common scholarly consensus that since the 1980s, IGM in the United States has been either fluctuating or declining in conjunction with the significant rise in socioeconomic inequality (Beller & Hout, 2006; Davis & Mazumder, 2017; Lee & Solon, 2009; Mazumder, 2012; Sawhill, 2008).

14. This inconsistency in the U.S. elasticity findings is mainly due to differences in the kind of data, the representativeness of the data, the selection of the children's birth cohorts, and the measure of parental income across empirical studies (Mayer & Lopoo, 2005).

A number of scholars have conducted research to assess IGM using the elasticity of children's earnings (or income) with respect to the same measure of their parents (i.e., IGE). In the 1980s, in a comprehensive review of existing estimates on IGE between fathers and sons in the United States and other European countries, Becker and Tomes (1986) found that the United States had very low IGE (less than or equal to 0.2) across multiple studies, thereby concluding that the United States should be regarded as the land of opportunity. The U.S.'s IGE of 0.2 indicated that only 20% of the difference between fathers' earnings was reflected in the difference between son's earnings, indicating that the disadvantage of living in a poor family would disappear within three generations (75 years) (Becker & Tomes, 1986).

However, using a nationally representative sample (i.e., PSID data) with more sophisticated methodology, Solon (1992) stated that prior studies' estimates reviewed by Becker and Tomes (1986) were downwardly biased because those studies were based on unrepresentative samples with measurement error, thereby contesting Becker and Tomes's (1986) view. By rectifying all the potential sources of error, Solon (1992) proposed that the U.S.'s IGE was at least 0.4 or greater, suggesting that the United States is less economically mobile than previously assumed. Likewise, using another representative sample (i.e., NLS data), Zimmerman (1992) found that the U.S.'s IGE was about 0.4, which disproved Becker and Tomes's (1986) assertion.

Since 1992, economics literature has accumulated on the subject of the IGE, showing that the elasticity in the United States could be about 0.5 or greater using administrative data on earnings (Chetty, Hendren, Kline, & Saez, 2014; Mazumder, 2005a, 2005b, 2012) or longitudinal survey data on family income (Bloome, 2015). The most recent study by Davis and Mazumder (2017) provided evidence that the U.S.'s IGE has increased from 0.35 in cohorts born

between 1942 and 1953, entering the labor market before 1980, to 0.51 in those born between 1957 and 1964, entering the labor market after 1980. Their finding confirmed evidence from previous studies that the U.S.'s upward mobility has considerably decreased since 1980 (Aaronson & Mazumder, 2008; Mazumder, 2012; Fox et al., 2016).

In addition, some scholars have found that the United States has higher generational income persistence rates by income group¹⁵ compared with other liberal welfare states such as the United Kingdom and Canada. For instance, Corak (2006) suggested that the probability for children born to low-income parents to become low-income adults was 50% and the probability for children born to high-income parents to become high-income adults was 40%, which is greater than those in the United Kingdom (40% and 40%) and Canada (30% and 30%).

In sum, over the past four decades, the intergenerational persistence of income (i.e., IGE) in the United States has strikingly changed from 0.2 in the 1980s to 0.4 in the late 1990s, then increasing up to 0.6 in the 2000s, then decreasing to 0.34 in the 2010s (Solon, 1999; Mazumder, 2005a, 2005b, 2012; Black & Devereux, 2011; Chetty et al., 2014; Fox et al., 2016). Recently, a consensual rate of the U.S.'s IGE is around 0.5, ranging from 0.34 to 0.6 (Corak, 2006, 2016b; Fox et al., 2016). An IGE of 0.5 means that six generations (150 years) would be needed to eliminate the disadvantage (or the advantage) attached to the children of lower-income (or higher-income) parents, indicating a significant decline in intergenerational income mobility in recent years compared with the IGE of 0.2 or less in the 1980s (Mazumder, 2005a).

15. This was based on quartile transition matrix approach considering the nonlinearity of IGE. In the quartile transition matrix, income groups are divided into four categories: bottom, 2nd, 3rd, and top. Thus, the low-income group means the bottom quartile; high-income group means the top quartile (Corak, 2006).

Evidence on Intergenerational Income Mobility in Korea.

Korea, as a society of great ethnic and cultural homogeneity with Confucian social norms and work ethics, has achieved rapid economic development and social mobility with considerable educational expansion and increasing welfare expenditure (Jones & Urasawa, 2014; Park, 2004). However, over the past two decades, Korea has undergone a pronounced increase in inequality in conjunction with rising poverty, especially among the elderly, and worsening labor market dualism.¹⁶ As a result, many Koreans have become convinced that the social mobility ladder in Korea has been seriously broken; four out of five Korean respondents replied that they could not achieve upward social mobility through their own efforts (Statistics Korea, 2016). Consistent with this bleak public perception of Koreans about the lack of upward mobility, the most recent study by Yeo and colleagues (2015) reported that the likelihood of the lower-income class moving up to the middle-income class has decreased from 32.4% in 2007 to 22.6% in 2014.

In light of the Korean mobility literature, a small but growing number of scholars have examined IGM using IGE, particularly the correlation between parents' and adult children's earnings. Using the Korean Labor and Panel Study (KLIPS) data, the collection of which began in 1998, the first research on IGE was conducted by Kim, Kim, and Ha (2009). Despite the immaturity of the KLIPS as an adequate data for the study of IGE, Kim and his colleagues (2009) followed the same method suggested by earlier U.S. studies (i.e., Solon, 1992, 1999; Zimmerman, 1992; Haider & Solon, 2006) and found that Korean IGE was about 0.26, ranging from 0.11 to 0.38 depending on how fathers' earnings were measured (i.e., a single-year measure, a 5-year averaged measure, or a predicted measure using fathers' education as a proxy for their earnings).

16. This refers to a sharp distinction between labor market insiders and outsiders in terms of wage level, fringe benefits, job stability, and career prospects (Kim, 2017; Lee & Ku, 2016).

Their finding was lower compared with the U.S.'s IGE of 0.4 or greater provided by Solon (2002) and Zimmerman (1992), suggesting that Korea is arguably more mobile than the United States.

However, Kim et al.'s (2009) finding should be interpreted with caution because their estimates may be biased by reliance on relatively small sample size (N=138) with an immature¹⁷ panel data (i.e., a total of nine waves of the KLIPS data were used). Kim et al.'s (2009) initial study was replicated and refined by Kim, Seok, and Hyun (2012) based on increased sample size (i.e., a total of eleven waves of the KLIPS data were used; N=197) with multiple sensitivity tests to yield more robust IGE estimates. Kim et al. (2012) found that Korean IGE was about 0.34, ranging from 0.21 to 0.34 depending on different measures of parental earnings. Both Kim et al. (2009) and Kim et al. (2012) findings indicate that Korea might be more economically mobile compared with the United States.

In contrast, Choi and Hong's 2011 study found that Korean IGE was about 0.40, ranging from 0.13 to 0.44 based on different estimation methods. Further, Choi and Hong (2011) performed a quantile¹⁸ regression analysis as an alternative to the mean regression analysis conducted by previous studies and found that Korean IGE for children whose parents were in the bottom-fifth of the income distribution was about 0.6. Their findings suggested that unlike the two previous studies' conclusions, mobility in Korea may be considerably less than previously believed, particularly for children from lower-income families, although their sample was based on only father-son pairs (N=369).

17. Panel data is regarded as immature or short if it has less than 20 years of earnings data for each generation (Fox et al., 2016).

18. Quantiles refer to the relative positions of sons in their income distribution, expressed as percentile ranks from 1 to 100 (Grawe, 2001). Thus, quantiles are different from quartiles (using three cut-offs to form four groups) or quintiles (using four cut-offs to form five groups). Choi and Hong (2011) estimated different IGEs using five quantiles of sons: 10th, 25th, 50th, 75th, and 90th percentile ranks.

Meanwhile, Yang (2012) presented evidence that the Korean IGE ranged between 0.3 and 0.4. This finding was in the middle, given the previous results: around 0.3 (Kim et al., 2009; Kim et al. 2012) and about 0.4 (Choi & Hong, 2011). However, Ueda (2013) reported that the Korean IGE was about 0.24 (for sons in their thirties), which is equivalent to the finding suggested by Kim et al. (2009). The most recent studies by Kim (2017) and Nam (2018) found that Korean IGE was about 0.4 and around 0.2, respectively. Their conflicting estimates of Korean IGE derive from different selections of adult children's birth cohort (the 1958-1973 birth cohort versus the 1978-1990 birth cohort), disparate choice of gender of adult children (sons versus both sons and daughters), dissimilar measures of economic well-being for parents and adult children (individual earnings versus total family income), and differing use of analytic methods (the two-sample approach versus the standard log-linear approach), although both studies used the same data (i.e., the KLIPS data).

To sum up, over the last decade, several researchers have become increasingly interested in conducting research on the intergenerational persistence of income (i.e., IGE) in Korea and yet there is no scholarly consensus on the "true" rates of Korean IGE: 0.2 (Nam, 2018), 0.24 (Ueda, 2013), 0.26 (Kim et al., 2009), 0.34 (Kim et al., 2012), 0.4 (Choi & Hong, 2011; Kim, 2017), or between 0.3 and 0.4 (Yang, 2012). The Korean IGE estimates across these various studies including those by Kim (2017) and Nam (2018) that are most cited span a range from 0.2 to 0.4. The midpoint is thus around 0.3, suggesting that the Korean IGE estimate is considerably smaller compared with the American IGE estimate of about 0.5 (i.e., the Korean IGE is nearly 60% of the U.S.'s IGE). The IGE in Korea of 0.3 means that four generations (100 years) are required to phase out the disadvantage (or the advantage) of children with lower-income (or higher-income)

family background, compared with the IGE in the United States of 0.5 which corresponds to six generations (150 years) (Fox et al., 2016).

Evidence on Intergenerational Income Mobility in Other Countries.

Evidence from advanced capitalist nations.

With the U.S.'s IGE of 0.5 and a plausibly estimated Korean IGE of 0.3 in mind, a considerable number of researchers outside of the United States and Korea have estimated IGE inversely associated with IGM and provided evidence in cross-national comparative perspectives. Many cross-country studies on IGE focus on its differences between the researchers' own nation as a referent group and other advanced capitalist nations as a comparison group (mainly, the United States). In this line of research, Björklund & Jäntti (1997) was among one of the first studies to compare Sweden with the United States. Incentivized by Solon (1992), Björklund & Jäntti (1997) applied the same analytic approach suggested by Solon (1992) to the Swedish data (i.e., the Swedish Level of Living Survey) and found that Swedish IGE (0.28, ranging from 0.17 to 0.36) was smaller than the U.S.'s IGE (0.42, ranging from 0.23 to 0.52), although their finding was inconclusive because no statistical significance was found in those mobility differences. Using the Swedish Income Panel (SWIP), Österberg, T. (2000) reported that Swedish IGE was about 0.13, thereby confirming Björklund & Jäntti's (1997) view that Sweden is more mobile than the United States (Solon, 2002). Similar to Sweden, Corak and Heisz (1999) and Österbacka (2001) presented evidence that the Canadian IGE was about 0.2 and the Finnish IGE ranged between 0.15 and 0.20, indicating that Canada and Finland are more mobile than the United States (Solon, 2002). Using the National Child Development Survey data in the United Kingdom, Dearden, Machin, and Reed (1997) found the U.K.'s IGE was between 0.40 and 0.60 for sons

and between 0.45 and 0.70 for daughters, which was higher compared with the United States, suggesting that the United Kingdom was less mobile than the United States.

Notably, over the last decade, a growing number of scholars has vigorously conducted research on IGE by comparing the United States with other developed industrialized nations and the consensus today is that among nine rich countries, the United States and the United Kingdom rank the highest in IGE with elasticities of 0.47 and 0.50, respectively; France and Germany rank the second highest with elasticities of 0.41 and 0.32; Sweden is at 0.27; Canada, Finland, Norway, and Denmark are at less than 0.20 intergenerational elasticities (Corak, 2006; Fox et al., 2016). Using the benchmark constructed by Smeeding et al. (2011, p. 9), Corak's 2006 finding suggests that the United States, the United Kingdom, and France are the least mobile (i.e., IGE is equal to or greater than 0.4); Germany is at medium-level (i.e., IGE falls between 0.3 and 0.4); Canada, Finland, Norway, Denmark, and Sweden have the highest mobility (i.e., IGE is equal to or less than 0.3). Corak's view (2006) is consistent with that of other studies (Beller & Hout, 2006; Jäntti et al., 2006).

Conducting a thorough review of cross-national estimates of economic mobility using income and occupation in many advanced countries, Beller and Hout (2006) found that the United States is the least mobile society compared with other capitalist democracies such as Finland, Norway, Sweden, and Germany in terms of income mobility, although the United States lies in the middle of occupational mobility. Jäntti et al. (2006, p. 13) have presented evidence that the United States (0.52) has the lowest mobility; the Nordic countries of Denmark, Finland, Norway, and Sweden (between 0.07 and 0.26) have the highest mobility; the United Kingdom (0.31) is in the middle in terms of IGE. In a similar vein, recent scholarship on cross-national comparative mobility research has pointed out the exceptionally low level of the U.S.'s IGM

evidenced by the U.S.'s IGE of 0.4 or greater (Björklund & Jäntti, 2011; Blanden, 2013, 2015; Corak, 2013, 2016a; D'Addio, 2007; Fox et al., 2016; Jäntti & Jenkins, 2015).

Among advanced capitalist countries, there appears to be a clear relationship between the magnitude of the IGE and the extent of the welfare state effort in terms of two elements: (a) its aggregated size (i.e., the concept of welfare state generosity measured by public social spending¹⁹ as a percentage of gross domestic product [GDP]) and (b) spending structure (i.e., the concept of social service orientedness²⁰ measured by the share of social service spending²¹ relative to public social spending). Figures 1.1 and 1.2 visualize the relationship between the degree of the welfare state effort and the level of IGE among thirteen selected advanced capitalist nations²² based on OECD (2018a) and the OECD Social Expenditure Database (SOCX) (2019). In Figures 1.1 and 1.2, there appears to be negative associations between IGE and welfare state generosity (i.e., the greater the total social expenditure, the smaller the IGE is), and between IGE and welfare state spending structure (i.e., higher proportion of social service spending relative to total social expenditure is related to lower IGE) among those thirteen nations. Although not statistically significant, such relations are illustrative of links between the welfare state context and IGM and are also consistent with findings in the existing literature on comparative welfare state and social

19. Public social spending refers to social spending with financial flows controlled by general government (different levels of government and social security funds) as social insurance and social assistance payments (OECD, 2019). It consists of cash benefits and services in five key social policy areas: pensions (old age and survivors), health, all social services except health, income support to the working-age population, and active labor market policies (ALMPs).

20. This is conceptualized as the degree to which social service is emphasized in the spending structure of the welfare state (Ahn, 2007). It is based on social investment hypothesis, which claims that higher social service orientedness yields greater economic growth and social equality (Ahn & Kim, 2015).

21. This refers to spending on care-related services for the elderly and the disabled, health and childcare services, housing assistance, and other social services (OECD, 2019).

22. Countries are selected to reflect four welfare regimes: Denmark, Finland, Norway, and Sweden represent social democratic welfare regimes; France, Germany, Belgium, and Italy reflect conservative welfare regimes; Canada, the United States, the United Kingdom stand for liberal welfare regimes; Korea and Japan signify East Asian welfare regimes.

mobility (Beller & Hout, 2006a, 2006b; Breen, 2004; Corak, 2004; Hout & DiPrete, 2006; Smeeding et al., 2011; Fox et al., 2016).

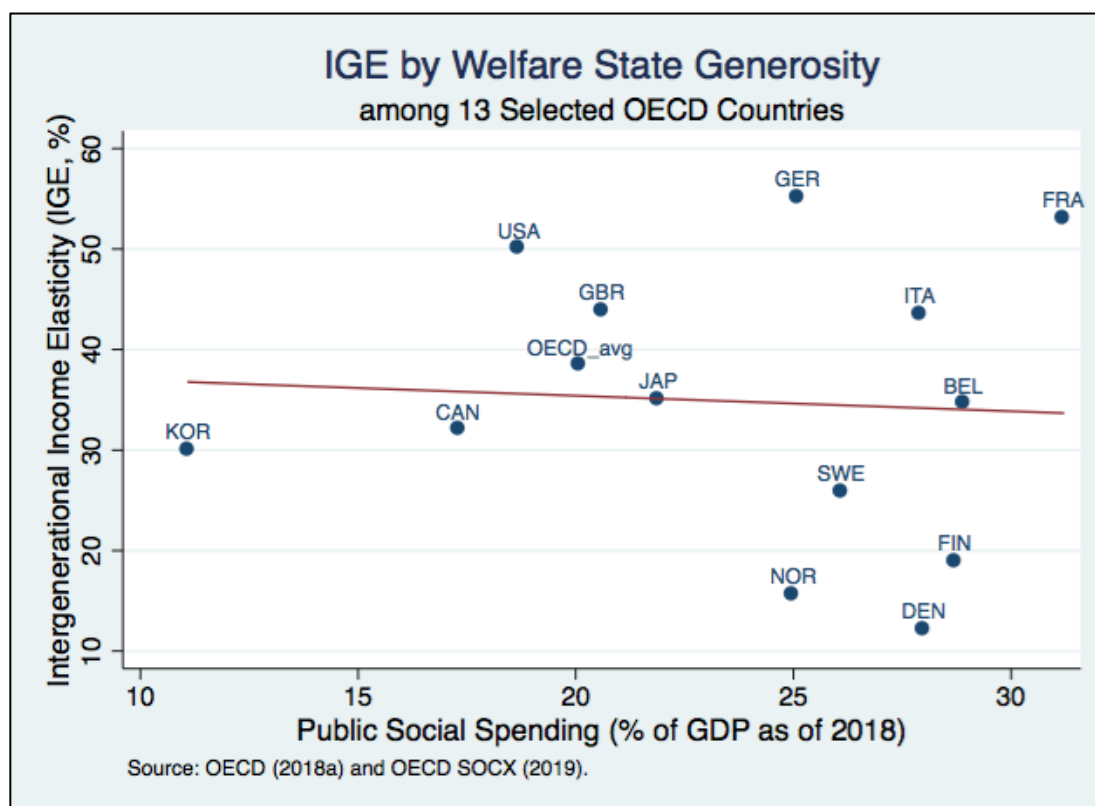


Figure 1.1. Relationship between IGE and Welfare State's Generosity.

Note: BEL = Belgium, CAN = Canada, DEN = Denmark, FIN = Finland, FRA= France, GBR = the United Kingdom, GER = Germany, ITA = Italy, JAP = Japan, KOR = Korea, NOR = Norway, SWE = Sweden, USA = the United States, and OECD_avg = the OECD average.

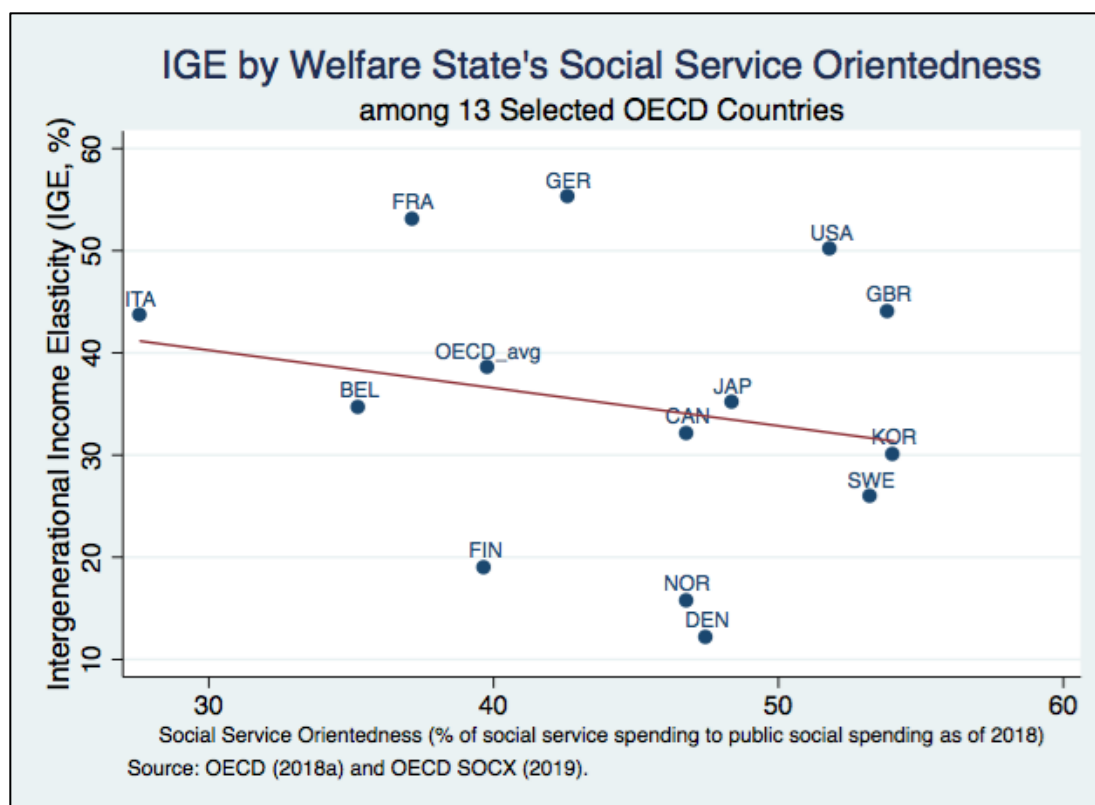


Figure 1.2. Relationship between IGE and Welfare State's Social Service Orientedness. Note: BEL = Belgium, CAN = Canada, DEN = Denmark, FIN = Finland, FRA= France, GBR = the United Kingdom, GER = Germany, ITA = Italy, JAP = Japan, KOR = Korea, NOR = Norway, SWE = Sweden, USA = the United States, and OECD_avg = the OECD average.

Evidence from East Asian nations.

Cross-national comparative research has largely focused on advanced capitalist countries in the West (e.g., Björklund & Jäntti, 2011; Blanden, 2009, 2013; Bowles & Gintis, 2002; Corak, 2006, 2013; Jäntti et al., 2006; Smeeding et al., 2011). Recent research, however, has turned to East Asian nations such as Taiwan, Singapore, Japan, Vietnam, and China to yield empirical insights (e.g., Kan, Li, & Wang, 2015; Ng, Shen, & Ho, 2009; Ueda, 2015; Lam & Cuong, 2017; Li, Liu, & Wang, 2014). In examining the Survey of Family Income and Expenditure (SFIE) in Taiwan, Kan, Li, and Wang (2015) found that intergenerational income elasticity between fathers and sons was 0.18, which was smaller compared with other advanced industrialized nations. In another study of mobility between Singapore and the United States, Singapore's

intergenerational earnings elasticity was 0.26, which was only 0.02 lower than the United States, according to the Singapore National Youth Survey conducted in 2002 and the Panel Study of Income Dynamics conducted in 2003, respectively (Ng, Shen, & Ho, 2009). In a study of mobility in Japan, using the 2009-2011 Japanese Household Panel Study (JHPS), intergenerational elasticity of income in Japan fell between 0.32 and 0.34, indicating that Japanese's intergenerational income mobility was relatively high from an international perspective (Ueda, 2015). More recently, a study of mobility in Vietnam, using the Vietnam Household Living Standard Survey (VHLSS), found that intergenerational income elasticity in Vietnam was estimated as 0.36, suggesting that Vietnam was comparatively similar to Japan in East Asia with respect to intergenerational income mobility (Lam & Cuong, 2017). A study of mobility in China, using the China Health and Nutrition Survey (CHNS), found that intergenerational income elasticity in China was estimated as 0.83, suggesting that China was the least mobile with respect to intergenerational income mobility (Li, Liu, & Wang, 2014).

Broadening this line of comparative research to East Asian countries, including Korea, may enrich our understanding of IGM both theoretically and empirically. Some East Asian nations, specifically the so-called “Asian tiger” economies of the 1980s rose into advanced capitalism. Korea, Hong Kong, Singapore, and Taiwan developed economically more recently compared with their Western counterparts, and did so under different socio-political-cultural histories and welfare state configurations (Walker & Wong, 2005). Some scholars have proposed that these Asian nations have a common and uniquely Eastern welfare regime type, termed as the “Confucian welfare state” and initially conceptualized by Jones (1990). Deriving from family-based values rooted in Confucianism as a cultural and philosophical heritage in East Asia, the Confucian welfare state, as in Korea, is marked by larger responsibility by the family than the

state for welfare provision and can thus be differentiated from the liberal, conservative or Christian democratic, and social democratic welfare state regime types, as detailed in Chapter 2.

The Point of Departure for Investigation into IGM between the United States and Korea

All in all, with regard to the United States and Korean mobility, the current consensus on the U.S.'s IGE of 0.5 (Corak, 2006; Fox et al., 2016) and the most credibly estimated Korean IGE of 0.3 (Kim, 2017; Nam, 2018) is also supported by the most recent comparative study by Corak (2016b). Among 24 high- and middle-income countries,²³ including Korea and the United States, intergenerational persistence of earnings in the United States (0.47) is considerably larger (about 67%) than that of Korea (0.25) (Corak, 2016b). Korean IGE of 0.3 and American IGE of 0.5, consistent with Corak's (2016b) finding, are the point of departure for this dissertation to compare intergenerational income mobility between the United States and Korea and explain any difference in connection with the role of the welfare state. Although Korea seems more mobile than the United States (i.e., $0.5 - 0.3 = 0.2$), this between-country mobility difference poses a critical two-part question: What are factors that account for differences in the observed levels of intergenerational mobility between Korea and the United States, and do some factors appear to arise from differences in welfare state context?

Welfare State

Aim of the Section

The welfare state is a slippery concept to analyze because it is a complex and historically evolving edifice of policies and institutions that are socially embedded and constructed in a

23. Among 24 middle-income and high-income countries, only eight nations (Peru, South Africa, China, Brazil, Chile, Italy, United Kingdom, and Argentina) are lower than the United States in economic mobility (Corak, 2016b).

particular sort of society; thus, at the theoretical level, it is imperative to clarify what “welfare state” means, how it is defined, what functions it has, and how it varies.

In order to obtain a coherent conceptual narrative of the welfare state and its variant forms, this section proceeds as follows. First, it starts by briefly describing the definition and functions of the welfare state. Second, it explains a typology of welfare states developed by Esping-Andersen (1990). Third, it goes on to explicate gender-based critique against Esping-Andersen’s welfare regime theory, including pronounced extensions to his welfare regime types by notable welfare state scholars. In addition, it provides a brief overview of empirical developments on IGM by gender in the United States and Korea. This step-by-step review of the welfare state is intended to build a foundational understanding for the welfare state context as an essential preliminary step to examining specific welfare state provisions and their potential impacts on IGM that will be discussed further in the next section.

Definition and Functions of the Welfare State

The prevailing definition of the welfare state among social policy scholars is “any particular society’s approach to the meeting of essential human needs through a balance it strikes between capitalism (market exchange) and socialism (governmental provision)” (Garfinkel, Rainwater, & Smeeding, 2010, p. 2). The welfare state illustrates the deeply ingrained confrontation between pro-capitalists as proponents for market autonomy and pro-welfarists as protagonists for socioeconomic rights, within a given political democracy (Almgren, 2011). Based on the foundational notions formulated by T. H. Marshall (1950), the welfare state emerged in Western democracies during the post-World War II era as a means of reconciling political democracy with social class, whereby social citizenship came in to tension with increasing class inequality due to the expanded reach of capital. In this view, the welfare state

serves as an arbiter that acts as a moderating mechanism for existing class divisions and social inequality independent of capitalist interests (Esping-Andersen, 1990). The welfare state is thus roughly the entirety of the socio-politico-economic system that can take coordinated actions against any market-generated socioeconomic risks through economic redistribution and the equalization of life chances (Western, Bloome, Sosnaud, & Tach, 2012). Social welfare policy is necessary to mitigate class conflict and to rectify economic insecurity to a certain degree, though the expected function for social welfare policy varies by ideal and preferred assumptions about the relationship between the market and the state (Esping-Andersen, 1990).

Beyond this definition, there has been a wide range of definitions of the welfare state over time by numerous scholars across various disciplines. The prominent Swedish welfare scholar, Gøsta Esping-Andersen (1990, pp. 18-19) defined the welfare state as “a state responsibility for securing some basic modicum of welfare for its citizens.” A well-known U.S. social welfare historian, Michael Katz, defined the welfare state as “a collection of programs designed to assure economic security to all citizens by guaranteeing the fundamental necessities of life: food, shelter, medical care, protection in childhood, and support in old age” (2008, p. 9). An eminent British historian, Asa Briggs (2014) defined the welfare state as the following:

A state in which organized power is deliberately used (through politics and administration) in an effort to modify the play of market forces in at least three directions—first, by guaranteeing individuals and families a minimum income irrespective of the market value of their work or their property; second, by narrowing the extent of insecurity by enabling individuals and families to meet certain “social contingencies” (for example, sickness, old age, and unemployment) which lead otherwise to individual and family crises; and third, by ensuring that all citizens without distinction

of status or class are offered the best standards available in relation to a certain agreed range of social services. (p. 14)

Meanwhile, two distinguished American sociologists as well as political activists, Piven and Cloward, defined the welfare state as a kind of system to regulate the poor, as a “relief-giving and its uses in regulating the political and economic behavior of the poor” (1993, p. 15). From this neo-Marxist viewpoint, social policies are subsequently presumed to function not as a means for citizens’ emancipation from all forms of discrimination and oppression, but for political legitimacy and social stability for capitalist society (Esping-Andersen, 1990; O’Connor, 1973; Piven & Cloward, 1993). Accordingly, neo-Marxists claim that the welfare state is not emancipatory for citizens’ well-being but rather is constructed as a crucial tool essential to class exploitation. By extension, it is acknowledged that the function of state-sponsored social welfare (i.e., social assistance and social insurance schemes) within the political economy of capitalism is regarded as a way to bridge the gap between insufficient wages and consumption costs arising from different reproductive phases (e.g., marriage, birth, the maturing of children, and the leaving home of children) for working class families; thus, redistributive social welfare is a *sine qua non* to solve the crisis of working class reproduction (Wayne, 1986).²⁴ Neo-Marxism argues that the welfare state essentially serves as a subordinate system controlled by capitalist interests, thereby acting as a pure reproduction mechanism of existing class structure (Esping-Andersen, 1990; O’Connor, 1973; Offe, 1972).²⁵

24. Although Marx views that the value of labor power is formed by two elements (physical or social supply and demand), what matters is that the insufficiency of the wage threatens the proletariat’s survival and reproduction (Wayne, 1986).

25. Neo-Marxism assumes that the welfare state has relative autonomy (Poulantzas, 1973; Block, 1977) that is different from the orthodox Marxist’s standpoint (Ahn, 2000).

Typology of the Welfare State

Esping-Andersen's (1990) typology of welfare state regimes is noteworthy as a seminal work in the literature of comparative social welfare policy. He used empirical social data from 18 OECD welfare states including the United States and formulated three ideal-type welfare regimes: *liberal*, *conservative*, and *social democratic* (Esping-Andersen, 1990). This threefold classification of welfare regimes is based on three key concepts: 1) decommodification (i.e., the degree to which an individual can maintain a livelihood without reliance on the market as it relates to the strength, scope, and quality of social rights in a given society), assessed by decommodification indices²⁶ in three main social welfare programs such as pensions, sickness benefits, and unemployment insurance, 2) social stratification (i.e., the degree to which the welfare state impacts on social structure as an engine of social stratification, thereby maintaining, promoting, or reducing existing social inequality), and 3) the public-private amalgam of social welfare provision (i.e., the degree to which the state and the market play a key role in co-constructing social welfare systems to satiate basic and essential material security of the citizenry) (Bambra, 2005; Esping-Andersen, 1990; Scruggs & Allan, 2008).

Using three ideal types of welfare regime is beneficial to researchers because it allows them "to be able to see the forest rather than the myriad of unique trees" (Esping-Andersen, 1997, p. 179; cited in Kuypers, 2014). The *liberal* welfare state regime is characterized by the state's meager social welfare provision, strict rules for entitlement, and minimal means-tested benefits typically associated with stigma to seek more market-oriented solutions for social risks, which depicts the de facto nature of the U.S. welfare state (Esping-Andersen, 1990). The *conservative*

26. These indices are conceptually devised based on three dimensions (eligibility rules and restrictions on entitlements, income replacement, and the range of entitlements) and three types of social security arrangements (social assistance, social insurance, and flat-rate benefits) (Esping-Andersen, 1990).

welfare state regime features the state's central role in social welfare provision with an emphasis on traditional family and religious roles, status-based rules for entitlement, and earnings-related benefits administered by the employer to preserve existing status differences. The *social democratic* welfare state regime is distinguished by the state's strong interventionist role in social welfare provision, universal and solidarity-based rules for entitlement, and relatively generous and active benefits with an emphasis on adequate income protection and full employment to enhance equality through government-led redistribution instead of market-centered approaches.

Most importantly, the welfare state is a producer of stratification because it is regarded as “a mechanism that intervenes in, and possibly corrects, the structure of inequality; it is, in its own right, a system of stratification” (Esping-Andersen, 1990, p. 23). In this sense, the shape of stratification differs by welfare regimes. For instance, the *liberal* welfare regime tends to produce dualisms between various groups; the *conservative* welfare regime tends to maintain status differences; and the *social democratic* regime tends to actively rectify differences between social classes through promoting universal social rights (Sachweh & Olafsdottir, 2012). In terms of stratification realities and aspirations, the liberal welfare regime has more pronounced inequality of outcomes compared with conservative or social democratic ones due to its limited efforts to alleviate market-generated inequalities (Korpi & Palme, 1998; Goodin et al., 1999; Sachweh & Olafsdottir, 2012); however, it cherishes a strong myth of equal opportunities. The majority of citizens in liberal welfare regimes, particularly in the United States, tend to believe that market-generated unequal outcomes can be ultimately offset by their overvalued prospects for social and economic mobility (DiPrete, 2007; Sachweh & Olafsdottir, 2012).

Gender-based Critique on Typology of the Welfare State and Empirical Developments

The key critique of Esping-Andersen's (1990) typology of the welfare state derives from feminist welfare scholars who have criticized his welfare regime typology as gender-insensitive. The main criticism by feminist scholarship centers on three aspects: "the gender-blind concept of decommodification, the unawareness of the role of women and the family in the provision of welfare, and the lack of consideration given to gender as a form of social stratification" (Bambra, 2007, p. 1100). Feminist welfare scholarship asserts that the gender-specific arrangements underlying three social institutions (i.e., the state, the market, and the family) and their relations should be incorporated into key dimensions of the welfare regime typology (Lewis, 1992; Lewis & Ostner, 1994; Sainsbury, 1999). These scholars have contended that welfare regimes should be reclassified based on the strength or weakness of the male breadwinner model, suggesting that the familialism–defamilialization²⁷ axis should be added to the commodification–decommodification axis suggested by Esping-Andersen (1990) (Orloff, 1993; Lister, 1994; Saraceno, 1997, 2016). This feminist critique against Esping-Andersen's welfare regimes has offered a possibility to reclassify southern European welfare regimes that hinge primarily on familialism (Bonoli, 1997; Ferrera, 1996), referring to "a gendered and intergenerationally structured family solidarity" for welfare provisions (Saraceno, 2016, p. 315). This additional welfare regime, called "familialistic welfare regime," influenced many scholars who have examined East Asian welfare regimes (e.g., Estevez-Abe & Kim, 2014; Jones, 1993; Phillips & Jung 2013; Peng, 2002).

27. The concept of defamilialization is defined as "the degree to which individuals can uphold a socially acceptable standard of living independently of family relationships, either through paid work or social security provision" (Lister, 1994, p. 37).

Likewise, the empirical literature on intergenerational mobility has been dominated by a focus on men. Most earlier economic studies of intergenerational mobility typically relied on individual earnings of sons with respect to that of fathers; however, in the past two decades, research in this field of intergenerational economic mobility has progressed toward creation of more comprehensive and gender-inclusive measure of economic standing in both generations. These studies have yielded insights in three important ways: considering total family income, daughters' income, and the role of spousal income through "assortative mating"²⁸ (spousal selection) in the intergenerational transmission process of economic status (Fox et al., 2016; Torche, 2015a).

In regard to the U.S. mobility literature by gender, few researchers have examined the mobility outcomes of daughters due to the fact that daughters' individual earnings are a less reliable indicator of economic status compared with sons', which results from females' weaker and less stable labor market attachment than males (Fox et al., 2016). Despite this challenge of including daughters, Chadwick and Solon (2002) were the first to scrutinize gender differences in the U.S.'s IGM, thereby calling for a need for feminist and gender-sensitive perspectives within the male-dominant mobility studies (Hussain, Bonke, & Munk, 2011, p. 10). Chadwick and Solon (2002) contended that total family income should be used instead of individual earnings because the former is more comprehensive for evaluating the economic well-being of the family in the mobility process. Using family income in PSID data, Chadwick and Solon (2002) found that daughters' IGE ranging from 0.35 to 0.49 were relatively less than sons' ranging from 0.43 to 0.58 based on family income instead of individual earnings. Their key finding that women's IGE was substantial (although slightly smaller compared with men's)

28. Assortative mating refers to "any nonrandomness in the process of who mates whom," indicating that there is a positive correlation between spouses in terms of their income and educational attainment (Chadwick & Solon, 2002, p. 336).

suggested that there was a significant role of assortative mating (i.e., the effect of spouses) in the intergenerational transmission mechanism (Chadwick & Solon, 2002).

By applying the gender perspective in the study of IGE trends over time, Mayer and Lopoo (2004) extended Chadwick and Solon's (2002) study. Mayer and Lopoo (2004) reported that IGE time-series trends differed by gender, although those differences were insignificant; daughters' IGE rose for the 1958-1961 birth cohorts but fell for the 1962-1965 birth cohorts whereas sons' IGE increased for the 1949-1953 birth cohorts but decreased for the 1954-1965 birth cohorts. Regarding the gender differences in mobility, it is noteworthy that daughters' IGEs are equivalent to sons' over the longer term, though women appear to be less mobile than men in the short term (Mazumder, 2005a; Fox et al., 2016).

In regard to Korean mobility literature by gender, two recent studies are noteworthy, though empirical research on gender-based mobility is still in its early stage. Ueda (2013) utilized the simulation extrapolation (SIMEX) method as a more refined technique to reduce measurement error and found that there were differences in IGEs between sons and daughters; daughters' IGEs (around 0.35 for those aged 30-39; about 0.40 for those aged 25-54) were relatively higher than sons' (approximately 0.25 for those aged 30-39; roughly 0.35 for those aged 25-54), indicating that daughters were less mobile than sons.²⁹ Subscribing to Ueda's finding (2013), Nam (2018) reported that daughters' IGEs (around 0.21 for those aged 28 on average) were greater than sons' (around 0.14 for those aged 28 on average). Scant attention thus far has been given to gender differences in mobility processes in Korea, and that inattention is reflective of the fact that research on Korean IGM is in its early stages, and thus has only recently started to focus more on gender stratification as it pertains to mobility. In terms of the

29. Higher intergenerational income persistence of women compared with men in Korea could be in part due to the role of matchmaking—Korean parents and their daughters may tend to select their sons-in-law within their own economic status (Ueda, 2013).

female labor force participation rate, as of 2016, 52.1% of Korean women aged 15 years old and over were engaged in paid employment, which was smaller than 56.8% of American women with the same age span (OECD, 2018c). Moreover, with respect to female-to-male labor force participation rate, the ratio in Korea is 71.2 to 100, compared with 82.6 to 100 in the United States, illustrating that Korean women lag behind their American counterparts in the workplace (World Bank, 2018).

Specific Welfare State Provisions and Potential Impact on IGM

Aim of the Section

On the basis of the above-discussed main points regarding the definition, functions, typology of the welfare state, and gender-based critique on typology of the welfare state and empirical developments on intergenerational mobility by gender in the United States and Korea, it is logically necessary to further investigate what kinds of key social institutions and policies exist within the welfare state and how those institutional arrangements influence the intergenerational mobility process.

As noted earlier, IGM is embedded within national contexts of economic, political, and social welfare structures including macroeconomic and historical contexts, as well as organizations and policies surrounding the family, the labor market, and the state as institution (d'Addio, 2007). Welfare state institutions—broadly, the three key systems of the family, the labor market, and the public welfare system—play a crucial role in shaping patterns of IGM (Nolan et al., 2011). Although the welfare state undoubtedly affects IGM, linking specific government actions to IGM in the cross-national comparative literature of welfare states and social mobility has not yet clearly occurred due to the multifaceted nature of IGM and the

complex interactions between social welfare policies and IGM (Beller & Hout, 2006b; Nolan et al., 2011).

Despite this challenge, it is evident that there are substantial cross-national differences in IGM levels among advanced welfare states (Beller & Hout, 2006b). Welfare states with less income inequality, more public social spending, and more social service orientedness are strongly associated with a higher level of IGM. Relatedly, on the 25th anniversary of Esping-Andersen's 1990 book, *The Three Worlds of Welfare Capitalism*, Esping-Andersen stated, “*The Three Worlds* had two broad aims. The first was to identify the causes behind welfare state diversity; the second, to identify whether this diversity had any influential effect on the quality of citizens' life chances” (2015, p. 124). These aims suggest the continued critical importance of comparative welfare state research on assessing the role of social welfare programs and policies in advancing the opportunity structure for citizens. Thus, it is necessary to clarify what kinds of social welfare provisions should be considered as key influences of IGM.

Role of Institutional Contexts in Shaping IGM

In essence, IGM is based on the association between social origins and destinations—how and why individuals' social origins affect their life chances (Nolan et al., 2011). Social origins refer to an individual's parental socioeconomic status (e.g., parents' income, education, and social class) in childhood, whereas destinations signify children's socioeconomic status in adulthood. A review of the literature on welfare states and IGM reveals that early IGM research started with a relatively narrow focus on family characteristics in the mobility process; however, as a growing body of evidence has suggested the importance of early childhood conditions and the wider institutional context in shaping patterns of IGM, recent scholarship has

turned attention to the role of a variety of institutional settings such as early child care programs, neighborhood contexts, and welfare state systems (Nolan et al., 2011).

The centerpiece of the early generation of IGM research was the role of family characteristics instead of welfare state institutions in the intergenerational transmission process (Nolan et al., 2011). The chief challenge for earlier studies on IGM was how to distinguish the effects between biological (i.e., genetics) and environmental factors (i.e., nurturing) on a child's later socioeconomic status, although a clear separation between nature and nurture was impossible because of ongoing interactions between the two (Nolan et al., 2011). Meanwhile, a growing body of research has suggested the importance of early childhood conditions in shaping a child's later outcomes (Carneiro & Heckman, 2003; Currie, 2001; Karoly, Kilburn, & Cannon, 2005; Waldfogel, 2006; Nolan et al., 2011). That scholarship has argued that early childhood conditions, interacting with family endowments (e.g., social and cultural assets or resources, motivation, etc.), play a crucial role in formulating a child's cognitive and meta-cognitive development, thereby determining his or her opportunities in later life (Esping-Andersen, 2002; Nolan et al., 2011). Thus, this scholarship has emphasized the impact of institutional contexts on early childhood environments beyond family characteristics—mainly, early childcare, neighborhood and community, and welfare policy contexts (Nolan et al., 2011).

First, early childcare³⁰ is critical to establish an essential basis for the life chances of children in capitalist economies (National Research Council & Institute of Medicine [NRC &

30. The term “childcare” refers to two types of programs: 1) a developmental program for children and 2) a support service for working parents. It includes “a number of services, including the provision of nurturance and learning opportunities for children, preparation for school, support for working parents and reduction of poverty, respite care in child welfare cases, and access to supplemental services such as vision and hearing screening, developmental testing, feeding programs, and even parent support and literacy programs” (Fein & Clarke-Stewart, 1973; Lamb, 1998; Scarr & Eisenberg, 1993; cited in NRC & IM, 2000, p. 299).

IM], 2000). Prior research on the developmental effects of childcare suggests that the quality of childcare³¹ is strongly linked with children's development in areas such as cognitive-linguistic and social-emotional growth. In regard to children's cognitive and language development, it is widely acknowledged that there exists positive impacts of intensive, high-quality, center-based interventions that offer learning opportunities to young children (Barnett, 1995; Brooks-Gunn et al., 1994; Burchinal et al., 1997; Feagans et al., 1995; Lamb, 1998; Ramey and Ramey, 1998; Roberts et al., 1989; as cited in NRC & IM, 2000, p. 311). In addition, research on early intervention has reported that the effects of high-quality care are the strongest for children from families with the fewest resources and under the greatest stress (NRC & IM, 2000). Next, with respect to children's social and emotional development, it is generally agreed that there are positive impacts of quality of care after controlling for family influences on children's development (NICHD Early Child Care Research Network, 1998; NRC & IM, 2000). In particular, early childcare provisions for children living in poverty and those served by child welfare systems are critical because they can protect children from family-based risks (NRC & IM, 2000, p. 299). For instance, Yoshikawa (1994, 1995) found significant positive effects of early childhood intervention on young children's social skills, particularly on resolving conduct problems. In sum, early childcare programs are critical determinants of children's early development, leading to promoting or retarding their life chances in later years.

Second, neighborhood contexts are crucial for children by influencing their experiences and opportunities and thus, life chances for upward mobility, though "village-level" effects on children's development are difficult to document (NRC & IM, 2000). Broadly, there are four main theories explaining neighborhood-level or community-level factors as determinants of

31. The quality of childcare is broadly measured using three variables: the child-provider relationship, the structural features of childcare quality, and the community and policy context (NRC & IM, 2000).

children's developmental outcomes, thereby indicating how specific aspects of neighborhood contexts may be linked with children's life chances: 1) stress theory, 2) social organization theory, 3) institutional theory, and 4) epidemic theory (NRC & IM, 2000). First, stress theory suggests that exposures to physical toxins (e.g., lead in soil, asthma-inducing air pollutants) or to adverse social and psychological conditions (e.g., community violence) are key influences on children's healthy development. Second, social organization theory indicates that the extent of neighborhood-level social organization (e.g., the power of role models and value consensus in the neighborhood on young children) influences children's social-emotional well-being. Third, institutional theory suggests that the neighborhood institutions (e.g., schools, police protection) determine developmental outcomes for children. Fourth, epidemic theory points out that peer influences that may spread problem behavior among young children are a crucial determinant of children's development.

In sum, those four theories indicate the constructs of neighborhood factors that are linked with children's life chances as follows: concentrated urban poverty, male joblessness, ethnic diversity, neighborhood safety, community-based networks of social capital (i.e., social and interpersonal resources that may provide substantial support for children who are in the key life stages of academic or labor market careers), "collective efficacy" including social cohesion (the degree to which neighbors trust each other and share common values) and informal social control (the degree to which neighbors can count on each other to obey public order and supervise youth) (NRC & IM, 2000). Regarding the impact of geographic context of neighborhood on intergenerational economic mobility, Rothwell and Massey's (2015) empirical analysis is noteworthy. Using restricted PSID data, they found a significant neighborhood effect on adult children's lifetime household income: if people who were born into a bottom-quartile

neighborhood moved into a top-quartile neighborhood, their lifetime household income would increase by \$635,000. Furthermore, after using incomes adjusted for regional purchasing power, the lifetime earnings difference of adult children between higher-income and lower-income neighborhoods would increase up to \$910,000 (Rothwell & Massey, 2015).

Third, an emerging body of scholarship on IGM has pointed out the importance of welfare state institutions, particularly the role of educational and public welfare policies in promoting upward IGM (Nolan et al., 2011; OECD, 2008). Recent scholarship on welfare states and IGM has reached a consensus that welfare state institutions—aimed at poverty reduction, income redistribution, and social protection in general—directly or indirectly influence IGM by improving the prospects of the most disadvantaged children for upward mobility (Esping-Andersen, 2002, 2015; Nolan et al., 2011; OECD, 2018a).

Key Welfare State Provisions Influencing IGM

To assess the impact of the welfare state on IGM, this dissertation identifies six specific policies as crucial elements of welfare state provisions that potentially shape the patterns of IGM: 1) anti-poverty policies, 2) public education policies, 3) healthcare policies, 4) labor market policies, 5) family assistance policies, and 6) tax policies.

First, anti-poverty policies affect IGM by poverty reduction, thereby equalizing early childhood conditions for children residing in families in the lowest income quintile. Providing cash benefits directly to the poor families whose incomes are below the official poverty line can help poor adults and their children escape income poverty, allowing them potential to invest more in their children in early childhood, the preschool years, or the school years and thus promoting IGM. Anti-poverty programs such as Temporary Assistance to Needy Families (TANF), Supplemental Nutrition Assistance Programs (SNAP; formerly food stamps), or the

Earned Income Tax Credit (EITC) in the United States and the National Basic Livelihood Security System (NBLSS) in Korea can promote IGM for the most disadvantaged (Mayer & Lopoo, 2004; Nolan et al., 2011).

Second, public education policies have an impact on IGM by advancing and equalizing educational attainment opportunities, so-called “democratizing access to education” (Esping-Andersen, 2015, p. 132). Furnishing universal, high-quality, and affordable educational services to all children can eliminate or at least reduce the differences in the educational attainment between advantaged and disadvantaged children, thereby improving the IGM of the disadvantaged children. However, to complicate matters further, public education policies can also negatively influence IGM if those policies rely heavily on traditional selective and elitist principles (Erikson & Jonsson, 1996). In this regard, existing literature on educational mobility suggests that the direction of the impact of educational systems on IGM is still unclear (i.e., promoting or hampering mobility simultaneously) (Blanden et al., 2011; Nolan et al., 2011).

Third, healthcare policies play a key role in influencing IGM by equalizing access to care for the poor and decreasing childhood-era health disparities that are critically linked with a child’s later outcomes. As with children’s upward mobility, a number of comparative scholars on IGM have pointed out that three factors are crucial: health, cognitive stimulation, and non-cognitive stimulation (Nolan et al., 2011, p. 357). Of particular significance is health in early childhood. Without access to universal and high-quality healthcare (or at least better access for poor children), children with low-income parents may be at higher risk of ill health, posing a serious threat to “normal human functioning” (Almgren, 2017a, p. 63). It is well established that the poor health of children linked with income poverty is negatively associated with their later socioeconomic status (Blanden & Gibbons 2006; Eriksson, Bratsberg, & Raaum 2005; Case &

Paxson 2006; Nolan et al., 2011). A comparative study by Esping-Andersen and Wagner (2010), using EU-SILC Module 2005 data, suggests that between 5% and 10% of the variation in adult children's IGM may derive from poor health in childhood, indicating a significant impact of a child's poor health on IGM (Nolan et al., 2011). Given that the U.S. healthcare system is the most expensive, exclusive, and ineffective among the wealthy nations (Almgren, 2017a), it is unsurprising that the United States is exceptionally poor across multiple dimensions of mobility including individual earnings, household income, poverty and disadvantage, wealth, social class, and education compared with other wealthy counterpart nations (Nolan et al., 2011). These findings highlight the critical importance of the healthcare reform in promoting IGM (Almgren, 2017a).

Fourth, labor market policies have an impact on IGM by promoting employment, particularly for women, and providing labor protections with reduced wage disparities among workers. Progressive labor market regulations that are characterized by supportive female employment, earnings compression, higher minimum wages, enhanced job protection, and broader bargaining coverage can lead to less income inequalities and lower returns to education in the labor market (OECD, 2008; Solon 2004; Nolan et al., 2011). Decreasing returns to schooling may discourage wealthy parents' investment in their children, thereby reducing the investment gap in children with advantaged and disadvantaged parents and thus improving IGM (OECD, 2008; Solon, 2004; Nolan et al., 2011).

Fifth, family assistance policies influence IGM by helping reconcile motherhood and employment. Generous childhood allowances can directly help low-income families to provide adequate caregiving to their children (Esping-Andersen, 2002; Nolan et al., 2011). The design of parental leave schemes and the provision of affordable and good-quality childcare can contribute

to balancing women's employment and their caregiving (Esping-Andersen, 2002; Nolan et al., 2011). Considering the decisiveness of early childhood stimulation, universal high-quality early child care can help minimize the disparities in both cognitive and non-cognitive development of children, leading to school preparedness and better life chances in later life (Esping-Andersen, 2002; Nolan et al., 2011). All these gender-egalitarian family support policies can maximize the labor supply of women (particularly, mothers) without harming their caregiving to children, thereby yielding higher IGM (Esping-Andersen, 2015).

Last, tax policies affect IGM by income redistribution, leading to equalization of both childhood-era and adulthood-era inequalities (Esping-Andersen, 2002; Nolan et al., 2011). To achieve the ultimate goal of the welfare state—social protection and income maintenance (Esping-Andersen, 2015)—progressive taxation aims to directly transfer economic resources from the higher- to the lower-income class, thereby reducing the income gap between the bottom and the median of the household income distribution, resulting in enhanced IGM (Miron, 2011; Nolan et al., 2011).

In sum, understanding the impact of welfare state provisions on IGM is challenging because it is not easy to pinpoint multiple interactions between specific social welfare policies and different aspects of IGM. However, an equalization of the opportunity structure requires welfare states' efforts on four key policy goals: the elimination of early tracking and the introduction of comprehensive school systems, the eradication of child poverty, the promotion of female employment based on reconciliation between motherhood and employment, and the enhancement of gender equality (Esping-Andersen, 2015). In this vein, the extent and intensity of IGM in both the United States and Korea may depend on how the aforementioned six specific welfare state provisions (i.e., anti-poverty policies, public education policies, healthcare policies,

family assistance policies, labor market policies, and tax policies) have synergistically contributed to achieving four central policy goals (i.e., democratizing education, eliminating child poverty, reconciling female employment with motherhood, enhancing gender equality) for equalizing the opportunity structure through historical evolution of the welfare state in both nations. This will be discussed in more details in the next chapter.

Outline of the Dissertation

The central aim of this dissertation is to examine how different institutional welfare contexts, particularly those of “small” welfare states, may affect intergenerational income mobility by using the incomes of parents (termed as “origin”) and their children (termed as “destination”) as adult children. The overarching question that this dissertation seeks to answer is “Are there significant differences in intergenerational income mobility for the two birth cohorts representing contrasting period effects during 1980-2015 in Korea and the United States? If so, do they appear to be influenced by differences in social welfare policies affecting prospects for intergenerational income mobility?”

This dissertation will attempt to address this overarching question with three primary interlinked tasks that focus on the relationship between the welfare state context and between-country intergenerational income mobility differences. First, this study seeks to provide a theoretically framed analysis of the evolution and structure of the two welfare states in Korea and the United States, which is the objective of Chapter 2. Second, this study presents a methodologically rigorous comparative analysis of intergenerational income mobility specific to each country and welfare state context, which is Chapters 3 and 4’s objective. Third, this study seeks to extend the findings from the comparative intergenerational income mobility analysis to

a historically informed comparative analysis of the ways in which different philosophical underpinnings of each welfare state regime—the Confucian familial orientation in Korea versus the libertarian individualistic orientation in the United States—may be linked to welfare state effects on between-country intergenerational mobility differences, the objective of Chapter 5.

Each of the chapters is centered on one of the following research questions that reflect nation, period and gender analyses, and a theoretical analysis that centers the welfare state in understanding mobility:

1. Are there significant differences in the intergenerational income mobility for the two nations?
2. Are there significant differences in the intergenerational income mobility for the two contrasting periods (between 1980-1995 and 1996-2015) using the two birth cohorts (born 1971-1981 and 1978-1990 in Korea; born 1969-1980 and 1977-1990 in the United States)?
 - 2.1. For Korea, how are the origin-destination associations measured by income between the two birth cohorts?
 - 2.2. For the United States, how are the origin-destination associations measured by income between the two birth cohorts?
 - 2.3. Comparing Korea and the United States, how does intergenerational economic mobility differ between the two birth cohorts?
3. Are there significant differences when considering both between- and within-country gender differences on the intergenerational income mobility?

4. If there are differences in the intergenerational income mobility, how can those differences be theorized using a comparative and institutional lens that accounts for the welfare state?
 - 4.1. For Korea, how can cultural norms and historical legacies pertaining to the locus of responsibility—among the individual, the family, and the state—foreground the development of the welfare state and provisions of economic security that promote or hamper levels of intergenerational income mobility?
 - 4.2. For the United States, how can cultural norms and historical legacies pertaining to the locus of responsibility—among the individual, the family, and the state—foreground the development of the welfare state and provisions of economic security that promote or hamper levels of intergenerational income mobility?

Chapter 2 provides an overview of the historical progression of the two welfare states, Korea and the United States, guiding the remainder of this dissertation. I begin the chapter by briefly examining philosophical foundations of the two nations within the framework of Confucian Familialism versus American Individualism. The chapter continues by arguing for the importance of the mid-1990s as a critical juncture of the welfare state development in both nations in terms of economic trends and public welfare structure in the 1980-2015 analytic period.

My plan of analysis in Chapter 3 is three-fold. First, I introduce the KLIPS and the PSID data used throughout the dissertation and outline the methodological decisions guiding the empirical analyses. Both datasets are based on nationally representative panel surveys and provide expansive information on total family income for both parents and adult children and

relevant indicators. Second, I select two birth cohorts reflective of two contrasting period effects in Korea and the United States during 1980-2015 and describe dependent and independent variables used, final sample size, and descriptive statistics. Third, I explicate the analytic method called standard measurement approach. Chapter 4 presents the results. I focus on the differences in IGM for both nations, and by period and gender. Chapter 5 conducts a between-country comparison of social welfare policies linked with IGM.

Chapter 6 discusses the implication of the analytic results for social welfare policies in both nations. As a final chapter, I review the main findings, the limitations of this dissertation, and the suggestions for future research studying the relation between the welfare state and IGM.

CHAPTER 2. COMPARATIVE SYNOPSIS OF THE WELFARE STATE: KOREA AND THE UNITED STATES

Introduction

This chapter outlines how the Korean and American versions of the welfare state have evolved over time with a focus on the period from 1980 to 2015. The Korean and American welfare states have been examined as falling within Esping-Andersen's typology as a liberal welfare regime (Yang, 2017). This chapter adds nuance to that observation by focusing on how both welfare regimes have in fact developed distinctively: Korean welfare policy measures target the family system, whereas the United States undertakes welfare policy measures targeted to individuals. The central premise of this dissertation is that the distinction between the familial versus individualistic ethos embedded in the ideological foundations and structures of the two welfare states characterizes different welfare state developments, which in turn is associated with between-country IGM differences. With this in mind, this chapter will proceed as follows. First, it begins by briefly discussing the philosophical foundations of the Korean and the American welfare states: Confucian family-based versus libertarian individualistic orientation for welfare provision. Second, it lays down the historical evolution of the two welfare states, thereby leading to an analytical framework for between-period IGM differences in those two nations. Third, it discusses the connection of welfare state models to prospects for upward mobility.

Confucian Familialism versus American Individualism

The ideological principles underlying the welfare state essentially determine its basic structure and functions, thereby yielding distinctive pathways in terms of the welfare state development and resultant social policies. Furthermore, once the welfare state is established, it

tends to evolve as a consequence of path dependence in social policy, referring to the ongoing impact of the previously institutionalized policy solutions on both current and future policy alternatives (Almgren, 2017a; Weimer & Vining, 2010).

Philosophical Foundation: Confucian Familialism in Korea

In regard to the Korean welfare state, *Confucian Familialism* is crucial as a key philosophical element that is constitutive of the welfare state and relevant social policies. Confucianism is the political-religious ethics dictated by the traditional “Confucian patriarchal value system and its institutions” (Kang, 2004, p. 172), with origins dating to the Chosun Dynasty (1392-1910) (Chang, 2003). Confucianism as a set of cultural beliefs and moral practices is defined as “an ideal model of relations between family members, which requests special bonds between sovereign and subject, father and son, and husband and wife, as well as five moral principles” with emphasis placed upon “tradition, strict social hierarchies, obedience to superiors, and identification of the father with the monarch” (Kim, 2012, p. 187).

Central to Confucianism are family responsibility, generation- and gender-based hierarchy, and gendered division of labor within the family (Kim, 2010) as well as a strong work and education ethic, thrift, and diligence (Bambra, 2007). Confucian Familialism presupposes that families are at the center of Korean society and are the primary mechanism for taking full responsibility for the protection of individuals (Chang, 2003). Numerous scholars argue that the Confucian emphasis on the family as primary has resulted in significant burden and stress on individuals, particularly on women (Chang & Song, 2010; Choi, 2012; Chung, 2006; Kang, 2004; Kwon, 2005; Yang & Rosenblatt, 2008; Yang, 2017). For instance, many Korean working-class married women as mothers or daughter-in-laws are typically expected to serve as both informal

caregivers for the elderly and the child in the home and workers in the labor market (Yang, 2017).

Two critical notions uphold the ascendancy of the family over the individual or the government in providing social protection to citizens: “a relational self” and “filial and fraternal responsibility” in terms of Confucian self-cultivation (Kim, 2010; Lee, 2018).³² *A relational self* posits that the individual is intrinsically neither independent nor self-governing; thus, the authentic human being is only possible as a social existence through mutual interactions between the self and the environment that is dominated by familial relations (Kim, 2010). *Filial and fraternal responsibility* postulates that the ultimate goal of the individual is to be a morally mature person by taking full responsibility for their parents, older-generations, and siblings within the family system (Kim, 2010). In particular, *filial piety* is the backbone of the Confucian familial ethics, signifying the full responsibility of adult children for taking care of their parents and older-generations within the family as a return for the parents’ earlier caregiving and the moral mandate required by a Confucian family-oriented civil society (Kim, 2010; Palley, 1992). In view of filial piety, the son’s obligation (particularly, the eldest son’s caregiving responsibility to his parents³³) and the daughter-in-law’s care for his parents are especially emphasized. In sum, Confucian Familialism features family obligations, meaning informal caregiving duty and responsibility of individuals to their family members who are in need (Kim, 2010; Palley, 1992).

32. It assumes that a responsible moral person in the society can be achieved by “a double transformation of individuality and relationality” (Kim, 2010, p. 478), meaning mutual interactions between the self and the environment that starts from familial relations and then extends to other social relations. That’s because the Confucian self is assumed as neither independent nor self-governing, but relational.

33. In Korea, there is a long tradition of bequeathing wealth from father to first-born son in anticipation of the son’s care for the frail parents.

Korean Welfare State: Confucian and Underdeveloped

A key implication of Confucian Familialism in relation to the welfare state is that the role of government in redressing poverty or inequities through social welfare policies is regarded as secondary or peripheral because the individual's responsibilities and duties to the family are preferentially expected over any other types of social welfare provision for protecting the citizenry (Chang, 2003).

The *Confucian* welfare state refers to the East Asian social welfare model arising from the historically similar, but different trajectory of welfare state formation and advancement across East Asian nations, including Hong Kong, Singapore, Taiwan, Japan, and Korea. A common characteristic in these countries is the use of social welfare policy as a means for rapid economic growth and productive investment in human capital supported by the powerful governing elites (Aspalter, 2006). Aspalter's (2006) study of the "Eastern Asian welfare model" contrasted with Esping-Andersen's (1990) welfare state typology. The primary focus of the function of redistribution within the Confucian welfare state was differentiated from the limited redistribution of the liberal welfare state, horizontal redistribution in the conservative or Christian democratic welfare state, and both horizontal and vertical redistribution in the social democratic welfare state. The emerging Confucian welfare state regime is distinctive in terms of its core assumption about the redistributive role of the welfare state:³⁴ redistribution should focus

34. The liberal welfare regime posits that redistribution should be targeted or limited by utilizing highly targeted and means-tested public assistance programs (Aspalter, 2006). The conservative or Christian democratic welfare regime postulates that redistribution should be primarily centered on horizontal redistribution (i.e., the allocation of welfare resources between individuals within the same social class) through occupationally stratified social insurance schemes with relatively weaker emphasis on vertical redistribution (i.e., the allocation of resources to individuals between different social classes) through public assistance and taxation. The social democratic welfare regime presupposes that redistribution should be actively performed both vertically and horizontally through public welfare

primarily on promoting social investment, particularly in education and health, by using social welfare programs in a productive and market-friendly way (Aspalter, 2006).

A key distinction between the Confucian and the traditional Western welfare state pertains to the roles of the individual/the family/the state/the market as summarized in Table 2.1 (Aspalter, 2006). The Confucian welfare state typically assumes a weak role of the individual and a strong role of the family, which is similar to the combined role of the individual/family in the conservative (or Christian democratic) welfare state. In contrast, the weak-but-increasing role of the state and the strong-but-decreasing role of the market within the Confucian welfare state (Kuypers, 2014) are similar to the assumed roles of the state/the market within the liberal welfare state (see Table 2.1 for details). Judging from this comparison, the Confucian welfare state regime is a mixture of conservative (or Christian democratic) and liberal welfare state regimes,³⁵ as stated in the preamble of the Chinese edition³⁶ (1999) of Esping-Andersen's *Three Worlds of Welfare Capitalism* (Ku & Jones Finer, 2007; Kuypers, 2014).

In addition, the Confucian welfare state is regarded as pro-welfare conservative³⁷ with ideal-typical welfare regimes.³⁸ It is characterized by five key features (Aspalter, 2011; Kuypers, 2014): 1) social rights are assumed to be productive rather than universal (social democratic

provisions, particularly with respect to public employment and social service areas (Aspalter, 2006).

35. In this sense, Bambra (2007) also points out that the Confucian welfare state regime can be a mixture of some elements of the liberal, conservative, and southern welfare state regimes.

36. See Ai, S., Esping-Andersen, G., & Gu, Y. (1999). *Fu li zi ben zhu yi de san ge shi jie* [福利资本主义的三个世界]. Tai bei shi, Taiwan: Ju liu chu ban [台北市, 台湾: 巨流出版].

37. *Pro-welfare* indicates that social welfare provision is geared towards the productive parts of society (i.e., regular workers in core industries). *Conservative* indicates that responsibilities for social welfare provision, especially public care to children and the elderly, are transferred to the family and the market rather than the state, as rooted in Confucian family-based ideology (Fleckenstein & Lee, 2017).

38. This includes social democratic (Scandinavia nations), conservative (or Christian democratic) (Continental European nations), liberal (Anglophone nations), pro-welfare conservative (East Asian nations), and anti-welfare conservative (Latin American nations) regimes.

welfare regime), performative (conservative or Christian democratic welfare regime), clientelistic (liberal welfare regime), or regulative (anti-welfare conservative welfare regime); 2) the general level of guaranteed minimum income (GMI) is low and this low level of GMI is applied to wages, state pensions, and social insurance; 3) the welfare mix includes universal social investment in education, healthcare, and housing, and Bismarckian social insurance and provident funds; 4) the emphasis on the individual/the family/the state/the market is weak/strong/weak-but-increasing/strong-but-decreasing; 5) the degree of decommodification/stratification/individualization is low/medium/medium.

In this sense, the Korean welfare state is conceptualized as “an underdeveloped small welfare state...[because] public social welfare programs have been introduced belatedly, coverage is limited, and benefits are modest” (Yang, 2017, p. 1). In a nutshell, Korea, as the Confucian and underdeveloped welfare state, is characterized by “low levels of governmental intervention and investment in social welfare, underdeveloped public service provision, and the fundamental importance of the family and voluntary sector in providing social safety nets” (Bambra, 2007, p. 1100).

In sum, in this dissertation, the Korean welfare state is conceptualized as *Confucian* and *underdeveloped* in that it is culturally rooted in Confucian social ethics with an emphasis on the family’s role rather than the state’s in social welfare provision and remains meager for offering more solidarity-based and substantial benefits for the basic material security of its citizens with great ethnic and cultural homogeneity (Ahn & Lee, 2005; Yang, 2017).

Table 2.1.
Comparison of Confucian Welfare State Regime with Traditional Welfare State Regimes

	Underlying logic of social welfare provision	Major elements of social welfare policy	Focus of social welfare policy on the role of: 1) the individual; 2) the family; 3) the state; 4) the market
Confucian welfare state	<ul style="list-style-type: none"> • A right to public investment in social development with a moderate right to social security and/or public charity welfare provision 	<ul style="list-style-type: none"> • Occupational social security systems • Preferential treatment of special interest groups • Employment-based welfare and social security programs including mandatory savings 	1) weak; 2) strong; 3) weak; 4) strong
Liberal welfare state	<ul style="list-style-type: none"> • A limited right to charity welfare provision and social insurance provision 	<ul style="list-style-type: none"> • Means-tested welfare benefits • Private savings and insurance 	1) strong; 2) weak; 3) weak; 4) strong
Conservative/Christian democratic welfare state	<ul style="list-style-type: none"> • A right to social insurance and charity welfare provision 	<ul style="list-style-type: none"> • Occupational social security systems • Preferential treatment of special interest groups • Corporatism in social service provision (NGOs, Church) • Social transfers 	1) weak; 2) strong; 3) strong; 4) weak
Social democratic welfare state	<ul style="list-style-type: none"> • Social rights based on citizenship including social insurance, social services, and public employment 	<ul style="list-style-type: none"> • Universal social security systems • Public social services • Public employment • Social transfers 	1) strong; 2) weak; 3) strong; 4) weak

Source: Aspalter (2006).

Philosophical Foundation: Libertarian Individualism in the United States

In terms of the U.S. welfare state, *American Individualism*³⁹ is vital as a firm philosophical basis in formulating and developing the welfare state and related social policies. American individualism is a dominant belief emphasizing self-sufficiency and voluntarism in social welfare provisions (Skocpol, 1992), with historical origins in early Protestant settlements in the country during the 17th and 18th centuries. American Individualism is defined as an ideological, political, and cultural predisposition to “individual personality rather than group identity and responsibility” (Williams, 1970, p. 502; Fischer, 2008, p. 363). American Individualism assumes that the existential rationale of American democratic society is to protect or maximize individuals’ capacity to achieve their self-determined goals through their own efforts and without any interference from the political system (Hudson, 2010). Placing strong emphasis on the individual over the government is powerfully buttressed by “full self-ownership, the sanctity of private property, and the pernicious nature of government” (Almgren, 2017a, p. 3). Thus, American Individualism tends to portray dependency as a defect of individual character (Fraser & Gordon, 1994).

American Individualism is based on the libertarian notion that situates the individual in the central position of the American socio-politico-economic system (Hudson, 2010). Libertarianism is a strong ideological theme of the American welfare state emphasizing that the liberty of private individuals should be prioritized over government interference so that “the power of the state must be limited” (Hartz, 1955, p.62; Lipset, 1996). Most importantly, there is a crucial aspect of the libertarian ethos embedded in the ideological foundations and residualist structure of the American welfare state: the emphasis upon individualism and its libertarian

39. This term was coined by Alexis de Tocqueville to depict the unique feature of American society during his visit to the United States in the 1830s (Hudson, 2010).

corollary, individual self-responsibility and an abhorrence of interdependence and dependency as a legitimate concern of the state and just governance (Almgren, 2017a). The role of government in rectifying social inequities through social welfare provisions is limited or reduced to the barest minimum because individual autonomy and freedom are prioritized over any socially desirable values (e.g., collective well-being for the citizenry) that may necessitate some substantive intervention by the public entity and the resultant interruption to the individual (Reamer, 2018; Hudson, 2010). Accordingly, in the American version of the welfare state, the primary concerns of anti-poverty strategies and programs are the de-legitimization of dependency and the framing of poverty as an individual vs. structural failure.

In sum, the core values considered to be underpinning American individualism are liberal notions of self-help, individual opportunity, economic success, the work ethic, and minimal government (Walker, 2008). This emphasis on individualism in the American welfare state is a crucial premise to this dissertation because it provides a solid foundation for contrasting the individualistic welfare state in the United States with the Confucian family-based welfare state in Korea.

U.S. Welfare State: Liberal and Reluctant

Whereas the role of the U.S. welfare state is recognized as small when solely considering public social spending, it is not small but appears even larger when combining public social spending with private social welfare and tax relief efforts. This nuanced fact is best represented by a notion of “American Exceptionalism”⁴⁰ or the “reluctant welfare state”⁴¹ (Almgren, 2017a).

40. This idea was formulated by Alexis de Tocqueville in the 1830s and later extensively used after World War I to describe “the weakness of the working class radicalism in the United States” (Lipset, 1996).

41. Wilensky and Lebeaux (1965) originally coined the term reluctant welfare state to point out the vulnerability of the American welfare state (Howard, 2003; Jansson, 2005).

The key point of those notions is that compared with other Western European welfare states with modern democracies and market economies, the U.S. welfare state is *exceptional* in terms of the philosophical foundation of society (i.e., the strong strains of libertarianism), the political foundation of governance (i.e., the fragmented and devolved institutional structure of the government built upon federalist constitutional principles), and the socio-cultural foundations of society rooted in racial and ethnic stratification. In sum, the synergistic effects of those philosophical, political, and socio-cultural underpinnings of American society have shaped an American version of the welfare state that is characterized by its *reluctance* to provide social programs and benefits to all members of the society, evidenced by inadequate public social spending, the restricted means-tested programs for anti-poverty, and its marginally progressive tax system (Almgren, 2017a; Meyers, 2014).

In order to delve deeper into the nature of the American welfare state, it is necessary to examine first the scholarly discourse of distinction between the *European Convergence* and *American Exceptionalism*. The *European Convergence* refers to a phenomenon of greater convergence of social policy across European nation-states, called the notion of a “European social model” (Castle, 2004). In contrast, *American Exceptionalism* denotes a phenomenon of American idiosyncrasy in social policy (Almgren, 2017a). The main distinction between the two is made through the following four aspects: 1) the level of public social spending as a percentage of GDP, 2) the existence of national healthcare coverage granted as a social right of citizenship, 3) the level of child poverty, and 4) the level of income inequality (Almgren, 2017a). The European welfare states with OECD membership have developed many similarities, including over 20% public social spending to GDP ratio⁴² (OECD, 2019); near-universal⁴³ healthcare

42. As of 2018, the OECD average of public social spending was 21.0% of GDP (OECD, 2019).

coverage for the citizenry; less than or slightly over 10% child poverty rate;⁴⁴ around a 0.3 post-tax Gini index⁴⁵ as a measure of income inequality.⁴⁶ In contrast, the American welfare state has less than 20% public social spending to GDP ratio;⁴⁷ no universal healthcare coverage; over 20% child poverty rate;⁴⁸ around a 0.4 Gini index.⁴⁹ In sum, in sharp contrast with the European Convergence, American Exceptionalism is marked by less generous public social spending, less inclusive healthcare coverage, higher child poverty, and greater income inequality.⁵⁰

In Esping-Andersen's (1990) welfare regime typology, the U.S. welfare state is regarded as a liberal welfare state. From the point of view of the American Exceptionalism signifying the overall extraordinary inadequacy of the U.S.'s welfare state effort, a number of welfare scholars have called the U.S. welfare state a "residual welfare state" (Titmuss, 1958), "reluctant welfare

43. Near-universal implies that some groups such as new immigrants or homeless people are not registered in the system and so they are excluded from this universal healthcare.

44. As of 2018, using a relative income poverty measure, the OECD average of the child poverty rate among those aged 0 to 17 was 13.4% (OECD, 2018g).

45. The Gini index is a commonly used measure of inequality ranging from zero representing perfect equality to one representing perfect inequality (OECD, 2015).

46. As of 2016, the OECD average of the Gini index based on post-tax and transfer income measure was 0.316 (OECD, 2018h).

47. As of 2018, the level of public social spending in the United States was 18.7% of GDP, although the gap between the United States and the OECD average has decreased from 3.7 in 1990 to 1.4 percentage points in 2018 (OECD, 2019).

48. As of 2018, using relative income poverty measure, the U.S.'s child poverty rate among those aged 0 to 17 was 20.9% (OECD, 2018g). Moreover, among the liberal welfare regimes including Australia, Canada, Ireland, the United Kingdom, and the United States, the U.S.'s child poverty rate was the highest regardless of family structure (Rothwell & McEwen, 2017). Importantly, the apparent gap between the U.S. and other comparable countries is explained by social policy differences rather than demographics (Heuveline & Weinshenker, 2008; Gornick & Jäntti, 2002; Rothwell & Song, 2017).

49. As of 2016, the U.S.'s Gini index based on post-tax and transfer income measure was 0.391 (OECD, 2018h). This high level of income inequality is a distinctive feature of the U.S. welfare state compared with its Western European counterparts.

50. However, despite the European Convergence, it should be noted that there have been significant accounts for explaining the welfare state diversity within Western European nations (Castle, 2004).

state” (Wilensky & Lebeaux, 1965; Jansson, 2005; Almgren, 2017a), “incomplete welfare state” (Skocpol, 1987, 1995), “poor relief state” (Piven & Cloward, 1993), “private welfare state,” “semi-welfare state,” and “welfare laggard” (Katz, 2008). Clearly, all those terms applied to the U.S. welfare state denote one common theme: the United States is in essence a reluctant (incomplete and underdeveloped) small welfare state. The U.S. welfare state relies significantly more on the labor market than government provision to fulfill essential needs of the citizenry.

Thus, in this dissertation, the U.S. welfare state is conceptualized as *liberal* and *reluctant* in that it pursues more market-oriented approaches for social welfare provision and remains reluctant to furnish more universal and generous benefits for the collective well-being of its citizens, with great levels of racial and ethnic disparity (Almgren, 2017a; Jansson, 2005).

U.S. Welfare State: Structural and Racial Foundations

The American welfare state features two essential foundations in relation to its historical development: 1) structural and 2) racial foundation. The combination of those two elements has shaped both the American welfare state (as liberal and reluctant) and its mobility outcomes.

The structural foundation of the U.S. welfare state is summarized as having three main features: a federalized structure, two-party system, and federal court system. First, the “federalized structure” involves “the distinctive characteristics of American political institutions” (Quadagno, 2004, p. 27). *The federalized structure* refers to the “three-tiered federal system of non-hierarchically arrayed national, state, and local governments” (Skocpol, 1992, p. 44). Historically, Federalist Paper No. 45 written by James Madison (1788) included the statement that “the powers delegated by the proposed Constitution to the federal government are few and defined. Those which are to remain in the State governments are numerous and indefinite.” The rationale for establishing the federalist structure in the United States is that a majority of early

settlers were Protestants with a religiosity that included antagonism against any government. Due to this innate distrust of government, the early founders of the United States minimized the power of the federal government, relegating most of the powers to the states. This decentralized structure has played a key role in promoting the reluctance of the American welfare state by allowing state and local governments to utilize considerable discretionary powers to impede the expansion of the welfare state (Maioni, 1998; Quadagno, 2004, p. 27). Second, the “two-party system” based on electoral democracy has been a persistent feature of American politics since the 1840s (Skocpol, 1992). The political orientations of American major parties have been far from “class conscious,” which is in sharp contrast with other European parties that mobilized workers and farmers as classes to fight for suffrage. This two-party system has contributed to the reluctance of the welfare state by thwarting the emergence of a “class-based party system” that can promote the mobilization of collective class demands in the political system (Skocpol, 1992). Third, the “federal court system,” particularly the Supreme Court and other federal courts with a majority of right-wing judges, plays a key role in supporting politically conservative policy goals, thereby hampering the capacity of the Congress to actively enact necessary legislation for the betterment of income protection, healthcare, public education, and other social welfare provisions (Hudson, 2010). During the nineteenth century, the federal court system achieved a more authoritative role than the Founders had envisioned, although courts were importantly not handled in the process of Constitutional design (Skocpol, 1992). In the early 20th century, judges and lawyers protected corporations’ rights as agents of the capitalist class in court (Skocpol, 1992). During the 1960s and 1970s, the federal court system made many reformative decisions regarding civil and welfare rights of minority groups; however, in recent decades, the federal courts have played a more ambiguous role (Hudson, 2010). For instance, the post-2010 judicial

decisions affecting the Affordable Care Act (ACA), the largest expansion of the welfare state since the mid-1960s, have gone both directions.

The racial foundation of the U.S. welfare state is the reinforcement and reproduction of racial and ethnic subordination as a key engine of social stratification through selective social legislations, as “discrimination by design” (Lieberman, 1998, p. 44). Social stratification refers to an entire set of norms and institutions designed to govern social relationships to achieve collective ends. The U.S. social stratification consists of four main components: 1) the predominance of a corporate market economy over any other social institutions, 2) a weak and fragmented labor movement, 3) a semi-permeable class structure, and 4) racial/ethnic and gender stratification (Almgren, 2017a; Massey, 2009). First, the hegemonic power of market capitalism claims that the market is emancipatory and adapted for self-reliance and industriousness; thus, a guaranteed social minimum provided by the government may actually cause poverty and unemployment, moral corruption, thriftlessness, idleness, and drunkenness (Esping-Andersen, 1990). Second, the decentralized structure of union organization and related barriers to mobilization, combined with the absence of a strong labor unionization tradition and the exclusion of racial minorities from union membership, have constrained the role of unions to marginal institutional players in collective bargaining for improving wages and employment conditions of the American workers, hampering the establishment of a solidarity-based and inclusive social safety net (Almgren, 2017a; Massey, 2009; Rosenfeld, 2014). Third, the semi-permeable class structure means that there is a substantial gap in upward mobility between higher and lower social classes in the American welfare state, although many Americans are wedded to the belief in a “fairly permeable social class structure” linked with a notion of a land of opportunity (Almgren, 2017a, p. 137).

Fourth, the racialized stratification of the welfare state has been linked by scholars to welfare provisions enacted within the context of the earliest formulations and expansions of the welfare state. The seminal policies, detailed below, are part of the New Deal, instituted during the Great Depression in the 1930s and include the Servicemen's Readjustment Act of 1944. Conventional perspectives consider this policy legislation as the foundation of the contemporary American version of the welfare state: the policies are esteemed as a fundamental reframing of the social contract between the government and citizens because the New Deal defined the U.S. government as having the responsibility to protect Americans hit by the Great Depression from poverty and unemployment.

However, critical perspectives illustrate racialized limits. New Deal policies served as the means for extending and solidifying racial and social stratifications. The achievements of the New Deal are denigrated because of the explicit omission of disadvantaged Americans, particularly African Americans. Racial bias has been examined in these specific policy regulations as part of the New Deal: the Federal Housing Act (FHA) of 1934, the Social Security Act (SSA) of 1935, the National Labor Relations Act (NLRA) of 1935, the Fair Labor Standards Act (FLSA) of 1938 and the Servicemen's Readjustment Act of 1944.

The FHA legislation (1934) helped the federal government to restructure the mortgage regulations in the banking industry, permitting banks to make loans for up to thirty years. However, the FHA's underwriting manual was racialized by stating that a neighborhood could only retain stability if it were occupied by the same race and social class (Massey, 2007). Thus, African Americans were largely excluded from the greatest wealth engine in the American economy—home ownership.

The SSA legislation (1935) guaranteed the social provision of universal old age insurance. However, the SSA was structured to benefit industrial workers and southern plantation owners, thereby excluding half of the workers in American economy. It left workers in the domestic or agricultural sectors of the labor market without the social safety net afforded to white workers; most of the excluded were African Americans and women (Lieberman, 1998).

Similarly, the NLRA legislation (1935) established a legally enforceable right for U.S. industrial workers to unionize by majority vote (Skocpol, Finegold, & Goldfield, 1992), but excluded farmworkers and domestic workers and upheld racially segregated unions and subsequently, racially stratified collective bargaining agreements.

The FLSA legislation (1938), as America's first and enduring national labor law, mandated a floor beneath wages and a ceiling on hours for employees in covered occupations (Mettler, 1994). However, it excluded agricultural workers, again omitting more than 50% of southern black employees, men and women, from coverage (Lieberman, 1998; Mettler, 1994). The New Deal Democratic Party prioritized the interests of the southern planters, who were well represented in Congress, while it overlooked the needs of blacks, who were limited in their electoral participation through poll taxes, literacy tests, and other voting restrictions (Mettler, 1994). It was not until 1966 that agricultural workers were included in the FLSA; most retail, service, and domestic service workers were covered after 1974 (Mettler, 1994).

The Servicemen's Readjustment Act (SRA) of 1944 (a.k.a. the G.I. Bill) offered a wide range of supports for American veterans returning from World War II: preferential hiring benefits, financial support during job hunting, low-interest home loans, and access to post-secondary education (Mettler, 2005; Mink, 1998). The G.I. Bill was one of the largest social welfare programs in the United States, providing the opportunity for social and economic upward

mobility for many American families: 80% of all U.S.-born men fit the federal eligibility guidelines under the SRA. However, it was de facto racialized: African American veterans in particular had a more difficult time accessing the G.I. Bill benefits due to the discrimination by implementing agents and mortgage lenders' restrictions on neighborhoods. Policy language and administrative practices blocked African American veterans from the same path to wealth given to their white counterparts. Thus, the racialization of the G.I. Bill has a legacy: 73.1% of White families reside in owner-occupied housing compared with 41.7% of African American, 46.3% of Hispanic, and 56.6% of other mixed race counterparts in 2018 (U.S. Census Bureau, 2018).

Locus of Responsibility for Social Protection:

Contrasting Confucian Familialism and American Individualism

The differences found in Confucian Familialism and American Individualism are manifest in contrasting public sentiment in Korea and the United States about the causes of poverty and government responsibility, as well as in specific welfare policies that are discussed in Chapter 5. First, there are between-country differences in public views explaining poverty (see Figure 2.1). American respondents (61.2%) were more likely to attribute the causes of poverty to the individual-level (i.e., insufficient effort) rather than structural-level circumstances beyond a person's control compared with their Korean counterparts (49.1%) (World Values Survey [WVS], 2019).⁵¹ Second, there are marked differences in public views on the responsibility of the government versus the individual between the two nations (see Figure 2.2). Compared with Koreans, Americans were more likely to prefer individual responsibility rather than government

51. This survey is an international academic project covering all the developed and developing countries, which includes a variety of topics regarding key aspects of national culture: human values, beliefs, norms, self-descriptions, political opinions, and attitudes (Minkov, 2012).

responsibility for welfare provision as evidenced by the rates of complete agreement on the individual responsibility question: 18.7% for Americans and 1.6% for Koreans (WVS, 2019).

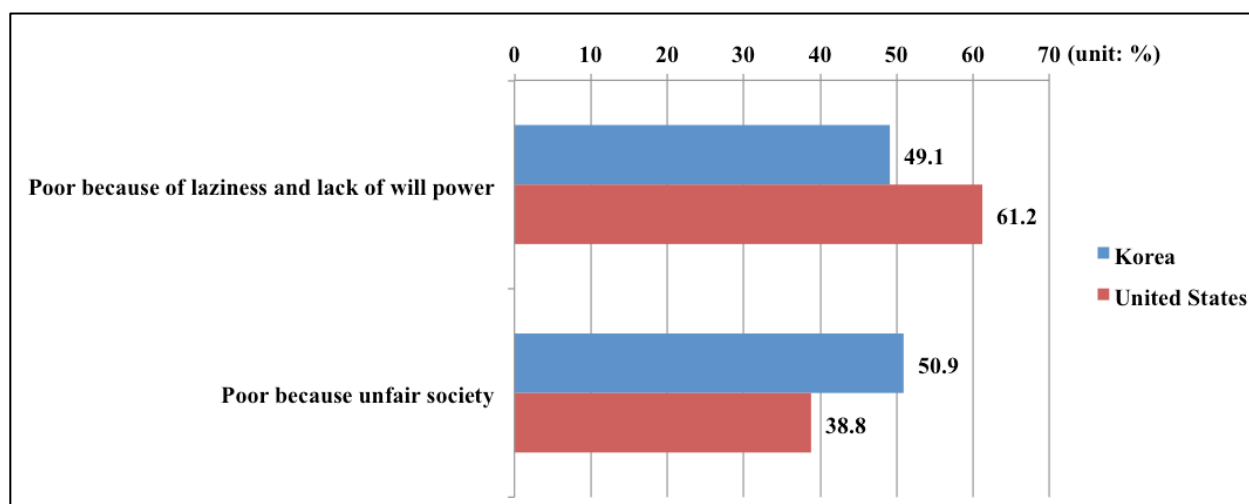


Figure 2.1. View on the Causes of Poverty: Korea and the United States.

Source: World Values Survey (WVS), Wave 3 (1995-1999).

Note: Responses were based on the question: “Why, in your opinion, are these people in this country who live in need? Here are two options: Which comes closest to your view? Statement 1: They are poor because of laziness and lack of will power; Statement 2: They are poor because society treats them unfairly.”

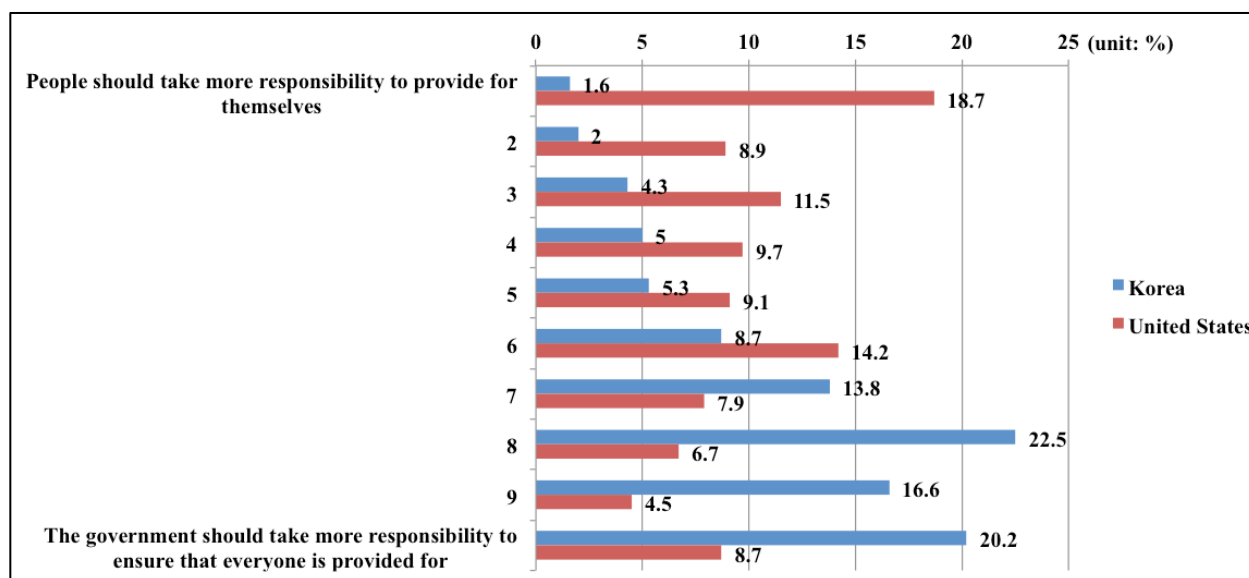


Figure 2.2. View on Government Responsibility: Korea and the United States.

Source: World Values Survey, Wave 6 (2010-2014). Note: 1) Responses were based on the question: “How would you place your views on this scale (Scales 1 to 10)? 1: Government should take more responsibility to provide for themselves ~ 10: People should take more responsibility to provide for themselves.” 2) Responses were reversely coded. Higher values indicate greater responsibility of the government over the individual.

Korea and the United States: Small Welfare State

Both Korea and the United States are conceptualized as “small welfare states” (Yang, 2017), whereby *small* means a welfare state with unusually low levels of public social spending compared with other Western European counterparts. With regard to the level of public social spending evidenced as a percentage of GDP, compared with 20.1% of the OECD countries’ average, the corresponding figures for Korea and the United States were 11.1% and 18.7% respectively in 2018 (OECD, 2019). However, when evaluating the two nations in terms of both public and private welfare efforts as well as tax expenditure, it must be noted that Korea still remains small but the United States does not. For example, in terms of the level of total net social spending that includes both public and private spending for social purposes, and direct or indirect taxation by tax breaks, the OECD average is 20.9%; however, the respective proportions for Korea and the United States are 13.0% and 30.0% (OECD, 2019).

In sum, the comparison between public social spending and total net social spending in Korea and the United States relative to the other OECD countries reveals that whereas both nations share the nature of “smallness” in common, they differ in the rationale for why and how the “smallness” has continued in terms of governmental social welfare provision. In other words, the role of the Korean welfare state is substantially smaller than that of other OECD countries; however, unlike the United States, its smallness is not mitigated by private social welfare and direct or indirect taxation efforts. In this regard, a host of welfare state scholars have pointed out that Korea is a Confucian and underdeveloped welfare state (Ahn & Lee, 2005; Bamba, 2007; Chang, 2010; Choi, 2012; Chung, 2006; Jones, 1990; Kang, 2004; Kim, 2006; Kwon, 2005; Yang, 2017), whereas the United States is a liberal and reluctant welfare state (Almgren, 2017a;

Bambra, 2005; Esping-Andersen, 1990; Garfinkel et al., 2010; Jansson, 2005; Katz, 2008; Scruggs & Allan, 2008).

Historical Background of the Welfare State

This section is intended to provide a background on the historical evolution of the welfare state for the United States and Korea. I will first provide an overview of the welfare state development from 1945 to 2015 in terms of its expansion and retrenchment and then explicate the rationale for the selection of the analytic period of 1980-2015. Second, I will explain why this period is divided into two study periods: 1) 1980 to the mid-1990s and 2) the mid-1990s to 2015. Third, I will explain how the Korean and the U.S. welfare states are characterized pertaining to economic trends and public welfare structure during the two study periods.⁵²

Two Periods of the Welfare State Development:

The Golden Age versus the Welfare State Retrenchment Period

The welfare state was essentially transformed between the Golden Age (1945 to the late 1970s) and the Retrenchment Period (the early 1980s up to the present) (Ahn, 2000; Huber & Stephens, 2001). This transformation entailed the significant erosion of the state's capacity to provide a comprehensive social protection system to citizens, especially to the most vulnerable, accompanied by an increase in "the new risk structure of households" (Esping-Andersen, 2002). The new risk structure of households refers to the increasing dichotomy between resource-poor households (i.e., low-skilled, low-educated, and work-poor young adults and lone mothers) and

52. The rationale for reviewing the United States and Korea in terms of economic trends and public welfare structure is that patterns of national social mobility are shaped by the dynamic interplay between these two mutually dependent structures (Hertel, 2017).

resource-strong households, resulting in reinforcing the undesirable impact of parents' inheritance on children's opportunities and life chances (Esping-Andersen, 2002).

The Golden Age of welfare states or the "welfare state expansion" period (1945 to the late 1970s) witnessed the labor market functioning as a primary and sufficient source of welfare for all the citizens (Esping-Andersen, 2002). During this welfare expansion period, the traditional family model based on a "male breadwinner/female homemaker" ideology (Leitner, 2003) was established and prevalent across advanced capitalist nations. The relatively well-functioning of the capitalist market economy provided post-World War II male breadwinners in working-class households with rising wages and good job prospects in the labor market, regardless of their educational achievement (Esping-Andersen, 2002). This pervasive job security coupled with welfare state expansion yielded significant improvement in the socioeconomic well-being of citizens: poverty and inequality were considerably reduced and upward social mobility was actively facilitated in most advanced welfare states (Esping-Andersen, 2002; Mandler, 2016).

However, beginning in the early 1980s, "the crisis of the welfare states" driven by economic recessions (i.e., two oil-shocks in the 1970s) began to occur (Ahn, 2000; Huber & Stephens, 2001). This welfare state crisis was also termed as "welfare state retrenchment," a general cutback of social welfare programs, and neoliberalism in the market combined with neo-conservative politics rose to prominence as a radical reactionary response to the limited economic growth in many developed nations (Ahn, 2000; Levy, 2010).

Neoliberalism refers to strong ideological and political economic practices with competition as the defining feature of human activity based on free market capitalism. Neoliberalism is defined as "a set of social, cultural, and political-economic forces that puts

competition at the center of social life” (Wilson, 2018, p. 2). Additionally, neoliberalism is defined as “the intensification of the influence and dominance of capital; it is the elevation of capitalism, as a mode of production, into an ethic, a set of political imperatives, and a cultural logic” (Harvey, 2005; cited in Thompson, 2005, p. 23). Another definition used by Thompson (2005) considers neoliberalism as a political project “to strengthen, restore, or, in some cases, constitute anew the power of economic elites” (p. 23). Thus, it is essentially marked by “a rightward shift in Marxian class struggle” (Thompson, 2005, p. 23) in which the wealthy are favored over workers. Also, neoliberalism is a theory of political economic practices, which claims that “liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade” is key to enhancing human well-being (Harvey, 2005, p. 2). As Harvey (2005) states, the effect of neoliberalism on the state is to require “deregulation, privatization, and withdrawal of the state from many areas of social provision” (p. 3).

Starting in the 1980s, the entwining of neoliberalism with the ideological underpinnings of the welfare states and specific social welfare programs are well-documented. In most advanced capitalist countries such as the United States and Western European countries, neoliberal ideas and thoughts became preminent in both the market and the state, thereby driving political discourse toward the idea of welfare state retrenchment (Clarke, 2003; Korpi, 2003; Freeman, Swedenborg, & Topel, 2010; Lein et al., 2016). For instance, the conservative governments in the United States and the United Kingdom, such as the Reagan and Thatcher administrations, were an outgrowth of the neoliberal movement that focused on the reduction of public provision: “issues of recipient deservingness, the need to force individuals to seek market solutions, and the privatization of public service” were highly emphasized in those two nations

(Pierson, 1994; Daguerre, 2008, 2011; Lein et al., 2016, p. 743). This shifting focus to welfare state retrenchment also arose in the political arena in Nordic countries like Denmark that enjoyed highly universal programs with well-designed public-benefits systems (Lein et al., 2016). Taken together, neoliberalism restructured the welfare state by reframing its policy discourse about specific social programs under contractual rather than universal paradigms of public provision (Lein et al., 2016). The crux of this contractual paradigm is that social benefits are given to the citizenry not as citizenship-based unconditional entitlements, but employment-based conditional entitlements: “social citizenship is changed from status to contract” (Handler, 2003, p. 230). For the United States, this contractual paradigm is epitomized by the transition of public assistance from Aid to Families with Dependent Children (AFDC) to TANF and the devolution of benefits authority from the federal to the state governments (Lein et al., 2016).

In the United States context, the predominance of neoliberalism in economic and political arenas is connected or at least complementary to the resurgence of various strains of conservatism in social welfare policy, perhaps most effectively championed by the neo-classical economist Charles Murray. The central point advanced in Murray’s (1984) *Losing Ground* was to illustrate, using his assessment of the African American population as ghettoized and reflecting a neo-classical version of “culture of poverty,” that “the expansion of social welfare since the 1960s had not only failed to improve poverty conditions, ... it had actually made things worse for the poor (O’Connor, 2001, p. 247). The term “culture of poverty” was initially coined by Oscar Lewis⁵³ (1959) (Almgren, 2017b). Lewis’s epistemology was based on ethnography and individual psychological tests. His point was that certain social groups or communities, subjected to endemic and enduring poverty, tend to adopt a culture of poverty as an adaptive

53. It is worthy noting that Lewis began intellectual journey as a Marxist (Almgren, 2017b). He postulates that intergenerational perpetuation of poverty is made through psychological development of children, although it is originally created through oppressive social structures.

response. A culture of poverty is defined to include specific group and individual traits. For instance, group traits include underemployment, low wages, hand-to-mouth existence, and matriarchal family structure, whereas individual traits include resignation, dependency, lack of impulse control, weak ego structure, sexual confusion and inability to delay gratification.

Lewis's viewpoint is called the liberal or classical version of the culture of poverty. Meanwhile, Murray's (1984) epistemology was based on anecdotal statistics on welfare utilization, poverty rates, out-of-wedlock childbearing, and simple correlation and regression techniques with cross-sectional data. Murray argued that people are not motivated to engage in low-wage work when they are given to workable alternatives in the form of generous welfare transfers and thus welfare transfers perpetuate poverty rather than relieve it. Murray's point of view is called the conservative or neo-classical version of the culture of poverty. Last, Mead's (1986) epistemology was based on historical analysis and ethical discourse. Mead's viewpoint was that government and agents of the human service system have a distinctive responsibility to enforce social obligations (e.g., work in available jobs for family heads, unless aged or disabled, and work for other adults in the families that are needy; contributing all one can to family support and well-being; fluency and literacy in English regardless of one's native tongue; learning sufficiently in school to be employable; law abidingness and generalized respect for rights of others) and to teach the poor to act in a responsible way. Mead's standpoint is called normative decline or neo-paternalism theory within the conservative version of the culture of poverty (Almgren, 2017b). In sum, the commonality between liberal (classical by Lewis) and conservative (neo-classical by Murray) versions of "culture of poverty theory" is that these two versions contend that group or individual traits such as higher level of unemployment, out-of-wedlock childbearing, poor impulse control, and intergenerational transfer of dependency

in the poor communities are self-defeating and maladaptive behaviors that perpetuate poverty. However, the key difference between liberal versus conservative version of "culture of poverty theory" is that the conservative version assumes there are self-defeating or negative traits or reasons for the poor perpetuating their poverty, whereas in contrast, the liberal version views that these negative traits are adaptive responses to structurally unfavorable/disadvantaged conditions and so those individual traits can change if structural disadvantage changes (Almgren, 2017b).

Murray called for the eradication of social welfare benefits, in the words later used by President Clinton, "ending welfare as we know it," to push the poor to be self-sufficient rather than rely on public assistance. Critical scholars view Murray's ideas both as a pseudo social science offering the rationale for anti-poverty program retrenchment and ultimately the blueprint for the aims and structure of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) (O'Connor, 2001). With Murray's argument as a platform, conservative movement think tanks utilized a series of publications, including books, reports, and policy briefs, to invigorate attacks against welfare benefits. Both neoconservative and neoliberal intellectuals within those institutions asserted the uselessness and ineffectiveness of government intervention because it would not rectify the bad behavior of the poor but instead cause market inefficiency, moral hazard, welfare dependency, and work disincentives (O'Connor, 2016).

The term "welfare queen"—discursively represented by the face of the black single mother—was deployed by Ronald Reagan, during the 1976 presidential election, to link welfare with fraud and manipulation and to mobilize the image of the welfare queen as a potent media device evoking conservative anti-welfare public sentiment, that then later fueled political actions for the welfare policy cutbacks of 1996 (Watkins-Hayes & Kovalsky, 2016). Stereotypical media representation and images of black women as "welfare queens" reinscribed racial domination.

Media discourse thus linked welfare and poverty with race as well as sexual deviance, fraud, family instability, and community deterioration, resulting in “Americans hat(ing) welfare” or generating American “hatred” for welfare (Gilens, 1999).

Race has only contributed to structure welfare policy: full implementation of TANF’s sanctions in the United States are differently structured and enforced at the state level by race (Soss, Schram, Vartanian, & O’Brien, 2001). With the “devolution revolution” in the 1996 policy reforms, authority devolved from federal to state governments, thus providing state governments the discretion to determine specific welfare policy, such as eligibility requirements and time limits for cash assistance; that discretion in turn provided them the means, via the reforms, to infuse local politics of race into state-level policy (Soss et al., 2001). “Devolution revolution” served as a catalyst for states to engender renewed racial disparity in the U.S. public assistance system such that African Americans were put at a disadvantage (Soss et al., 2001). The likelihood that African American families would participate in the TANF systems with the most punitive program conditions was greater because states with a higher percentage of black recipients embraced more restrictive policy regimes (Soss et al., 2001). Moreover, this racialized TANF policy led to institutionalized discrimination by treating citizens of different races differently, leaving them at the mercy of state governments.⁵⁴ As Soss et al. (2001) emphasized, the “problem of the color line” is key to political discussions of welfare in the United States: “States with caseloads that include more people of color score significantly higher on our index of policy severity and are significantly more likely to adopt strong sanctions, restrictive time limits, and family caps” (p. 391).

54. For instance, a black female welfare recipient who becomes pregnant is more likely to reside in a state without additional support for the child compared with a white female counterpart. In addition, a black recipient who fails to meet with a caseworker is more likely to reside in a state with the full-family sanctions: this single noncompliance would terminate benefits for the entire family (Soss et al., 2001).

Thus, the development of the U.S. welfare state, particularly at the turn of the century with the 1996 welfare reforms, must be understood not only with the market-oriented perspectives of neoliberalism, but also with the politics of race in the uniquely American context. This neoclassical view of the “undeserving poor”—reflected initially in Murray’s idea and then extended in conservative public discourse and intensified with Reagan’s depiction of the welfare queen—echoed the embodiment of neoliberal ideology: individual rather than social responsibility (Katz, 2013). That is, class *and* race both functioned as determinants of the limits of the American welfare state and the particular consequences of those limits for the least advantaged children and young adults—overrepresented by African Americans and in recent decades, immigrants from Mexico and Central and Latin America. In short, the role of racial history and politics in the evolution of the contemporary post-TANF version of the reluctant American welfare state is key to creating different pathways for the U.S. welfare state regime, distinctive from the Korean welfare regime, which has translated to between-country differences in IGM.

In times of welfare retrenchment, most developed nations reduced or recalibrated levels of public social expenditure and kinds of welfare programs by using three key strategies of “blame avoidance” (Levy, 2010).⁵⁵ In this era of social welfare cuts, the traditional family model

55. The first strategy, called “decrementalism,” is to dilute the negative consequences of the unpopular welfare cuts over a long-term period (e.g., indexing pensions to inflation rather than wages would result in a significant reduction in pension spending). The second strategy, called “burden sharing,” is to shift responsibilities from the national or federal government to local governments with insufficient financial assistance, resulting in inescapable welfare cuts by the local governments (e.g., the 1996 U.S. welfare reform and its substitution of block grants for state-federal matching in the funding structure of the social safety net). The third strategy, called “divide-and-conquer technique,” is divided into two types: 1) to provide side-payments to the possible dissenters of the unpopular welfare cut (e.g. the Thatcher government’s significant reduction in spending on new public housing while providing considerably inexpensive public housing to existing eligible families) and 2) to postpone the implementation of the welfare cut using “grandfather clause” (e.g., providing more generous

could no longer support adequate income security and ample caring for its family members as it could in the past (Esping-Andersen, 2002). This weakening of the traditional family model was driven by post-industrialization and the resultant transformation in the nature of the labor market from stable and full-employment to insecure and precarious employment (Esping-Andersen, 2002; Taylor-Gooby, 2004). Accordingly, previously attempted welfare state outcomes such as poverty alleviation, reduced inequality, and improved social mobility in the first three postwar decades have been at stake in the past three decades, even with considerable cross-country variation in the extent to which welfare states have reacted to worsening labor market insecurity and increasing family vulnerability through welfare retrenchment and fiscal austerity (Esping-Andersen, 2002; Levy, 2010).

Despite this significant transformation of welfare states from the Golden Age to the Retrenchment period, a majority of European welfare states typically maintained “big welfare states” characterized by substantial levels of public social spending with more lenient eligibility rules and generous social benefits based on the universalist and solidarity-based public welfare structure (Ahn, 2000; Yang, 2017). In contrast, the U.S. welfare state has followed its own trajectory and departed from the pathway of “big welfare states” despite its significant progress in the four main areas of social welfare expenditure: income protection, healthcare security, social service provision, and public education (Almgren, 2017a). Due to the persisting role of racial inequality and welfare politics, the historical evolution of the American welfare state has been made in a limited and constrained way, placing it on the trajectory of “small welfare states” featuring inadequate levels of public social spending, stricter eligibility rules, and meager benefits based on the selective and reluctant public welfare structure (Almgren, 2017a; Yang,

pensions to the existing beneficiaries based on the old formula while providing less generous pensions to future recipients based on the new stricter formula) (Levi, 2011).

2017). Meanwhile, the Korean welfare state took a somewhat similar path. Over the past seven decades, as the nation shifted from one of the poorest countries to one of the most advanced industrialized democracies through the help of the U.S. foreign aid, the Korean welfare state has deflected from the trajectory of “big welfare states” (Yang, 2017). Despite its miraculous economic development and democratic progression, the Korean welfare state’s level of public social spending, at 10.4% of GDP, still lags behind the OECD average of 21% (OECD, 2019). Given that both the United States and Korean welfare states are small instead of European-style “big welfare states” (Yang, 2017), it is worth investigating the different evolution of Korean and U.S. welfare states to identify underlying mechanisms that influence levels of IGM during the period of welfare retrenchment starting from the early 1980s to the present.

Characterization of Two Study Periods in the Era of Welfare Retrenchment: 1980-2015

Public welfare policies (discussed above), along with economic structure and the family as an institution, have bearing on IGM. As IGM depends on parental capacities and resources to invest in their children across places and times, temporal variation in the aforementioned three components of the welfare state as well as the ages of adult children and their parents can affect IGM (Corak, 2016a; Torche, 2015a). Thus, period specification of a given welfare context affecting IGM and its subsequent selection of birth cohorts should be carefully determined.

Over the 1980-2015 period, both Korea and the United States underwent major transitions in economic trends and public welfare structure, primarily in the mid-1990s. In terms of economic trends, the Korean economy experienced rapid industrial development, as evidenced by 8.44% growth of its annual GDP during the period of 1980-1995 (World Bank, 2019). However, the mid-1990s marked an economic shift in Korea; annual economic growth began to stagnate as evidenced by a growth rate of 3.74% during the period of 1996-2015 (World Bank,

2019), and income gaps widened (Ahn & Lee, 2005; Kim & Kim, 2013). Regarding public welfare structure, the mid-1990s witnessed an embryonic stage of Korean welfare state development (Kim, 2006; Ramesh, 2003; Song & Hong, 2006). In addition, numerous scholars claim that the 2000 welfare reform in Korea, that is, the National Basic Livelihood Security Act (NBLSA) was monumental public welfare legislation that changed Korea from a pre-welfare state into an embryonic welfare state (Jung, 2007; Kim, 2008; Kim, 2009; Kim, 2013; Ramesh, 2003; Phillips & Jung, 2013; Shin, 2008; Yang, 2013; Yeo, 2004).

Meanwhile, in regard to the U.S. economic trends, the mid-1990s marked a turning point for the level of economic inequality: the income share of the bottom 50 percentile group (15.4%) was approximate to that of top 1 percentile group (15.3%) in 1995 (WID, 2018). Since then, the richest 1 percentile's share of national income in the United States has continued to rise, reaching 20% in 2013 (WID, 2018). In addition, American middle-class families' incomes have been considerably stagnant since 1979 (U.S. Congressional Budget Office, 2018). In particular, during the two periods of 1980-1995 and 1996-2015, American real median household income slowed significantly: 0.73% and 0.37% respectively (Federal Reserve Economic Data, 2018). Pertaining to public welfare structure, numerous scholars have acknowledged that the 1996 welfare reform in the United States, that is, the PRWORA was a critical public welfare enactment that transformed the United States into a more work-oriented and retrenched welfare state (Brush, 2003; Haskins, Sawhill, & Weaver, 2001; Katz, 2008, 2013; Moffit, 2008; Plotnick, 2012; Waldfogel, 2013; Wiseman, 1996).

Considering the mid-1990s as a critical juncture in both the Korean and the American welfare state history, this study defines two distinctive periods reflecting different configurations of the welfare state in its two components (economic trends and public welfare structure): 1)

1980 to the mid-1990s (a period of rapid economic development and pre-welfare state for Korea; trickle-up economics, globalization, and rollback of the welfare state for the United States) and 2) after the mid-1990s to 2015 (a period of economic stagnation and early evolvement of the Confucian Welfare State for Korea; economic prosperity leading to recession and the retrenchment of the welfare state for the United States). The characterization of the two distinctive study periods is presented in Table 2.2.

Table 2.2.
Characterization of Two Distinctive Study Periods

		Korea	United States
Study Period I (1980 to mid-1990s)	Economic Trends	Rapid Economic Development	Trickle-Up Economics and Globalization
	Public Welfare Structure	Pre-Welfare State	Rollback of the Welfare State
Study Period II (mid-1990s to 2015)	Economic Trends	Economic Stagnation	Economic Prosperity Leading to Recession
	Public Welfare Structure	The Confucian Welfare State Development	Retrenchment of the Welfare State

To test the period effects on IGM, two successive birth cohorts in both countries are defined as individuals born between 1950 and 1965 and those between 1966 and 1985, thus aged 30 during the two respective time periods. However, considering the data availability and the construction of more comparable analytic samples between the two periods in both nations, adult children's birth cohorts are selected as individuals born between 1971 and 1981 in Korea and those born between 1969 and 1980 for study period I in the United States. In addition, adult children's birth cohorts are chosen as individuals born between 1978 and 1990 and those born between 1977 and 1990 for study period II in both Korea and the United States, respectively. The

selection of the birth cohorts of adult children, including sons and daughters, is displayed in

Table 2.3.

Table 2.3.

Selection of the Birth Cohorts of Adult Children: Korea and the United States

	Korea	United States
Study Period I (1980 to mid-1990s)	Relationship of Incomes of sons born between 1971 and 1981 with those of their parents when they aged at 15-20	Relationship of Incomes of sons born between 1969 and 1980 with those of their parents when they aged at 15-20
	Relationship of Incomes of daughters born between 1971 and 1981 with those of their parents when they aged at 15-20	Relationship of Incomes of daughters born between 1969 and 1980 with those of their parents when they aged at 15-20
Study Period II (mid-1990s to 2015)	Relationship of Incomes of sons born between 1978 and 1990 with those of their parents when they aged at 15-20	Relationship of Incomes of sons born between 1977 and 1990 with those of their parents when they aged at 15-20
	Relationship of Incomes of daughters born between 1978 and 1990 with those of their parents when they aged at 15-20	Relationship of Incomes of daughters born between 1977 and 1990 with those of their parents when they aged at 15-20

Given the identification of the two study periods and the subsequent selection of adult children's birth cohorts, I will examine the economic and public welfare context in Korea and the United States by discussing first the economic trends in the two periods (1980 to the mid-1990s and after the mid-1990s) and then the public welfare structure, that is, the welfare state and its intertwining relation with the family.

Economic Trends in Korea and the United States

Korea and the United States are comparable in terms of income inequality as an aspect of the economic trends, but are distinct in other ways. With regard to the level of economic

well-being measured by Gross National Income per capita adjusted with Purchasing Power Parity (PPP), the United States is 1.6 times higher than Korea (53,960 vs. 33,400 PPP dollars) (World Bank, 2016). The two countries also differ in terms of pace of economic growth in contemporary times. The U.S. adult national income grew from 10,000 to 20,000 in the 41 years between 1943 and 1984. Korea markedly outpaced the United States, reaching the same growth in adult national income in a mere 15 years from 1993 to 2008 (Kim et al., 2011). In 1980, the average income in Korea was 20% of the U.S. level, but that rate more than tripled in 30 years to reach 77% by 2010 (Kim & Kim, 2013).

The economic trends within each national context are key to understanding IGM, with the dualistic labor market and its ensuing income inequality (Jones & Urasawa, 2014; Hertel, 2017) as macro-level conditions for social reproduction of inequality across generations. With regards to the labor market, job stability, earnings levels, and unemployment rates are the main determinants of accentuating or attenuating mobility for workers and their children. General trends of the changing labor market in both the United States (since the late 1970s) and Korea (since the late 1990s) show increasing labor market inequalities characterized by labor's shrinking share of the total economic product over time, increasing low-wage hourly workers, and stagnant unemployment with fluctuating economic growth (Jones & Urasawa, 2014; Lein, Romich, & Sherraden, 2015). Disparity between regular and temporary employment status with related compensation, including earnings and fringe benefits, in the capitalist labor market would limit the resources of all workers as parents to invest in their children (Corak, 2016a; Esping-Andersen, 2002; Hertel, 2017).

Income inequality, as another economic condition, is inversely associated with intergenerational mobility (Atherton, 2016; Bloome, 2015; Corak, 2016a; Smeeding et al., 2011).

The negative inequality-mobility link suggests that higher income inequality would lead to less intergenerational mobility. This inverse inequality-mobility relationship is empirically supported by Corak's Great Gatsby Curve (2013), showing a strong association between higher levels of inequality and lower levels of economic mobility among fathers and sons (Atherton, 2016, pp. 48-49). However, Winship and colleagues (2012) contended that this negative inequality-mobility link is incorrect, pointing out that Corak's (2013) study is based on different national surveys with contrasting methods at different time points. In addition, at the theoretical level, there is still an unsettled debate about the impact of inequality on mobility between the "incentive approach" and the "resource approach" (Torche, 2005). The former argues that increasing inequality functions as the critical motivation for the innately disadvantaged or the intrinsically advantaged to pursue or inhibit mobility, yielding higher mobility (Torche, 2005). Conversely, the latter claims that rising inequality widens the gap in human, social, and cultural capital between individuals with initial advantages and those with initial disadvantages, thus generates lower mobility (Torche, 2005). Despite this dispute regarding the association between inequality and mobility, there is compelling evidence that countries with higher inequality (i.e., liberal welfare states including the United States and the United Kingdom) are associated with lower levels of economic mobility (Björklund & Jäntti, 2009; Blanden, 2009, 2013; Corak, 2013, 2016a; Jäntti et al., 2006; Wilkinson & Pickett, 2009; Torche, 2015a).

For the study period from 1980 to 2015, trends in income inequality in both Korea and the United States are presented in Figure 2.3 (U.S. Congressional Budget Office, 2018; Statistics Korea, 2018). First, Korea's income inequality has been continuously smaller compared with the U.S.'s: 0.30 and 0.55 respectively (pre-tax Gini index), and 0.28 and 0.41 (post-tax Gini index). Second, using the year 1995 as the midpoint, the two countries' average level of inequality

appears to increase from the pre-1995 to the post-1995 periods. For instance, in Korea, the pre-tax (post-tax) Gini index increased by 0.027 (0.014) from 0.289 (0.277) during 1980-1995 to 0.313 (0.291) during 1996-2015. For the United States, the pre-tax (post-tax) Gini index increased by 0.057 (0.103) from 0.515 (0.395) during 1980-1995 to 0.572 (0.498) during 1996-2015.

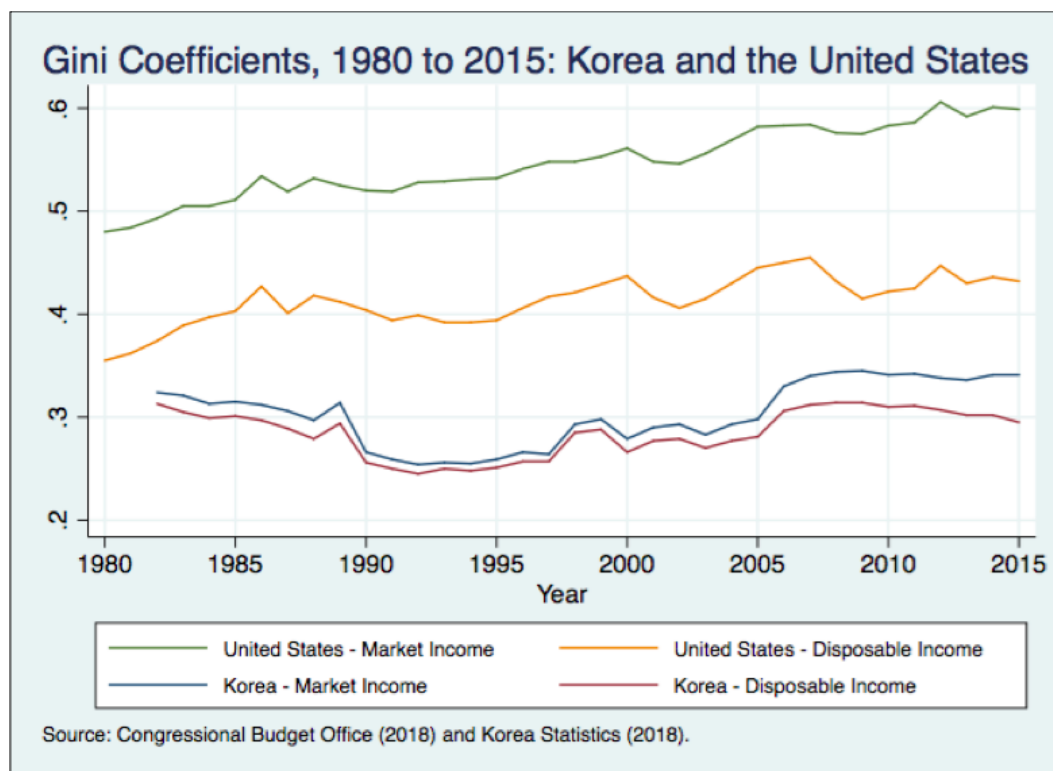


Figure 2.3. Trends in Income Inequality (1980-2015): Korea and the United States

Economic trends in Korea.

Period of rapid economic development (1980 to the mid-1990s).

Leading up to the end of the twentieth century, Korea, as a society of great ethnic and cultural homogeneity, achieved rapid economic development and social mobility with increasing welfare expenditures (Jones & Urasawa, 2014). Korea experienced relatively high levels of economic mobility with declining poverty and inequality (Jones & Urasawa, 2014). Interactions

of three factors have promoted the relatively high mobility (Park, 2004). First, the Korean economy's transition at this time from an agrarian to urban and industrialized economy led to a dramatic transformation in the occupational structure accompanying upgrading of employment from the primary farming to the secondary and tertiary sectors of production (Park, 2004). Second, relatively low-income inequality defined this period of transformation, as the synergy effects of social transformation made Korean society more open and fluid in terms of economic resources among the non-elite class (Park, 2004). Such effects were also evident historically, with the collapse of the traditional class system instituted during Japanese colonial rule (1910-1945), land reform after independence (1948), and destruction of wealth by the Korean War (1950-1953) (Park, 2004; Kim, 2012). Third, an impressive educational expansion accompanied economic growth during this time, creating skilled, qualified, and better-educated workforces and ensuring prospects for continued development (Park, 2004). As of 1996, Korea was considered a forerunner amongst its OECD counterparts in the percentage of young adults aged 25-34 with at least undergraduate university level of education (OECD, 1999; Park, 2004).

Period of economic stagnation (after the mid-1990s up to 2015).

The mid-1990s marked an economic shift in Korea, as annual economic growth began to stagnate and income gaps widened (Kim & Kim, 2013). The share of national income of the richest one percent reached 7.3% in 1996, and grew to 10.8% in 2006, then rising to 12.3% in 2011 (WID, 2018). Also, the 1997 financial crisis in Korea stunted the nation's economic development (Kim, 2012; Glyn, 2006, p. 73). In December of that year, Korean Finance Minister Chang-Ryeol Lim infamously announced the nation's bankruptcy on public television (Kim, 2012). This economic crisis was an offshoot of financial recklessness and imprudent investments by government-controlled banks, which were led by their profiteering owners and politicians,

and was spurred by the collapse of Asian stock markets earlier that year (Kim, 2012; Glyn, 2006). The national financial crisis that ensued in Korea would then lead to increased labor market inequalities that later undermined gains in economic mobility of the previous decades (Jones & Urasawa, 2014). Shifts in the labor market were also a direct consequence of government intervention. In 1998, the Korean government commenced plans to restructure the labor market by enabling job flexibility, specifically by allowing the massive dismissal of regular workers and reemployment of them with temporary status (Kim, 2012). Several of the biggest Korean banks and companies such as the Hanbo group were financially bankrupt at this time, and government intervention was with the intent of saving those failing companies (Kim, 2012). This governmental intervention was also done to meet the requirements and rules imposed by the International Monetary Fund (IMF), a stipulation made in exchange for lending a lump sum of money to the Korean government (Kim, 2012). Massive unemployment and economic adjustments under the IMF-supported program led to the doubling of the absolute poverty: 16% in 1998 from 7% right before the 1997 financial crisis (Kim, 2013).

However, efforts for economic recovery were swift. Also, there was rapid completion of repayment to the IMF in 2001, helping decrease poverty to 9% in only 4 years by 2002 (Kim, 2013). However, since 2002, poverty has stayed around 7-9%, while income inequality has grown significantly (Kim, 2013). Absolute poverty⁵⁶ in Korea had increased from 7.6% in 2006 to 8.4% in 2009 at its peak, and then had slightly decreased to 7.7% in 2014 (Jeong & Lee, 2015). The relative poverty rate in Korea has been stable at 13.8% over the same period (2006-2014) (Jeong & Lee, 2015). Among the 34 OECD countries, Korea had the tenth worst relative poverty rate (14.4%) in 2014 (OECD, 2018h).

56. A household is considered as poor if its pre-tax income is less than the Korean official poverty line called the Minimum Cost of Living.

Income inequality captured in Korea by the Gini index reached 0.302 in 2014, which was lower than the OECD average (0.318) and the average seen in the United States (0.394) (OECD, 2018h). The intergenerational persistence rate of earnings between fathers and sons (0.25) has been shown to be comparable to that of Scandinavian countries (around 0.3) (Ueda, 2013; Corak, 2016b). However, Korean governmental efforts to address poverty and income inequality are still very marginal: the government redistribution effects (0.03) through the tax system and transfers were less than those of Scandinavian countries (0.17 to 0.18) captured by the difference between market and disposable income Gini index (OECD, 2015).

Economic trends in the United States.

Period of trickle-up economics and globalization (1980 to the mid-1990s).

While there is no consensus in terms of temporal specificity, the 1980s are considered the emerging period of economic globalization, also termed the modern world system, with the United States, as well as the United Kingdom, as leaders. This system was ushered in by the energy crisis and the deindustrialization of the United States economy during the 1970s that contributed to increased unemployment, capital accumulation, income inequality, and urban poverty in the United States (Harvey, 2005; Katz, 2013). One of the most important economic changes that occurred beginning around this period pertains to the labor market. There was a reduction in middle-paying jobs (Kerbo, 2006) and actual declines in wages for people at the bottom of the income distribution (Gould 2014; Lein et al., 2014).

Further, in 1980 the share of national income of the richest 1 percentile of Americans reached 10%. Since World War II, the rate of change in income inequality in the United States had followed a decreasing trend, but this reversed around 1980 (Kerbo, 2006). The U.S. Gini index for market income has substantially increased by 20.7% from 0.397 to 0.479 in the

1967-2015 period. This suggests a steady increase with some cyclical fluctuations in U.S. income inequality (U.S. Census Bureau, 2016b). Compared with the first half of the period (1967-1981, 2.3%), the pace of increase in income inequality has accelerated in recent years, wherein income inequality was more than seven times higher in the second half of the period (1981-2015, 18.0%) (U.S. Census Bureau, 2016b).

Period of economic prosperity leading to recession (after the mid-1990s up to 2015).

In terms of income inequality, 1995 marked a turning point for the United States. Annual trends of income share of the top 1% and bottom 50% before 1995 is contrasted with the following period. Historically, more of the national income belonged to the bottom 50% compared with the top 1%, but that reversed after 1995. Starting in 1970, the income share of the top 1% had been steadily increasing (from 11% to 15% during the first period used here), while that of the bottom 50% decreased (from 21% to 15%). By 1995, the richest one percent's share of national income reached 15% and soared further to 20% by 2013 (WID, 2018).

Cross-nationally, the level of U.S. income inequality evidenced by the Gini index for market income (0.479) is similar to the OECD countries' average⁵⁷ (0.47) in 2011 (OECD, 2015). However, the U.S. government's redistribution efforts by taxes and transfers to reduce the gaps between the richest and the poorest, measured by a difference between market and disposable income Gini index, are still lower (0.12) than the OECD average (0.16) (OECD, 2015). Over a recent decade, the U.S. official poverty rate has increased by 9.8% from 12.3% in 2006 to 13.5% in 2015, indicating that an additional 6.6 million people fell below the federal poverty line (U.S. Census Bureau, 2007, 2016a). Among the 34 OECD countries, the United States had the second highest relative poverty rate (17.5%) in 2014 (OECD, 2018h).

57. It includes 31 nations, including Korea and Chile (OECD, 2015).

Public Welfare Structure in Korea and the United States

Korea and the United States are two distinctive cases for examining how different welfare institutions and implementation strategies may generate cross-national differences in mobility structures. Alongside the economic shifts in the two countries shortly after the mid-1990s, major welfare policy reform overhauls were passed in Korea with the NBLSA in 2000 and in the United States with the PRWORA in 1996. U.S. welfare policies place much more emphasis on individual responsibility, whereas Korea has a mechanism for enforcing support from family members.

Public welfare structure in Korea: Social welfare policies and the family.

The contemporary structure of Korean welfare state.

The Korean welfare state has obvious affinities with the liberal welfare states such as the United States and Japan because its public welfare structure is characterized by “modest public welfare benefits, strict eligibility tied to employment and contribution, low social expenditure, high dependence on tax expenditure and employer-provided benefits, and high inequality” (Yang, 2017, p. 26). The main feature of the Korean welfare state relating to low public social spending is summarized in four aspects: 1) relative rudimentariness of the state welfare system as evidenced by the immaturity of the National Pension Scheme (NPS), the concentration of social expenditure on pensions and healthcare, marginal levels of social services, and meager benefits related to active labor market policies (ALMPs); 2) lower generosity of benefits evidenced by income replacement rates of 42.1% for the full forty-year pensioner compared with the OECD average of 59.1%; 3) the small number of welfare recipients due to the substantial existence of “blind spots” in coverage of the social security system called “no-care zones,” referring to the households defined as poor but not covered by the social safety net; and 4) considerable levels

of mandatory and voluntary private social spending in conjunction with various tax deductions for social purposes, and “public works” for the provision of temporary low-wage jobs to the unskilled⁵⁸ and low-skilled laborers (Yang, 2017, pp. 29-38).

The 2000 Korean welfare reforms, from the Livelihood Protection Act (LPA) to the NBLSA, transformed the nature of public assistance from residual to universal under the banner of “social rights.” However, specific policy provisions reveal insufficiencies (Kim, 2009). For instance, the NBLSA has a strict family obligation rule, obligating family members to support recipients, even those not in the same household, if family members’ income is over 130% of the poverty line (Kim, 2009). Benefit levels are reduced based on levels of economic capacity of recipients’ family members. The NBLSA assumes that 15% to 30% of the difference between family income and 130% of the poverty line is given to the recipient, yielding a reduction in the benefit level (Kim, 2009). Due to this strict family obligation rule, the size of “no-care zones,” referring to individuals under 50% of the median income but not covered by the NBLSA, remains substantial: estimated at 2.82% of total population (1.44 million of a total 51 million population) in 2015, which was equivalent to the recipient ratio (2.82% of the total population) (Kim et al., 2017).

Transitions in the Korean welfare state.

The repressive and authoritarian military regime in Korea in the 1970s and 1980s was replaced by a civilian democratic government in 1992, in response to the social movement and resistance in 1987 (Yang, 2017). Over the next decade to the end of the century, the state

58. All of these private and tax expenditures for social support, and “public works” for income protection through temporary job creation are called “hidden welfare” (Howard, 1997; Yang, 2017).

implemented a series of reform policies: National Pension System (1988), National Health Insurance (1989), and Unemployment Insurance (1995) (Yang, 2017).

A major turning point in the modern Korean welfare state was the passing of the NBLSA in 2000 (Kim, 2013). Some scholars have said that the passage of this landmark legislation moved Korea from a pre-welfare state stage into an embryonic welfare state (Ramesh, 2003). This welfare policy change substantiated the state's obligation for guaranteeing welfare rights for citizens that had been stipulated in the 1948 Constitution, but were yet to be implemented (Kim, 2013). After this policy reform, several social welfare programs to address various welfare needs, as additions to the NBLSA, were also implemented (Kim, 2013): the Earned Income Tax Credit System was enacted in 2006 and implemented in 2009; the National Basic Old-age Pension and the Disabled Pension were introduced in 2007 and 2010, respectively; in 2005, the Near-poor Support program was introduced and provided in-kind benefits⁵⁹ targeting those living below the 120% of the poverty line; the Personal Assistance Service for Persons with Disabilities was introduced in 2007 and expanded in 2011; the Childcare Support program was introduced in 2005 and expanded in 2009. Thus, the Korean welfare reforms starting in 2000 are considered a major transformation.

Public welfare structure in the United States: Social welfare policies and the family.

The contemporary structure of the American welfare state.

Based on levels of spending on five broad domains (i.e., pensions (old-age, survivors', and disability insurance), healthcare, education, cash benefits other than pensions, and services and in-kind benefits other than health and social education), the structure of the U.S. welfare state is summarized by three main points (Garfinkel et al., 2010): 1) higher healthcare spending,

59. It is provided based on the different needs of the near-poor including medical and housing benefits.

2) higher non-cash benefits spending, and 3) disproportionate reliance on the social safety net⁶⁰ (i.e., targeted to the low-income group) and platform benefits⁶¹ (i.e., targeted to middle- and high-income groups) rather than floor benefits⁶² (i.e., untargeted or universal to the entire population).

First, the United States is the highest spender on healthcare:⁶³ 17.2% of GDP compared with the OECD average of 8.9% of GDP.⁶⁴ In addition, the United States has no universal healthcare coverage for the citizenry, relying instead on employer-provided health insurance. Thus, health security in the United States is fairly unequally distributed among workers, meaning that workers with high-paying jobs have adequate health insurance coverage, whereas those with low-paying jobs have poor health insurance coverage. Second, in terms of the balance between cash and in-kind benefits, the United States depends highly on non-cash benefits instead of cash benefits compared with other OECD countries due to its greater spending on education and healthcare. Third, in terms of universality and fairness of the provision given the three types of benefits such as floor, social safety net, and platform transfers, the United States is lower in the

60. Social safety net benefits signify means-tested, highly stigmatized, and typically targeted social welfare provisions to the very poor (Garfinkel et al., 2010). For instance, safety net benefits include Medicaid, TANF, and the EITC.

61. Platform benefits denote social welfare provisions that are selectively beneficial to the non-poor as a platform for wealth accumulation and social mobility (Garfinkel et al., 2010). For instance, they include Home Mortgage Tax Credits, Tax-Sheltered Annuity (TSA) Retirement Plan, and Employment-Based Insurance Tax Subsidies.

62. Floor benefits refer to a universal set of social welfare provisions that all citizens receive, regardless of their income level (Garfinkel et al., 2010). For instance, they include public education, Medicare, Old-Age and Survivors Insurance (OASI), and Social Security Retirement Benefits.

63. It is also noteworthy that the United States has greater private spending on health rather than public in comparison to other OECD nations. For instance, the United States is the sole country that records more than 1 in the ratio of private to public spending on health among OECD countries (OECD, 2011).

64. In terms of the role of public financing in supporting healthcare spending (measured by a proportion of combined expenditure on government transfers and social security contributions relative to the total healthcare expenditure), the United States is much lower, evidenced by about 50%, compared with the OECD average of 71% (OECD, 2018b).

proportion of floor benefits but higher in the proportion of safety net and platform benefits compared with other OECD nations.

This heavy reliance on safety net and platform benefits has negatively affected the development of the U.S. welfare state in two ways (Garfinkel et al., 2010). First, over-dependence on social safety net programs tends to incentivize the poor to work at informal or even illegal jobs where their earnings tend to be underreported. Public social safety net programs typically require special government bureaucracies serving the poor alone, thereby isolating and segregating them from other welfare beneficiaries. In addition, the over-reliance on social safety net benefits in the United States can undermine the potential for social cohesion due to its sharp distinction between the eligible poor and the non-eligible lower-middle class. Second, excessive reliance on platform benefits tends to lower the effect of redistribution by the welfare state on the financing side. The highly unequal distribution of healthcare and housing benefits by income quintile in the United States can contribute to impeding upward social mobility for lower-income groups.

In sum, compared with other wealthy nations, the structure of the U.S. welfare state is unique in that it has exceptionally high spending on healthcare, high spending on non-cash benefits, and heavy reliance on selective benefits (safety net and platform transfers) instead of universal (floor) benefits. Thus, this de facto structure of the U.S. welfare state has contributed to poorer health outcomes and the segregation of the poor from mainstream society by providing them with meager means-tested and stigmatized benefits (Almgren, 2017a; Katz, 2008).

Transitions in the American welfare state.

The formation of the modern American Welfare state began with the New Deal in 1935 and the passage of the Social Security Act (SSA) and was consolidated with President Lyndon

Johnson's successful “War on Poverty” efforts to sign the Medicare and Medicaid expansion of the SSA into law—provisions that established social insurance for healthcare for the elderly and means-tested healthcare coverage for the poor (Almgren, 2017a; Jansson, 2005; Katz, 2008; Plotnick, 2012). Despite these massive expansions in the U.S. welfare state, starting from the late 1970s and through to the mid-1990s, the American welfare state, as representative of a “liberal welfare regime,” rolled back and underwent fundamental changes, such as policies that devolved power and allowed more flexibility by state governments (Jansson, 2005). Since the early 1980s, the role of governmental social welfare programs both in the anti-poverty sphere and the advancement of opportunity sphere have been downsized, returning to an individualistic as opposed to structural orientation to advancing prospects for social mobility (Self, 2012). This social welfare policy shift is driven by a deep-rooted ethos that upward mobility can be achieved by means of individualized self-efforts through education and employment instead of state support (Katz, 2008; Self, 2012; Skocpol, 1992). This emphasis on the American work ethic⁶⁵ (or lack thereof among the poor) became the ideological basis for adding work requirements for recipients of the safety net for low-income families with children (Waldfogel, 2013).

A crucial juncture in the U.S. welfare state was the 1996 welfare reform that transformed AFDC to TANF through the PRWORA, indicating a transition into retrenchment in terms of public assistance policies in the United States. Compared with AFDC, TANF imposed more restrictions, such as a 60-month time limit, reduced benefit levels,⁶⁶ and more discretionary powers delegated to the states. Most notably, the 1996 reform conditioned receiving cash

65. It should be pointed out that there is no credible evidence that the so-called “American work ethic” had ever waned despite the popularly accepted contention by conservative and libertarian social policy advocates that liberal welfare state policies had undermined the work ethic of the poor (O’Connor, 2001).

66. The benefit level was reduced by more than 20% during 1996-2016 period (Stanley et al., 2016).

benefits upon an explicit work requirement and devolved responsibility to the individual as worker. This emphasis on work reinforced individualism as a primary principle, as employees or employers gaining rewards through income in the labor market, independent from family members as well as the state. Entitlement to public assistance ended (Katz, 2008, p. 329), thus emphasizing self-sufficiency and the role of individuals as workers in achieving it (Katz, 2013). This shift from a “War on Poverty” policy ethos to “War on Dependency” policy ethos coincided with the well-documented transformation in the American labor market that relegated workers with limited education to low-wage jobs that afforded little opportunity for either career or wage growth (O’Connor, 2001).

Summary of the Section

In sum, during the period of welfare state retrenchment in 1980-2015, the United States and Korea have evolved differently, with the mid-1990s being a critical divergence in terms of economic trends and public welfare structure. In this regard, the analytic period is defined as the two sub-periods: 1) 1980 to the mid-1990s and 2) the mid-1990s to 2015. In addition, both the United States and Korea developed a strong emphasis on the individual and the family system as the locus for increasing or decreasing individuals' potentials. In terms of the American case, this focus was primarily on the morality and motivations of the individual, while in terms of the Korean case, the Confucian ethical traditions focused primarily on the obligations of the family system. These similarities and differences in welfare state configuration between the United States and Korea form the background for understanding economic mobility within each society. In the following section, I will describe how both the U.S. and Korean welfare states have evolved during the two study periods in terms of the social welfare system for human capital investment for children and the labor market system for connecting children to employability.

Connection of Welfare State Models to Prospects for Social Mobility: Within- and Cross-Country Differences

This section is intended to explain how the U.S. and Korean welfare states have evolved in the two study periods in terms of two major systems to influence the prospects for social mobility: 1) the social welfare system for human capital investment for children and 2) the labor market system for connecting children to employability. Before undertaking this task, it is necessary to clarify the following two points: 1) the definition of adult children in the context of young adulthood and 2) the change of socioeconomic contexts such as the labor market, the welfare state, and the family system encountered by adult children in the two analytic periods between 1980-2015.

Definition of Adult Children in the Context of Young Adulthood

Young adulthood, as the life phase between the ages of 18 and 34, is a crucial transitional period between adolescence and adulthood, as individuals seek economic independence and residential autonomy through education and employment (Arnett, 2006). The uncertainty of this “in-between” period includes a variety of transitions, such as completing higher education, entering full-time jobs, moving into new living arrangements, getting married or engaging in partnerships, and childrearing (Furstenberg, 2013). Instability during this period has become commonplace in jobs and education, but also in terms of family structure and residential autonomy (Furstenberg, 2013; Walther, 2006). Yo-yo transitions, referring to various forms of reversible transitions, such as returning to the parental home after a period of living independently, reflects this protracted volatility and uncertainty of young adulthood (Walther, 2006). Depending on research purposes, various operational definitions of young adulthood as a range of years are used (e.g., ages 18-30 in Bitler and Hoynes [2015]; ages 17-23 in Kaplan

[2012]; ages 19-34 in Matsudaira [2016]). Considering that stabilization of the IGE estimates is made when adult children are in their late twenties (Chetty et al., 2014; Torche, 2015a), the present study defines adult children as those aged 25-30 at the time their income is measured.

One important shift is the prolongation of young adulthood (Furstenberg, 2013), which now lasts more than 15 years (Schoeni & Ross, 2005; Swartz, 2008, 2009). This shift in the adult life course is common to both the United States and Korea due to increased tertiary education and the resultant prolonged parental support for adult children (Fingerman, 2017; Jo, 2017; Park, 2013). Several obstacles encumber adult children's path to financial independence. Some jobs in the new economy, such as entry-level jobs, which are the only ones most adult children qualify for given their lack of experience, don't pay a living wage (Swartz, 2009). Moreover, young adulthood is characterized by the formation of identity and social relationships (Arnett, 2006), both of which can incur high cost, such as paying for clothes, social activities and events, for example. Also, educational attainment and skill-building accrue financial burdens for tuition and related costs, as well as human resources, such as time and effort (Schoeni & Ross, 2005; Waithaka, 2014). Despite popular attention to those specific circumstances, adult children are rarely treated as a distinct subpopulation in policy (Bonnie, Stroud, & Breiner, 2014).

Adult Children in the Changed Socioeconomic Contexts:

The Labor Market, the Welfare State, and the Family

Adult children in the labor market who lack skills and a minimum level of education have been those most impacted by de-industrialization. Since the 1980s, stable employment in the manufacturing sectors has become scarce, making it increasingly difficult for low-skilled and low-educated workers to find work (Taylor-Gooby, 2004). Especially vulnerable are adult children who have low-level skills and limited employment experience (Taylor-Gooby, 2004).

Further, the broader context of globalization and the emerging information-driven economy (Sandberg-Thoma et al., 2015) require specialized skills and post-secondary education, leading to a protracted transition to adulthood (Bonnie et al., 2014). In response, adult children turn not only to the labor market but also to the welfare state and the family as sources of basic economic security (Antonucci et al., 2014).

In terms of the “regimes of youth transition” (for a review, see Walther, 2006), the U.S. welfare state can be considered a “liberal transition regime,” characterized by an emphasis on individual rights and responsibilities rather than collective provisions, combined with a highly flexible labor market. Adult children in this liberal transition regime face restricted welfare state support and unique challenges around independence. The liberal transition regime assumes youth as a transition phase that should be replaced as soon as possible by economic independence. Youth unemployment is attributed to a culture of dependency. However, these normative assumptions of early independence based on job security are contradicted by the bleak labor market conditions of the time, conditions that cannot guarantee job security, for young, unskilled workers.

Within the context of a retracted welfare state, compounded with the challenges of the post-industrial labor market discussed above, the family system has been strained in supporting the younger generation. This is particularly salient for adult children from the most disadvantaged backgrounds, whereas children of families with stable and sufficient income and wealth continue to have their families as a financial safety net independent of macroeconomic conditions (Swartz, 2008; Swartz, Kim, Uno, Mortimer, & O'Brien, 2011; Waithaka, 2014). Further pressures have emerged from the Second Demographic Transition, which is characterized by not only demographic transitions but also cultural shifts within the traditional

family structure since the early 1970s, among other changes (McLanahan, 2004). Yet, the U.S. policy response has been to retract governmental support for youth facing such challenges via its liberal welfare transition regime. The policy environment has largely failed to deal with this accumulated strain stemming from the changing family structure (Swartz, 2008). As the family, with its duties as the private safety net, has undergone fundamental changes and structural challenges, many adult children go into more unstable and fragmented transitions.

With the aforementioned points regarding adult children aged 25-30 and the changed socioeconomic contexts surrounding them in mind, I will discuss the social welfare system for human capital investment for children and the labor market system for connecting children to employability in both the United States and Korea.

The Social Welfare System for Human Capital Investment for Children

Extant scholarship on intergenerational income mobility points out that early childhood is a critical stage of development for individuals to shape their opportunities and life chances because the accumulation of cognitive, social, and cultural capital in early childhood determines cognitive abilities during adolescence, and thus affects job and career prospects in adulthood (Esping-Andersen, 2002). For children, the family system is the primary social safety net in providing adequate private human capital investments (Esping-Andersen, 2002).⁶⁷ Since the early 1980s, due to rising economic inequality and the resultant household welfare polarization between advantaged and disadvantaged families, the gap between high-income and low-income parents in their capacity to invest their own resources in children has considerably increased (Esping-Andersen, 2002). Without the welfare state's interventions to invest in children,

67. Private human capital investments by the family are broadly divided into two types: tangible (e.g., economic resources invested in children's education) and non-tangible (psychosocial support invested in children's social skills through parenting) (Esping-Andersen, 2002, 2015).

particularly those from low-income class backgrounds, the private human capital investment gap between affluent and less-affluent children leads to a widening gap of educational attainment between the two, thereby attenuating long-term prospects of low-income children for upward mobility (Esping-Andersen, 2002). In this regard, institutions outside the family are crucial to offset the inequality of private parental investments to children through public human capital investments in children (Esping-Andersen, 2002).

Existing research suggests that three key factors in early childhood should be addressed to improve children's human capital and the possibility of upward social mobility in later life: 1) health, 2) income poverty, and 3) "developmental priming mechanisms" through various parental roles for children's learning capacities (e.g. reading, guidance, and other related cognition-stimulating activities) (Esping-Andersen, 2002). Thus, three major policies—healthcare policies, anti-poverty policies, and public education policies—should be considered as providing key social welfare systems for reinforcing children's human capital accumulation. In addition, it should be pointed out that family assistance policies are critical in enhancing intergenerational mobility by promoting women's labor market participation, particularly those in the lowest income quintile (Nolan et al., 2011).

First, healthcare policies, as noted in Chapter 1, are critical in promoting IGM by equalizing access to care for low-income children and reducing childhood-era socioeconomic disparities in health that may have a lingering effect on a child's later outcomes. Regarding the impact of healthcare policies for a child's human capital, research suggests that the provision of public health insurance has important positive effects on children's health such as better birth outcomes, reduced child mortality, elevated immunization, and decreased preventable hospitalization (Currie & Gruber, 1996a; Currie & Gruber, 1996b; Joyce & Racine, 2005; Aizer,

2007). Although there is little evidence regarding the direct effect of healthcare policies on children's human capital such as income or educational achievement (Aizer, 2014), one recent study by Brown, Kowalski, and Lurie (2018) found a significant long-term positive impact of expanded Medicaid in childhood on adult outcomes. Brown et al. (2018) concluded that one additional dollar of government investment in childhood Medicaid leads to a 57-cent increase in tax returns, coupled with better economic outcomes in adulthood such as greater college enrollment, lower adult mortality, and increased earnings.

Second, anti-poverty policies, as mentioned in Chapter 1, are decisive in improving IGM by equalizing early childhood conditions for children, particularly those in low-income families or groups discriminated against. In the United States, various anti-poverty programs such as TANF, the EITC, and SNAP (food stamps), and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) have provided cash and in-kind benefits to low-income families with children and may have the potential to promote intergenerational mobility (Mayer & Lopoo, 2004; Nolan et al., 2011). Regarding the impact of anti-poverty programs on children's human capital, evidence suggests that the EITC has a positive effect on children's educational achievement as evidenced by increased test scores (Dahl & Lohner, 2012; Aizer, 2014), whereas TANF has a negative impact on a child's educational attainment (Plotnick & Ku, 2003).

Third, public education policies, as discussed in Chapter 1, are clearly one of the most important social welfare systems for boosting IGM by equalizing the opportunity structure for children, particularly those from low-income families. In the past century, educational expansion across most advanced capitalist democracies has considerably contributed to increasing upward mobility by reducing the impact of socioeconomic inheritance on educational attainment (Hertel, 2017). Although the direction of the effect of public education policies on IGM is disputable, it is

well established that more reformative educational policies such as the elimination of early tracking and the improvement of school systems toward more egalitarian and extensive direction have had a positive impact on IGM (Blanden et al., 2005; Nolan et al., 2011).

Fourth, family assistance policies, as discussed in Chapter 1, affect IGM by promoting support for motherhood and female employment. Gender-egalitarian family support policies including generous childhood allowances, universal high-quality early child care, and paid parental leave can have a beneficial impact on children's human capital formation (Esping-Andersen, 2002; Nolan et al., 2011). For instance, generous childhood allowances can directly assist low-income families with limited resources in providing adequate caregiving to their children. Universal high-quality early child care can help minimize the disparities in both the cognitive and non-cognitive development of children, leading to better school preparedness and life chances in later life. Paid parental leave can help parents with children to balance employment in the labor market and caregiving in the home (Esping-Andersen, 2002; Nolan et al., 2011).

The Labor Market System for Connecting Children to Employability

First, labor market policies, as mentioned in Chapter 1, are key to enhancing IGM by promoting employment, particularly for socioeconomically disadvantaged groups such as women, the disabled, racial minorities, and immigrants (Hertel, 2017). The labor market in the liberal welfare states, including the United States, is characterized as a "deregulated labor market" (Lee & Ku, 2016). Deregulation in the labor market of the liberal welfare regime may be primarily driven by an unbalanced power structure between capitalists (employers) and laborers (employees) combined with the lack of strong unionization and the resultant weak level of laborers' solidarity-based collective power (Lee & Ku, 2016). In this deregulated, flexible, and

less unionized labor market, capitalists in low-wage, service-providing industries tend to continue to reduce labor costs by hiring new employees instead of providing incumbent employees with adequate training that is essential for skill upgrading (Lee & Ku, 2016). In such a situation, compared with their high-educated and high-skilled counterparts, low-educated and low-skilled laborers tend to be persistently exposed to the risk of job loss in response to the business cycle (Lee & Ku, 2016). This results in the dualization of the labor market, meaning “segmentation between insiders who benefit from strong employment protection and outsiders who are exposed to a greater degree of labor market risk” (Kim, 2017, p. 76). Further, adequate educational and occupational job training opportunities that can provide labor market outsiders with better prospects for upward mobility are scarce (Lee & Ku, 2016). In this sense, the U.S.’s labor market system functions as a key mechanism to generate market poverty by creating and reproducing wage differentials between insiders and outsiders (Lee & Ku, 2016). The deregulated and dualized labor market in conjunction with rising economic inequality may decrease upward mobility chances by intensifying the socioeconomic gap among laborers, particularly between high-skilled workers with satisfactory economic prospects and career stability and low-skilled workers with limited chances of promotion and career instability (Hertel, 2017). Similar to the United States, the Korean labor market has been deregulated, under-unionized, and polarized (Lee & Ku, 2016; Yang, 2017).

Second, tax policies, as discussed in Chapter 1, are vital in facilitating IGM through income redistribution, resulting in the direct mitigation of both childhood-era and adulthood-era inequalities. It is generally accepted that proportional income taxation has a negative impact on human capital (Trostel, 1993). However, in both the United States and Korea, the redistribution effects of government spending are fairly low. In view of the governmental poverty reduction

efforts evidenced by a percentage change from market poverty to adjusted poverty by tax policies, the anti-poverty effect of the U.S.'s tax and transfer system is 52% in terms of reducing absolute market poverty and 30% in terms of decreasing relative market poverty, which is considerably lower compared to the corresponding average figures (70% and 68%) of ten other countries (Australia, Canada, Denmark, Finland, Germany, the Netherlands, Norway, Sweden, Switzerland, and United Kingdom) (Plotnick, 2012). Relatedly, following the comparable approach suggested by Plotnick (2012), as of 2015 the anti-poverty effect of the Korean tax and transfer system is estimated to be 43.9% in terms of reducing absolute market poverty and 28.5% in terms of decreasing relative market poverty (Kim et al., 2017). In sum, both Korea and the United States are considerably below the average of other modern democracies in their redistributive taxation policy effects.

CHAPTER 3. DATA AND PLAN OF ANALYSIS

The study design employs analyses of country effects, period effects, and gender effects on IGM, examining levels of intergenerational income mobility for the two nations, for the two contrasting periods, and for both within- and between-country gender differences. In order to interrogate the possible welfare state regime differences on IGM during eras of economic and welfare state expansion and contraction, the IGM indices of two cohorts of young adults over comparable periods in each country were estimated and compared, with separate IGM estimates produced for men and women.

Data

Two panel data sets selected for analysis, one in Korea and another in the United States, cover two generations or more and have detailed information on income of individuals and families. To examine the IGE in Korea, I used the Korean Labor and Income Panel Study (KLIPS), a nationally representative survey, including 6,934 households with 14,012 individuals aged 14 to 100 in the most recent 2015 wave (Korea Labor Institute, 2015). The KLIPS has been annually collected since 1998, which included 1-18 waves in total in 2015, covering the years of 1997 to 2014 (Waves 1-18).⁶⁸ The survey questionnaires included respondents' economic status such as earnings, family income, expenditure, wealth, housing conditions, education, employment, occupation, job training, social capital, and their relevant demographic characteristics and social activities (Korea Labor Institute, 2015). In literature on IGM, father-son dyads are most often studied; however, in order to capture gender differences in IGM,

68. The reference year of the data is one year preceding the survey year in KLIPS. For instance, the reference year of KLIPS' first wave surveyed in 1998 is 1997.

the present study used both sons and daughters as adult children. The nature of dyads was parent-child dyads: parent-son and parent-daughter dyads were used simultaneously for analysis. Adult children who resided with their parents when they were 15-20 years old but separated from their parents when they were 25-30 years old were firstly selected and then matched with their parents, those dyads were not hierarchically selected.⁶⁹ Based on the KLIPS, the usable sample size was 1,217 parent-child pairs for study period I (1980 to the mid-1990s); 1,481 for study period II (after the mid-1990s up to 2015). The first cohort (born between 1971 and 1981) consisted of 758 sons and 459 daughters who were 25 to 30 years old between 2000 and 2005. The second cohort (born between 1978 and 1990) was composed of 1,157 sons and 324 daughters who were 25 to 30 years old between 2007 and 2014.

One key challenge for estimating the IGE in Korea is that actual parental income is unobservable for study period I. To address this issue, the two-sample instrumental variable (TSIV) technique was used to predict parental income based on parental characteristics such as age and education reported by adult children (Björklund & Jäntti, 1997; Blanden, 2013; Piraino, 2007; Ueda, 2013). To predict parental income, a sample of potential parents called “synthetic parents” was constructed. For this purpose, data from the Korea Household Income and Expenditure Survey (KHIES) were used. The KHIES, initiated in 1982, is a nationally representative sample with detailed information about individual earnings, household income, and other related socio-demographic characteristics produced by the Statistics Korea (2019). After 1985, education information was added to the survey; thus, this allows for using parental age and education to predict parental income (Kim, 2017). The first cohort in the KLIPS

69. Hierarchical selection of the dyads means that father-daughter is only included if father-son is unavailable, for instance.

covering the years 2000-2005 was combined with a sample of synthetic parents from the KHIES covering the years 1990-1995, which enabled the IGE estimation for study period I in Korea.

To examine the IGE in the United States, I used the Panel Study of Income Dynamics (PSID), which is a nationally representative longitudinal sample of 5,000 households with roughly 18,000 individuals (Institute for Social Research, 2017; McGonagle, Schoeni, Sastry, & Freedman, 2012; Smeeding, 2018). The first wave of the PSID was in 1968 and the most recent was the 2015 wave (Wave 39). Interviews were conducted annually through 1997, and biennially between 1997 and 2015, the last year for which data are available for public use. The survey questionnaires included economic and social conditions of individuals and families such as income, expenditures, employment, housing, and wealth. Drawing on the PSID, the usable sample size was respectively 446 and 769 parent-child pairs for study period I (1980 to the mid-1990s) and study period II (after the mid-1990s to 2015). The first cohort (born between 1969 and 1980) consisted of 322 sons and 124 daughters who were 25 to 30 years old between 1998 and 2004. The second cohort (born between 1977 and 1990) comprised 488 sons and 281 daughters who were 25 to 30 years old between 2006 and 2014.

Strengths and Limitations of the Data

Both the KLIPS and the PSID are well suited for measuring intergenerational economic mobility for four reasons. First, the longitudinal nature of the data—the core respondents in the original sample and its split-off members have been surveyed to track changes in income since the inception of the survey—allows for measuring socioeconomic association between generations, particularly incomes of parents and adult children. Second, the national representativeness of the data contributes to increase generalizability of the results. Third, both datasets retain a great similarity in terms of the sample design, survey content, sample following

rules, which forms the basis for comparable data construction for the main analysis. Fourth, the inclusion of retrospective information on parental economic conditions in childhood reported by respondents enables researchers to take an alternative method of predicting parental income based on parental background (i.e., a two-sample instrumental variable (TSIV) approach using parental education or occupation as a proxy for parental income), which is typically used when parental income is not directly observed. Due to these aforementioned advantages, considerable research on intergenerational economic mobility in Korea and the United States has been conducted based on KLIPS (e.g., Choi & Hong, 2011; Kim, 2017; Kim et al., 2009; Kim et al., 2012; Nam, 2018; Ueda, 2013; Yang, 2012) and PSID (e.g., Björklund & Jäntti, 1997; Chadwick & Solon, 1992; Lee & Solon, 2009; Mayer & Lopoo, 2005, 2008; Solon, 1992).

Despite various benefits from the use of the KLIPS and the PSID for measuring intergenerational economic mobility, there are several limitations. The KLIPS is still immature as a longitudinal panel for measuring the IGE because it has less than 20 years of income data (i.e., Waves 1-19 available as of 2018) for each generation. As a result, it poses a challenge for researchers to obtain a sufficient sample size for assessing IGE trends over time. Meanwhile, the PSID has a full-fledged longitudinal data for assessing IGE because it has more than 20 years of income data (i.e., Waves 1-29 available as of 2018) per generation. However, due to budget restrictions, the PSID data has not been annually collected since 1997. Thus, the PSID holds a relatively small number of time points that may be insufficient for conducting research on IGE in a long-term perspective (e.g., intergenerational transmission of advantages and disadvantages across three generations), although it marked the 50th anniversary in 2018.

Selection of Study Period and Birth Cohorts

As detailed in prior chapters, over the 1980-2015 period, both Korea and the United States underwent major transitions in economic trends and welfare structure, specifically with the mid-1990s as the temporal point of divergence. Thus, I defined two distinct periods: 1) study period I, 1980 to the mid-1990s, as a period of rapid economic growth and pre-welfare state for South Korea; and of trickle-up economics, globalization, and a rolled-back welfare state for the United States; and 2) study period II, after the mid-1990s, as a period of economic stagnation and early evolution of the Confucian welfare state for South Korea; and of economic prosperity leading to recession and a retrenched welfare state for the United States. This analysis treats periods of rapid economic growth as equally beneficial to the incomes of both parents and children, although economic context for these two time periods are distinct: Korea's average national income tripled between 1980 and 2010 which encompasses the two study periods, while the U.S.'s average income growth (adjusted for inflation) over this same period is more in the range of 35%. Some scholars argue that robust economic growth is favorable to IGM, thus creating a more favorable labor market for younger cohorts and greater returns to human capital investment. However, other scholars counter that the relationship between economic efficiency (meaning economic growth) and social mobility is found to be indeterminate (Breen, 1997). In terms of evidence on the relation between inequality and mobility, some scholars found no meaningful evidence or very little support for that relation in Korean (Nam, 2018) and the U.S. contexts (Bloome, 2015; Chetty, Hendren, Kline, Saez, & Turner, 2014). Studies have illustrated that rates of social mobility show very little cross-national variation and display no evident trend over time towards greater societal openness (Breen, 1997). That is, there is no necessary link between rates of social mobility and levels of economic growth, thus substantiating the analytical

approach regarding the treatment of time periods. Bloome (2015) attributes the lack of association between inequality and mobility to counter-trends in family, state, and market forces that impact income persistence. For instance, parents may input private investments into their children's education, but the redistributive public investments may offset or neutralize those private investments.

To allow the comparison between the two study periods of 1980-1995 and 1996-2015, it would have been ideal that birth cohorts for adult children should be selected for 1950-1965 and 1966-1985, representing the two separate periods when the cohorts turned 30. However, considering the limitation⁷⁰ of the data and my desire to construct a more comparable analytic sample between the two periods in both nations, adult children's birth cohorts were selected as individuals born between 1971 and 1981 and those born between 1969 and 1980 for study period I in both Korea and the United States, respectively; individuals born between 1978 and 1990 and those born between 1977 and 1990 for study period II in both Korea and the United States, respectively. This is previously displayed in Table 2.2 in Chapter 2.

To examine gender differences in IGM that are impacted by differences in welfare state configurations over the two periods, I compared the IGE estimates of parent-son pairs with those of parent-daughter pairs. Thus, analysis, using log-transformed regression of parents' and children's incomes, consisted of eight comparisons: 1) four components of parent-son and

70. The KLIPS began in 1998 so that parents' income could not be obtained before the reference year of 1997. Accordingly, the association between parents and adult children for the period before the mid-1990s was impossible using the KLIPS data. To address this issue, as noted previously, the two-sample instrumental variable (TSIV) method was used. To predict parental income, "synthetic parents" were constructed in the KHIES data and their incomes were regressed on their ages and educations. Using these regression coefficients in the KHIES and adult children's reports on parents' age and education in the KLIPS, parental income was estimated for study period I.

parent-daughter associations in study period I in both countries and 2) four components of parent-son and parent-daughter associations in study period II in both countries.

Dependent and Independent Variables

Dependent Variable

The dependent variable is adult children's total family income. Total family income is better compared with only father's income because it can reduce omitted variables biases caused by disregarding spouse's income (Beller, 2009). Total family income was post-tax income in the previous year of the survey (e.g., the reference year of the income is 1997 in the 1998 KLIPS sample). Total family income included the following components: 1) earned income (e.g., wages, salary, and self-employment income), 2) income from interest, estate, assets, 3) private transfers from families and relatives, or third parties, 4) government transfers and social insurance, and 5) other income.

Total family income was adjusted to the constant 2014 family income using the U.S. Consumer Price Index (CPI) to convert it into real income. For Korea, the variable was adjusted to the constant 2014 Korean dollars using the Korean Consumer Price Index (CPI) and considering 1,000 KRW as 1 USD, for convenience. Adult children's family income was used as both forms of unequivalized (not adjusted for family size) and equivalized (adjusted for family size) income by dividing family income by the square root of family size.

Independent Variable

The independent variable is parents' total family income. Parent's family income was measured when their children resided with their parents and were 15-20 years old. The age range of parents was restricted to ages 35 to 64, following the previous studies and allowing for

international comparison (Jäntti et al., 2006). Parents' family income was used as both forms of unequivalized (not adjusted for family size) and equivalized (adjusted for family size) income by dividing family income by the square root of family size.

Control Variables

The control variables were adult children's and parents' age. When considering the non-linear effect of age on income, two variables were used: age (in years) and age-squared.

Final Sample Size

Data availability and comparability in both the KLIPS and the PSID restrained the analytic sample to the years 2000-2014 for Korea and the years 1998-2014 for the United States. For each year, adult children aged 25 to 30 were selected and matched with their respective parents when they were aged 15 to 20. For study period I (1980 to the mid-1990s), 1,217 and 446 parents-children pairs in the KLIPS and the PSID were used as the first birth cohorts. For study period II (after the mid-1990s to 2015), 1,481 and 769 parents-children pairs in the KLIPS and the PSID were used as the second birth cohorts.

In the KLIPS, the first cohort (born between 1971 and 1981) consisted of 758 sons (62.3%) and 459 daughters (37.7%) who were 25 to 30 years old between 2000 and 2005. The second cohort (born between 1978 and 1990) was composed of 1,157 sons (78.1%) and 324 daughters (21.9%) who were 25 to 30 years old between 2007 and 2014. In the PSID, the first cohort (born between 1969 and 1980) consisted of 322 sons (72.2%) and 124 daughters (27.8%) who were 25 to 30 years old between 1998 and 2004. The second cohort (born between 1977 and 1990) was composed of 488 sons (63.5%) and 281 daughters (36.5%) who were 25 to 30 years old between 2006 and 2014.

Descriptive Statistics of Dependent and Independent Variables

The descriptive statistics for the years and ages at which parents' and adult children's incomes are measured, and their respective logged family incomes are displayed through Tables 3.1 to 3.4. Regarding the study period I (1980 to the mid-1990s), as shown in Tables 3.1 and 3.2, the average ages of parents and adult children at which their respective incomes were observed were 48.4 and 28.3, and 43.2 and 26.7 in both Korea and the United States, respectively. This indicates that Korean parents and their adult children were relatively older (i.e., by 5.2 and 1.6 years of age on average) compared with the U.S. counterparts. Given that the optimal age range for measuring incomes in both generations would fall within the early 30s and the mid-40s to minimize life-cycle bias (i.e., age-related transitory variation between current and lifetime income), the sample ages in this study may generate a downward bias for IGE estimates (Blanden, 2013; Haider & Solon, 2006; Piraino, 2007). However, considering that stabilization of the IGE estimates is made when adult children are in their late twenties (Chetty et al., 2014; Torche, 2015a), the sample's age range for the present study may not have yielded serious biases in measuring the IGEs.

In regard to the incomes of both parents and children, the log of parental income (10.89) was slightly greater than that of adult children's income (10.30) in Korea, and this holds true for the United States (11.12 versus 10.65). During study period I in Korea, parental income increased from 10.30 in 1990 to 12.67 in 1995 while adult children's income decreased from 10.29 in 2000 to 10.20 in 2014. During the comparable period in the United States, both parents' and adult children's income decreased from 11.20 in 1988 to 11.10 in 1994, and from 10.71 in 1998 to 10.66 in 2004, respectively.

Table 3.1.
Descriptive Statistics of Adult Children and Parents: Study Period I in the KLIPS

Parents			Adult Children				
Year	Age at measuring income (SD)	Log Family Income (SD)	Year	Age at measuring income (SD)	Log Family Income (SD)	Adult Children's Birth Cohort	N
1990	48.92 (6.03)	10.300 (0.184)	2000	27.95 (1.43)	10.291 (0.568)	1971-1976	132
1991	48.67 (5.56)	10.357 (0.160)	2001	28.19 (1.50)	10.351 (0.522)	1972-1977	174
1992	48.77 (5.49)	10.415 (0.230)	2002	28.24 (1.52)	10.297 (0.673)	1973-1978	213
1993	48.33 (5.08)	10.439 (0.295)	2003	28.50 (1.45)	10.345 (0.519)	1974-1979	231
1994	47.92 (5.15)	11.314 (0.618)	2004	28.22 (1.58)	10.321 (0.625)	1975-1980	236
1995	47.94 (5.24)	12.068 (0.271)	2005	28.33 (1.49)	10.200 (0.685)	1976-1981	231
1990-1995	48.37 (5.38)	10.887 (0.759)	2000-2005	28.26 (1.51)	10.299 (0.608)	1971-1981	1,217

Source: Combined data from the KLIPS and the KHIES.

Note: Parents' age denotes the age of the household header. Family income is adjusted using the CPI index produced by the Statistics Korea (2015 = 100). Standard deviations are in parentheses.

Table 3.2.
Descriptive Statistics of Adult Children and Parents: Study Period I in the PSID

Parents			Adult Children				N
Year	Age at measuring income (SD)	Log Family Income (SD)	Year	Age at measuring income (SD)	Log Family Income (SD)	Adult Children's Birth Cohort	
1988	43.66 (6.59)	11.198 (1.280)	1998	26.73 (1.59)	10.708 (0.732)	1969-1974	92
1990	43.35 (5.27)	11.185 (0.883)	2000	26.47 (1.41)	10.641 (0.763)	1971-1976	91
1992	42.79 (5.45)	11.052 (1.265)	2002	26.72 (1.61)	10.599 (0.837)	1973-1978	120
1994	43.13 (4.81)	11.099 (0.860)	2004	26.80 (1.67)	10.660 (0.696)	1975-1980	143
1988-1994	43.19 (5.47)	11.124 (1.077)	1998-2004	26.70 (1.59)	10.649 (0.756)	1969-1980	446

Source: The PSID data.

Note: Parents' age denotes the age of the household header. Family income is adjusted using the CPI index (CPI-U-RS) released by the Bureau of Labor Statistics (2015 = 100). Standard deviations are in parentheses.

In terms of study period II (after the mid-1990s up to 2015), as presented in Tables 3.3 and 3.4, the ages of parents and adult children when their respective incomes were measured were on average 48.4 and 28.6, and 44.9 and 26.9 in both Korea and the United States, respectively. Similar to study period I, Korean parents and their adult children were slightly older compared with the U.S. counterparts. In regard to the incomes of both generations, the log of parental income (10.31) was slightly less than that of adult children's income (10.38) in Korea, but this was not the same as the U.S. counterparts (11.25 versus 10.43). The fact that Korean parents' income was smaller than their adult children's for study period II seems at odds with a conventional notion that income tends to rise with age due to such factors as labor force

experience, increased skills and job networks during the working years. However, considering the impact of the 1997 Asian financial crisis on the Korean economy and its destructive aftereffects on the entire Korean society (e.g., massive unemployment, family dislocation, and the upsurge of homelessness), relatively lower level of parents' income relative to children's may be interpreted as a direct consequence of the 1997 Asian economic crisis. Furthermore, as Table 3.3 shows, parents' average income level has become higher than children's since 2002, suggesting that lower level of parents' income compared with their adult children may have been a short-term phenomenon during the years 1997-2001.

During study period II in Korea, parental income increased from 10.23 in 1997 to 10.51 in 2004 whereas adult children's income decreased from 10.41 in 2007 to 10.27 in 2014. During the comparable period in the United States, parental income increased from 11.24 in 1996 to 11.26 in 2004, but adult children's income decreased from 10.52 in 2006 to 10.40 in 2014.

Table 3.3.
Descriptive Statistics of Adult Children and Parents: Study Period II in the KLIPS

Parents			Adult Children				N
Year	Age at measuring income (SD)	Log Family Income (SD)	Year	Age at measuring income (SD)	Log Family Income (SD)	Adult Children's Birth Cohort	
1997	48.31 (5.17)	10.227 (0.641)	2007	28.46 (1.41)	10.407 (0.632)	1978-1983	235
1998	48.55 (4.69)	10.250 (0.580)	2008	28.64 (1.29)	10.379 (0.568)	1979-1984	225
1999	48.82 (4.78)	10.243 (0.598)	2009	28.60 (1.53)	10.385 (0.611)	1980-1985	230
2000	48.63 (4.78)	10.296 (0.648)	2010	28.60 (1.47)	10.425 (0.620)	1981-1986	194
2001	48.28 (4.71)	10.347 (0.679)	2011	28.61 (1.41)	10.394 (0.607)	1982-1987	170
2002	47.96 (4.49)	10.409 (0.606)	2012	28.47 (1.53)	10.368 (0.686)	1983-1988	161
2003	48.26 (4.31)	10.349 (0.652)	2013	28.51 (1.55)	10.331 (0.579)	1984-1989	143
2004	48.24 (4.06)	10.505 (0.617)	2014	28.53 (1.49)	10.267 (0.618)	1985-1990	123
1997-2004	48.41 (4.69)	10.310 (0.630)	2007-2014	28.56 (1.45)	10.377 (0.615)	1978-1990	1,481

Source: The KLIPS data.

Note: Parents' age denotes the age of the household header. Family income is adjusted using the CPI index produced by the Statistics Korea (2015 = 100). Standard deviations are in parentheses.

Table 3.4.
Descriptive Statistics of Adult Children and Parents: Study Period II in the PSID

Parents			Adult Children				N
Year	Age at measuring income (SD)	Log Family Income (SD)	Year	Age at measuring income (SD)	Log Family Income (SD)	Adult Children's Birth Cohort	
1996	43.80 (5.42)	11.240 (0.832)	2006	26.84 (1.63)	10.519 (0.847)	1977-1982	151
1998	44.73 (5.62)	11.271 (0.906)	2008	26.79 (1.67)	10.559 (0.798)	1979-1984	156
2000	45.07 (5.39)	11.294 (0.801)	2010	26.85 (1.61)	10.371 (0.905)	1981-1986	164
2002	44.91 (4.97)	11.173 (0.857)	2012	27.06 (1.49)	10.274 (1.083)	1983-1988	137
2004	45.77 (6.73)	11.258 (0.731)	2014	26.89 (1.66)	10.400 (0.773)	1985-1990	161
1996-2004	44.87 (5.70)	11.250 (0.825)	2006-2014	26.88 (1.62)	10.427 (0.886)	1977-1990	769

Source: The PSID data.

Note: Parents' age denotes the age of the household header. Family income is adjusted using the CPI index (CPI-U-RS) released by the Bureau of Labor Statistics (2015=100). Standard deviations are in parentheses.

Comparing variations (i.e., standard deviations) in family incomes between the two study periods in both nations, it is important to note that only in the United States, during study period II, adult children's level of income inequality (0.89) was higher than their parents' (0.83), which contrasts with the fact that parents' level of inequality (1.08) was greater than adult children's (0.76) during study period I.

Method: Standard Measurement Approach

In this dissertation, social mobility is conceptualized as intergenerational income mobility, referring to the relationship between the income of young adults and the income of their parents (at the time when the young adults were at around age 15) (Blanden, 2013). For such a definition, the convention in the intergenerational income mobility literature suggests a standard measurement approach that uses a log-linear⁷¹ regression of children's economic positions in relation to their parents' (Blanden, 2009, 2013; Breen, 2004; Fields & Ok, 1999; McKnight & Cowell, 2014; Solon, 1992; Torche, 2015a). This relationship is described by the equation:

$$\ln Y_i^{child} = \alpha + \beta \ln Y_i^{parents} + \varepsilon_i \dots \dots (1)$$

where Y is income, α is the average income of the young adults, and ε is a stochastic error term (McKnight & Cowell, 2014, p. 187; Blanden, 2013, p. 40). The coefficient β is the elasticity of young adults' income with respect to their parents' income, indicating the level of association between economic positions of children and parents. Its complement, $1 - \beta$ is a measure of mobility. $\beta = 0$ refers to complete mobility—parents' and children's incomes are not related—and $\beta = 1$ refers to complete immobility—parent's income is perfectly reflected in the income of their children's generation. The possible values for β are given by: $0 < \beta \leq 1$ (Björklund & Jäntti, 2011; Blanden, 2013; Jäntti & Jenkins, 2015).

In order to guarantee the robustness of the cross-country comparison of intergenerational income mobility, two issues should be addressed: transitory fluctuation bias from measurement error in parents' income and life-cycle bias from the ages of parents and adult children when their incomes are measured (Blanden, 2013; Torche, 2015a). The former refers to the problem

71. The double-log transformation is used to address the right-skewness of income distribution (Torche, 2015).

that the IGE estimate can be downward-biased and inconsistent due to measurement error in the independent variable (i.e., variation in the transitory component of parents' income from one year to the next). The latter refers to the problem that the IGE estimate can be underestimated due to heterogeneous profiles of income by age over the life course. First, a solution to the transitory fluctuation bias is to use the multi-year average of parents' income to better approximate permanent economic standing (Solon, 1992; Zimmerman, 1992). Second, a solution to the life cycle bias is to select the age range between the early 30s and the mid-40s for both parents and adult children (Blanden, 2013; Haider & Solon, 2006; Torche, 2015a). Following the solutions by previous studies (Blanden, 2013; Solon, 1992; Zimmerman, 1992; Haider & Solon, 2006; Torche, 2015a), parents' and adult children's incomes are averaged over 3 years to avoid the transitory fluctuation bias. In addition, the age range for both adult children and parents are restricted to ages 25-30 and ages 35-64,⁷² respectively. In other words, adult children's family income is measured when they were 25 to 30 years old and their parents' family income is measured when they were 15 to 20 years old residing with parents aged 35 to 64. To reduce life-cycle bias for two generations, age and age-squared variables were included as control variables (Mazumder, 2005). Negative or zero incomes of parents and adult children were excluded, reflecting non-working income or due to employment in a job that is not covered by social security (Mazumder, 2005). This treatment of zero incomes is a methodological approach done in previous mobility studies, wherein the few observations of zero have negligible sensitivity to the IGEs (Chetty et al., 2014; Mazumder, 2005; Solon, 1992). Similarly, in this study, negative or zero income was less than 5% so that it would have minimal impact on the robustness or general pattern of the results. Based on the above linear regression of the

72. This age selection for parents follows previous studies on international comparison of the IGE (Jäntti et al., 2006; Corak, Lindquist, & Mazumder, 2014).

log-transformed version of parents' and children's incomes, origin-destination associations—intergenerational elasticity or persistence rates of income—were examined. Again, persistence rates are understood as an inverse of mobility, such that higher persistence signifies lower mobility.

To estimate equation (1), both the income of young adults measured when their ages were 25-30 and the income of parents measured when their ages were 15-20 should be observed. However, in Korea, there is no information about actual income of the parents for study period I. To address this issue, as discussed earlier, the two-sample instrumental variable (TSIV) method was used to predict parental income (Björklund & Jäntti, 1997; Blanden, 2013; Fox et al., 2016; Piraino, 2007; Ueda, 2013). This technique allows for the prediction of parental income using information on the relationship between income and parental characteristics such as education for study period I (Björklund & Jäntti, 1997; Blanden, 2013; Fox et al., 2016; Piraino, 2007; Ueda, 2013). The TSIV method was based on two samples: one was a sample of adult children from the KLIPS covering the years 2000-2005 and the other was “synthetic parents,” a sample of potential parents from the KHIES covering the years 1990-1995. After constructing these two samples, the TSIV method was conducted in three steps: 1) regressing the income of “synthetic parents” on their age and education to obtain an income equation from the sample of potential parents, 2) using both the estimated coefficients in the income equation in step one and the reports of adult children on their parents' age and education to compute the predicted parental income, and 3) regressing the income of adult children on the predicted income of their parents.

To identify period effects on mobility, a period dummy and an interaction between parents' incomes and a period dummy were introduced, using the equation:

$$\ln Y_i^{child} = \alpha + \beta \ln Y_i^{parents} + \gamma_1 T + \gamma_2 (\ln Y_i^{parents} \times T) + \varepsilon_i \dots \dots (2)$$

where T is a period dummy (0= study period I; 1= study period II), γ_1 is the average difference in income of the young adults between two periods, and γ_2 is the between-period difference indicating whether the relationship between parents' and their young adults' incomes differed between the two periods (Bloome, 2015; Sirniö, Kauppinen, & Martikainen, 2017, p. 27). If γ_2 is significant, there is a statistically significant difference in the elasticity of young adults' income with respect to their parents' income between the two periods.

To connect findings in equation (2) with the institutional contexts of the Korean and American welfare states, ensuing analysis considered such elements as philosophical underpinnings, economic trends and public welfare structures, historical events and transitions, and political turns and legacies that influence welfare policies, given that these policies may in turn influence levels of IGM.

CHAPTER 4. ANALYSIS AND RESULTS

Introduction

This chapter addresses the main empirical question of this dissertation, which is whether mobility outcomes are different between Korea and the United States, and also different by two study periods and gender. First, I present findings for IGEs (both family-size unadjusted and adjusted) in each study period for each nation. Second, findings pertaining to gender are presented.

Findings

Nation and Period Effects

The results from log-linear models of adult children's family income regressed on parental family income are reported in Tables 4.1 to 4.4. Tables 4.1 and 4.2 present the IGE estimates for study period I in Korea and the United States while Tables 4.3 and 4.4 report the IGE estimates for study period II in Korea and the United States. For each table, two types of IGE estimates are presented: Panel A and B report those estimates without and with family size adjustment for parents' and children's income.

Overall, comparing the IGE estimates in study period I between Korea and the United States, Korea (0.292) is less mobile compared with the United States (0.177). In contrast, comparing the IGE estimates in study period II between Korea and the United States, Korea (0.143) is more mobile compared with the United States (0.279).

Table 4.1 shows the IGE estimates for study period I in Korea. The IGE in Panel A is 0.292, indicating that the parental generation's 100% income difference is translated into about

30% income difference in the children's generation. After adjusting family income by family size, these overall patterns are nearly identical to the IGE estimates using unadjusted family income. It is noteworthy that the sizes of the IGE estimates decrease after family size adjustment, although the sizes of the IGE estimates increase slightly for daughters.

Table 4.1.
Estimates of Intergenerational Income Elasticity: Study Period I in the KLIPS

	Total	Sons	Daughters
A. Not adjusted for family size	0.292*** (0.091)	0.182† (0.109)	0.344* (0.160)
B. Adjusted for family size (equivalized)	0.286*** (0.081)	0.176† (0.096)	0.348* (0.142)
N	1,217	758	459

Note: Standard errors in parentheses. † $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.

Table 4.2 reports the IGE estimates for study period I in the United States. The IGE in Panel A is 0.177, indicating that the parental generation's 100% income difference is translated into about 18% income difference in the children's generation. After adjusting family income by family size, these overall patterns are nearly identical to the IGE estimates using unadjusted family income. It is worth noting that the sizes of the IGE estimates increase after family size adjustment.

Table 4.2.
Estimates of Intergenerational Income Elasticity: Study Period I in the PSID

	Total	Sons	Daughters
A. Not adjusted for family size	0.177*** (0.033)	0.245*** (0.050)	0.096* (0.049)
B. Adjusted for family size (equivalized)	0.203*** (0.033)	0.290*** (0.051)	0.121* (0.051)
N	446	322	124

Note: Standard errors in parentheses. * $p < .05$, ** $p < .01$, *** $p < .001$.

Table 4.3 reports the IGE estimates for study period II in Korea. The IGE in Panel A is 0.143, indicating that the parental generation's 100% income difference is translated into about 15% income difference in the children's generation. Compared with the IGE estimate (0.292 in Panel A, Table 4.1) in study period I, the IGE estimate in study period II (0.143 in Panel A, Table 4.3) is lower, suggesting that Korean intergenerational income mobility appeared to improve through the two periods. However, this period effect is not statistically significant ($t=-1.14$; $p=0.255$). After adjusting family income by family size, these overall patterns are nearly identical to the IGE estimates using unadjusted family income. It is worth mentioning that the sizes of the IGE estimates for the total sample and sons became slightly less after family size adjustment, although the sizes of the IGE estimates for daughters became slightly greater.

Table 4.3.
Estimates of Intergenerational Income Elasticity: Study Period II in the KLIPS

	Total	Sons	Daughters
A. Not adjusted for family size	0.143*** (0.025)	0.160*** (0.029)	0.082* (0.043)
B. Adjusted for family size (equivalized)	0.142*** (0.023)	0.153*** (0.026)	0.114* (0.049)
N	1,481	1,157	324

Note: Standard errors in parentheses. * $p < .05$, ** $p < .01$, *** $p < .001$.

Table 4.4 reports the IGE estimates for study period II in the United States. The IGE in Panel A is 0.279, indicating that the parental generation's 100% income difference is translated into about 28% income difference in the children's generation. Compared with the IGE estimate (0.177 in Panel A, Table 4.2) in study period I, the IGE estimate in study period II (0.279 in Panel A, Table 4.4) is higher, suggesting that American intergenerational income mobility appears to be deteriorated through the two periods. However, this period effect is not statistically significant ($t=1.50$; $p=0.135$). After adjusting family income by family size, these overall patterns are nearly identical to the IGE estimates using unadjusted family income. It is worth pointing out that the sizes of the IGE estimates became slightly greater after family size adjustment.

Table 4.4.
Estimates of Intergenerational Income Elasticity: Study Period II in the PSID

	Total	Sons	Daughters
A. Not adjusted for family size	0.279*** (0.039)	0.273*** (0.052)	0.260*** (0.057)
B. Adjusted for family size (equivalized)	0.344*** (0.038)	0.307*** (0.049)	0.370*** (0.061)
N	769	488	281

Note: Standard errors in parentheses. * $p < .05$, ** $p < .01$, *** $p < .001$.

Gender and Period Effects

Within-country gender differences.

Examining the IGE estimates by gender in the same period between the two nations,⁷³ for study period I, daughters (0.344) are less mobile than sons (0.182) in Korea (see Table 4.1) whereas daughters (0.096) are more mobile than sons (0.245) in the United States (see Table 4.2). For study period II, the Korean case is switched: daughters (0.082) are more mobile than sons (0.160) (see Table 4.3); however, the U.S. case remains unchanged: daughters (0.260) are more mobile than sons (0.273) (see Table 4.4). The reason why daughters are less mobile than sons in study period I in Korea may be affected by the labor market conditions: Korea's labor market is more unfavorable to women than men and also, during this period, women's labor market participation rate was, on average, relatively lower than men's, leading to gender disparities in mobility.

Within-country period differences by gender.

With regard to period changes by gender,⁷⁴ the IGE estimates changed from 0.182 to 0.160 for sons and from 0.344 to 0.082 for daughters in Korea (see Tables 4.1 and 4.3); from 0.245 to 0.273 for sons and from 0.096 to 0.260 for daughters in the United States (see Tables 4.2 and 4.4). This indicates that Korean IGM for both sons and daughters has improved from the first period to the second whereas American IGM for both sons and daughters has weakened through the same two periods.

73. This is evaluated by comparison of IGM between sons and daughters in Korea; the corresponding comparison between sons and daughters in the United States; controlling for periods.

74. This is evaluated by comparison of IGM between periods for sons and daughters in Korea; the corresponding comparison between periods for sons and daughters in the United States; controlling for nations.

Between-country gender differences⁷⁵

Regarding gender differences in the IGE estimates between the two countries for study period I, Korean sons (0.182) are more mobile than American sons (0.245) whereas Korean daughters (0.344) are less mobile than American daughters (0.096) (see Tables 4.1 and 4.2). For study period II, the greater mobility of Korean sons compared with American sons is maintained: Korean sons (0.160) are more mobile than American sons (0.273); however, the lower mobility of Korean daughters compared with American daughters is switched: Korean daughters (0.082) are more mobile than American daughters (0.260) (see Tables 4.3 and 4.4).

75. This is evaluated by comparison of IGM for sons between Korea and the United States in Period I; the corresponding comparison for daughters between the two nations in Period I; the respective comparisons for sons and daughters between the two nations in Period II.

CHAPTER 5. BETWEEN-COUNTRY COMPARISON OF SOCIAL WELFARE POLICIES LINKED WITH IGM

Introduction

Chapters 1 through 4 illustrated how IGM is affected by six categories of welfare state provisions, motivated by the notion that different philosophical underpinnings of welfare states regime are key elements for contextualizing differences in intergenerational income mobility between the two countries. The chapter deepens such discussions by unpacking in greater detail how the six broad categories of welfare state provisions are influenced by differing welfare state structures that in turn reflect distinctions in the fundamental ethos pertaining to the locus of primary responsibility for well-being: the individual in the United States vs. the family in Korea. This chapter elaborates in detail on Korean policies, while providing summaries of existing scholarship on U.S. policies. The value-laden distinctions of welfare regimes between the United States and Korea can be evidenced via six policy domains: 1) anti-poverty policy, 2) public education policy, 3) healthcare policy, 4) labor market policy, 5) family assistance policy, and 6) redistributive tax policy, individually discussed subsequently in this Chapter. To examine these six policies in Korea and the United States, this chapter draws from Aspalter's analysis of the ideal-typical welfare regimes and five key features, covered previously in Chapter 2 (Aspalter, 2011; Kuypers, 2014).

Anti-Poverty Policy

The main feature in anti-poverty policy in Korea that is distinct from that in the United States is the use of family income for the determination of eligibility. Korean antipoverty policy represented by the NBLSS has the family obligation rule that puts primary responsibility of

welfare support for individual welfare recipients on their family whereas American anti-poverty policy represented by TANF has no family obligation rule. The family obligation rule is reflective of Korean familialistic ethos that assumes the family should be the primary welfare provider rather than the individual or the state, indicating that Korean anti-poverty policy is built on the Confucian familial orientation. First, anti-poverty policy in the United States and Korea depicts the main distinctions most clearly in terms of the existence of key provisions that mandate the primary responsibility of the family rather than the state for supporting the individual who is poor or low-income. According to Aspalter's study of East Asian welfare states as mentioned above, Confucian welfare states such as Korea are one of only two types of welfare states with a "strong" emphasis on family in assigning social responsibilities for welfare provision, vis-a-vis the individual, the state, and the market (Aspalter, 2011).

The family-first responsibility provision called "Family Support Obligation Rule" is a characteristic element of Korean anti-poverty policy, and is part of the National Basic Livelihood Security System (NBLSS). The NBLSS was implemented in 2000 based on the 1999 National Basic Livelihood Security Act (NBLSA). The crux of this rule is about eligibility requirements for NBLSS: an individual who is below the government-set poverty threshold and would qualify for benefits must also have no family member who is capable of providing support. In other words, the NBLSS stipulates that state support will step in only after family support is assessed and considered. Policy stipulates that a family member with the obligation of financial support to an eligible welfare beneficiary, "obligatory provider" is the legal term, is "a lineal blood relative of the first degree (in other words, parents and children) and his/her spouse" (Article 2 (Definitions), NBLSA). "The family support obligation—a unique Korean feature that implies the earnings and assets of a claimant's children and parents are also taken into account in

determining entitlement—continues to exclude an estimated half of all potential beneficiaries” (OECD, 2018e). In order to qualify as a NBLSS recipient, an individual must meet two eligibility rules: 1) his or her income⁷⁶ should fall below the Minimum Cost of Living (MCL),⁷⁷ the family size-adjusted benefit selection criteria set by the Ministry of Health and Welfare according to the income qualification rule and 2) he or she should provide evidence that there is no family member obligated to support him or her, or if there is any, that the family member is unable or unreliable in providing adequate financial support for him or her according to the

76. The Estimated Household Income (EHI) is measured by considering the amount of household income and the amount converted from asset simultaneously based on the concept of “recognized amount of income” (Kim, 2009). The EHI consists of two elements: 1) the assessed income and 2) the amount of converting asset into income (Kim, 2009). The assessed income is computed as “real income – necessary expenditure reflective of households’ characteristics – earnings disregard.” The amount of converting asset into income is computed as “(total amount of assets –disregard of basic assets – debt) times conversion rate depending on three types of assets (non-financial assets, financial assets, and the owned car)” (Kim, 2009).

77. The Minister of Health and Welfare annually proclaims the Minimum Cost of Living (MCL) as the NBLSS benefit selection criteria. It was based on the concept of absolute poverty using the market-basket method for considering eleven expenditure areas with more than 300 specific items as basic material necessities. However, since July 2015, the calculation method of the benefit selection criteria has changed from the MCL method to the Standard Median Income (SMI) method that is based on the concept of relative poverty (Kim et al., 2017). Previously, all the benefits including basic livelihood, medical, housing, and education stipulated by the National Basic Livelihood Security Act (NBLSA) were determined by single eligibility criteria (i.e., MCL is measured every three year; 1,668,329 KRW/month for a family of four = 1,515 USD/month as of 2015; it is about 36% of the median household income with a family size of four; 80% of the amount of MCL is given to welfare recipients in cash). However, due to the recent reform (2015/04/25), differentiated criteria of eligibility for four types of benefits (i.e., 28% of the median income [1,180,000 KRW/month = 1,065 USD/month] is the cut-off line for basic livelihood benefit; 40% of the median for medical benefit; 43% of the median for housing benefit; 50% of the median for education benefit) was implemented in July, 2015 (the Ministry of Health and Welfare, 2015). The main advantages of this reform would be expected (1) to save government money by not performing the national-level survey to measure more than 300 basic necessities, (2) to expand the coverage of recipients benefited by using differentiated criteria of eligibility rather than single criteria, (3) to provide housing benefits to recipients by reflecting different regional housing costs (e.g., the housing prices are estimated based on four regional categories: Seoul (10 million, 20% of total population), near-Seoul (30% of total population), 6 metropolitan cities outside near-Seoul (25% of total population), and the other regions) (the Ministry of Health and Welfare, 2015).

family support obligation rule. These rules are assessed by local public social welfare officers considering the median incomes of both households (i.e., an eligible recipient's and his or her obligatory provider's family income) and classifying them into three groups: 1) no support capacity, 2) yes, but weak/moderate support capacity, and 3) yes, strong support capacity. First, if an obligatory family member belongs to the first category of no support capacity, an individual can obtain the full NBLSS benefit from the government as an eligible recipient. Second, households in the "no-care zones" refer to the households defined as poor but not covered by the NBLSS due to a variety of reasons including the family obligation rule. If an obligatory family member is considered by policy as only being able to provide weak/moderate support, an individual can still obtain the NBLSS benefit, but the benefit level would be reduced from the full benefit by imposing a presumed "weak" support from that obligatory family member and subtracting it from the full NBLSS benefit level.⁷⁸ Third, if an obligatory family member belongs to the third category of strong support capacity, an individual is unable to be a NBLSS recipient.

This "Family Support Obligation Rule" is reflective of Confucian values of filial piety and a sense of family duty: solving welfare needs through within-family support is virtuous and preferable, rather than relying on external resources from the community or the state. This rule is assessed as a detrimental clause for the welfare recipient, because a considerable number of eligible recipients to the NBLSS benefits are excluded due to having a "supporting family member" who may actually not co-reside with them and not provide support. This detriment is aggravated for elderly persons because a considerable proportion (71.7%) of households that receive no support from the NBLSS due to the family obligation rule were considered as families with a household head aged 65 and over (Lee et al., 2011, p. 209; Yeo et al., 2017, p. 30). For

78. For instance, 30% or 15% of the household income for a person with support obligation to an eligible recipient minus 130% of the MCL for that household is imposed as a presumed support (Kim, 2009).

instance, in Figure 5.1, the NBLSS's recipient ratio was 3.2% (1.55 million people) as of 2010 while the size of the no-care zones was 2.4% (1.17 million of total 48 million population) in the same year. The fairly substantial size of the no-care zones appears to reduce the target efficiency⁷⁹ of the NBLSS to 57% (3.2% divided by 5.6%). In sum, in terms of the benefit coverage, the NBLSS fails to provide a comprehensive benefit to eligible households as evidenced by the considerable size of the no-care zones, which is reflective of the role played by the family obligation rule in excluding the elderly who fall below the poverty threshold set by the government (Kim, 2013). According to the 2015 National Livelihood Status Survey, 33.4% of respondents who were denied in the NBLSS benefit answered that the main reason for denial was the existence of an "obligatory provider" (Lee et al., 2011, p. 492).

Despite a paradigm shift brought by the NBLSS in the Korean public assistance system (e.g., stressing social responsibility for poverty and enhancing the right-based approach to public assistance), the main problem in the NBLSS is the existence of the no-care zones that may result from the strictness of the family obligation rule as a criterion for the NBLSS eligibility.

The main cause is epitomized as the collision between a family and a nation for the responsibility of supporting the poor, particularly the elderly poor. Recently, the changing family structure and aging issues have weakened the responsibility of the family for supporting the elderly. In terms of family size, single-person households have been rapidly rising, leading to less capability to obtain social support from families and relatives compared to two-persons households. The number of single-person households has increased from 15.5% in 2000 to 23.9% in 2010 (Statistics Korea, 2010). In addition, the number of divorced couples with more than 20 years of marriage has sharply increased from 5.2% in 1990 to 24.8% in 2011.

79. This is defined as the proportion of welfare recipients relative to the target group (i.e., the total eligible recipients considered as income-poor) in the public assistance (Kim, 2009).

Meanwhile, the probability for single-person households to receive social support such as financial or emotional help is on average lower compared to households with more than two persons (Statistics Korea, 2013). Additionally, 41.1% of the single-person households were estimated to be poor in 2011 (Statistics Korea, 2011). In particular, among households with single-person aged over 60, 67% of those were estimated as poor in 2011.

In contrast, public consciousness for supporting the elderly has been decreasing. The response rate of perceiving that adult children are responsible for supporting their aged parents has decreased from 60.7% in 2006 to 30.4% in 2010 whereas the response rate of perceiving that families, the government, and the society should share the responsibility of supporting the elderly has increased from 29.1% to 51.0% during the same period (Statistics Korea, 2013). However, institutional arrangements have not caught up with this social trend. Especially, the family obligation rule in the NBLSS may be considered as evidence for institutional deficiency, thereby creating the no-care zones.

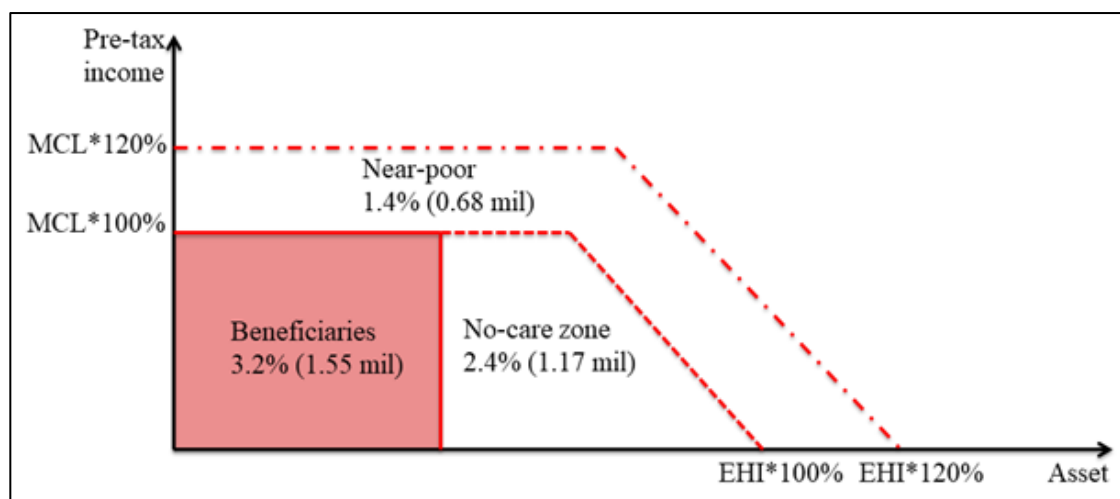


Figure 5.1. The Distribution of the Low-Income Population in Korea (2010).

Source: Kim, 2013.

Note: 1) MCL*100% is the official poverty line in Korea.

2) EHI (Estimated Household Income) is pre-tax income plus income converted from asset.

Phillips and Jung (2013) pointed out that the “Family Support Obligation Rule” was clear evidence to show the negative influence of Confucian familialism on the NBLSS design and implementation, suggesting that the Confucian conceptualization of familial piety applied to the NBLSS has hampered the policy goal of decreasing poverty proposed by the NBLSS as a social safety net. This system has been revised four times in the last ten years (Park, 2010). The scope of the family support obligation has been alleviated by the first and the second revision of the NBLSS but it still remains a criterion for determining the eligibility (Yeo et al., 2017).

In contrast, anti-poverty policy in the United States has no such provision that requires the family-first responsibility, and instead focuses solely on individuals. The primary anti-poverty programs for provision of cash assistance in the United States is TANF; and three other programs considered as anti-poverty supports: Medicaid, EITC, and SNAP (Lein, Danziger, Shaefer, & Tillotson, 2016; Wolfe, 2013; Waldfogel, 2013). Unlike Korea’s family-first poverty program that obligates family members not living in the same household, eligibility for all four programs in the United States is based upon the economic circumstances of the individual and family members in the same household. Thus, contrary to policy in the United States, the Korean family obligations policy stipulates two things: 1) parents and children who are not coresiding with the person needing assistance are still required to provide income support and 2) adult children are expected to provide income support for their parents.

Anti-Poverty Policy and Mobility

Cash assistance policies in both countries illustrate a transferring of state responsibility unto the private domain, the U.S. policy occurring at a lower level upon the individual compared with the Korean policy that occurs at family-level. The Korean family obligation rule, as indirect but consequential impact, is envisioned by proponents as strengthening the links and cohesion of

the family; thus, yielding additional supports that may help boost upward mobility for members of the family. In other words, for its supporters, the Korean family obligation rule goes above and beyond its impacts of harnessing financial assistance, and enables a stronger family and kinship support in the emotional and psychological sense, as well as via other resources, such as transportation, that are critical for upward mobility.

However, in more recent years, emergent trends in Korea show increasing intergenerational conflict and the weakening of family ties, and familial financial responsibility to be specific, despite the family obligation rule. Specifically, more and more older adults in Korea who are poor are not gaining support from family members, despite state sanctioning of family care via welfare policy. Furthermore, while the pooling of resources within a family may help increase gains in mobility, it also can decrease gains even with just one individual family member who is experiencing employment and income challenges. And because social welfare policy turns to families first as discussed above, no public assistance is available for individuals and their family, thereby weakening prospects for mobility.

In contrast, the individual-focus of the U.S. policy serves to hold solitary individuals responsible for themselves, and delimiting support from within the sphere of the nuclear family or household. Libertarian individualism, as discussed in Chapter 2, is based on the value for ambition and determination, which would in turn prompt mobility, because individuals must be self-reliant out of necessity but perhaps also due to those very values that individuals have come to embrace as part of American citizenship. However, self-reliance and determination alone, especially for racial and other minorities, are insufficient against unequal structures that maintain advantage and disadvantage.

Public Education Policy

Distinct education policies in Korea and the United States pertain to the family and community valuation of education in Korea, and value of individual achievement of students in the United States. In Korea, education is a cornerstone of Confucian values and ethics, and Korea has indeed invested heavily at all levels of education, with “far-sighted, deliberate and government- regulated long-term education plans and policies, which have helped reshape the country and transform its occupational structures and prestige” (Hultberg, Calonge, & Kim, 2017, p. 2). These policies and expenditures reflect the extremely high value on higher education amongst Korean families, and society more broadly. The total public and private expenditure on education from primary to tertiary levels in Korea was estimated to be 6.3% of GDP in 2014, which was the fourth highest across OECD countries and higher than the OECD average of 5.2% (OECD, 2017). Such policies and investments, promoting strong aspiration for education, have made Korea the most educated country in the world (Mani, 2018): 69.8% of those aged 24 to 35 have completed some forms of tertiary education, which is the highest across OECD countries (OECD average: 44.5 percent). Moreover, Korea has been among the top performers among OECD countries in terms of standardized test scores measuring students’ scholastic performance on mathematics, science, and reading as measured by the OECD’s Program for International Student Assessment (PISA) (OECD, 2018h).

The family, as a private sector institution, is crucial to such high aspirations for education, in terms of both economic and moral investments. Providing a good education for their children is a shared duty for the entire Korean family because education is the only path to their children’s socioeconomic success, which would then result in wealth and honor for the family (Hultberg et al., 2017). Amongst OECD countries, Korea ranks the highest in terms of

reliance on the private education market (Yoon, 2014). Korea's private sector spends more than double the OECD average of 16.1% (Yoon, 2014). Approximately 37% of the costs of education are covered by the private sector in Korea, in contrast to the mere 3% covered by the private sector in Sweden and Finland, for example (Yoon, 2014). The total private expenditure on primary and secondary education in Korea was estimated to be 17.8 trillion KRW in 2015. Moreover, the majority of scholars have observed overinvestment,⁸⁰ especially spending on private after-school tutoring programs (Hultberg et al., 2017). The family's excessive private education investment has been a significant burden for families, as they cope with the pressures and the high costs of this familial responsibility to provide a good education for their children.

Meanwhile, public education in the United States has undergone significant funding cuts in both public and private schools (Partelow, Shapiro, McDaniels, & Brown, 2018), and educational outcomes have also been challenged (Leachman, Masterson, & Figueroa, 2017). Public disinvestment in education (Mitchell, 2018), without an attendant increase in private investment as in the case of Korea, thus places responsibilities for education upon the individual. Approximately 47.8% of the population aged 24 to 35 have tertiary education in the United States, lagging behind Korea by 22 percentage points but slightly higher than the OECD average of 44.5% by 3.3 percentage points (OECD, 2018d). In an individualistic culture, the education and development of youth focus on individual growth, with less focus on collective learning (Atkinson, 2016). "Students work independently only" (Rosenberg, Westling, & McLeskey, 2010, p. 1), and "schools encourage children to become independent thinkers and doers, focused on their own individual needs" (Faitar, 2006, p. 172). A good education system is one that provides students with freedom to reach their individual potentials, and particularly entrepreneurial abilities (Markovic & Markovic, 2012).

80. This means "investment in excess of the socially optimal amount" (Hultberg et al., 2017).

Public Education Policy and Mobility

Korea's immense investments in education, from both the public and private sectors, can be considered integral to supporting upward mobility. Furthermore, because there are limited disparities in terms of access to and quality of schools in Korea compared with the United States, there is some level of equality in opportunities in using education for mobility. In other words, there is some homogeneity in schooling in Korea that provides standard or even access for all students. Thus, students who are diligent and capable can have some means for upward mobility via financial and structural supports enabled by state policy. In contrary, disinvestment in education in the United States yields a negative or reverse impact, whereby policy funding and policy priorities in effect delimit opportunities for upward mobility. Furthermore, because funding for schools is based on local taxes and due to racial segregation and discrimination, there is educational inequality for racial and ethnic minorities, thus deepening inequalities. Education is key for gaining skills, knowledge and professional development that are critical for employment, and policies that de-prioritize and disinvest from education, as in the U.S. case, thus yield in a stunting of opportunities for upward mobility.

Healthcare Policy

Third, specific healthcare policies in the two nations suggest differences in values in terms of the role of the family and the individual. Korean healthcare policy, called the National Health Insurance (NHI), provides universal coverage in 1989 and became a single payer system in 2000, thus in accordance with Aspalter's (2011) assessment that Confucian welfare states have universal coverage in healthcare, as well as education and housing. Universal healthcare can be considered reflective of a Confucian familial view on the state as a "father" of the society; the

state should take care of all the citizens in the society by considering them as extended family members (Yang, 2017). That same value of social responsibility regarding universal healthcare coverage is evident in social democratic welfare states (Yang, 2017), thus paralleling Confucian perspectives. Around 97% of the entire Korean population is covered by the NHI system (Kwon, Lee, & Kim, 2015). For the 3% not covered, the Medical Aid Program provides low-income citizens with healthcare as a tax-based assistance program (Kwon et al., 2015).

While Korea has expanded its role in providing universal healthcare coverage, specific institutional structures for healthcare and data on health expenditures seem to suggest that costs and responsibilities are still devolved to the family. Despite universal healthcare, Korea leads its OECD contemporaries in several metrics related to household or private spending for healthcare. The Korean household directly finances a notable 37% of health costs in the country, a rate double the OECD average (OECD, 2015). Korea is first among OECD countries in paying out-of-pocket (OOP) costs related to healthcare, at a rate that is 1.7 times higher than the OECD average in 2013 (OECD, 2018h). Further, one in 25 Korean households managed catastrophic health costs, reflecting the highest proportion among OECD nations (OECD, 2018h). Compared to the private sector in OECD countries that covers an average of 27% of the total healthcare costs, Korean private sector covers 44% (OECD, 2015).

Some observers attribute these high household/private spending to the institutional structure of healthcare provision in Korea as stipulated in policy (Lee & Shaw, 2014). Nearly all healthcare facilities (approximately 90%) are owned by private companies in Korea, and fee-for-service arrangements are applied for service provision and drugs. Meanwhile, no regulations are in place to set limits to healthcare costs. Thus, Korean healthcare policy allows

healthcare providers to expand costs, by using high-cost health technology for example or by using non-covered medical services (Lee & Shaw, 2014), at the expense of families.

In the United States, healthcare insurance is not universally provided but instead is primarily obtained by the individual via the private insurance market. Employment-based insurance remains preferred, and public healthcare is considered supplemental (Almgren, 2017a; Gorin, Darnell, & Allen, 2014; Rosenthal, 2017). Such an arrangement reflects an individual ethos, that protections, including basic health care, are tied to notions of individual productivity and merit via one's job and economic income (Almgren, 2017a). In 2014, the United States instituted a major overhaul of the U.S. health system with the Patient Protection and Affordable Care Act (ACA), also called Obamacare. The following key provisions were legislated: an individual mandate to purchase insurance, an employer mandate to offer coverage to most workers, an expansion of Medicaid to all persons below 138% of the federal poverty level (FPL), minimum benefit standards, elimination of preexisting condition exclusions, and reforms to improve health-care quality and lower costs (Gorin et al., 2014). While the ACA provides increased access to healthcare, it stops short of universal coverage and the policy thus ultimately reflects healthcare not as a matter of social rights, but as one of individual responsibility (Rosenthal, 2017).

Healthcare policy in the United States has long served as site for national debate over "individualism and solidarity," the latter reflecting more familial and communitarian perspectives (Sabin, 2012; Sage, 2009) akin to Korea's Confucian perspectives. Not only individualism but also solidarity had been concepts underpinning the creation of Medicare in 1965 in the United States, but solidarity perspectives in the U.S. healthcare policy have eroded during the late 20th century and individualism has come to pose a challenge to policy reform

towards universal healthcare (Sabin, 2012). In his analysis of healthcare, Dougherty (1992, p. 1) posits that “excessive forms of individualism that affect every aspect of our healthcare delivery system,” whereby “libertarian individualism has created political isolation and prevents the evolution of democratic decision making and real partnerships in healthcare.” Particularly among medical professionals, the American value for individualism, termed “medical individualism” is central to ethical dilemma pertaining to the healthcare policy debate.

Healthcare Policy and Mobility

The long-established universal health insurance coverage and single payer system in Korea contrasts with the healthcare insurance in United States, which is obtained primarily by the individual via the private insurance market and/or the employer. The consequences of precariousness in healthcare in the United States lead to challenges in mobility. Health status itself has been associated with poorer outcomes; for instance, low-birth weights are negatively linked with intergenerational economic mobility (Robertson & O’Brien, 2018). As a second example, in the United States, Medicaid expansion in the 1990s was shown to have led to better life chances for low-income children (Robertson & O’Brien, 2018). Healthcare financing and organization via health policies thus translate to healthcare access, including those among children and young adults. As such, differences between the two countries in terms of healthcare access—universal coverage in Korea and limited privatized coverage in United States—would thus translate to attendant outcomes in mobility.

Labor Market Policy

Self-employment and “informal work” distinguish the Korean labor market from amongst its contemporaries, including the United States. Compared with other advanced welfare states,

there are more informal workers and self-employed workers in Korea, with rapid increase starting during the economic crisis in the mid-1990s. The percentage of the self-employed relative to all workers in Korea is 25.5% in 2015, which is 8.7 and 14.4 percentage points higher than the OECD average of 16.8% and the U.S.'s average of 10.1%, respectively (Schauer, 2018; Hipple & Hammond, 2016). Regarding informal workers, Korea also has higher percentages (OECD, 2011): about 25% of all employment is informal, indicating that those workers are unregistered for social security (OECD, 2011). Self-employment illustrates entrepreneurship and competition that undergird economies (Falco & Haywood, 2016), while informal work reflects precarious job and dualized labor market that too sustain economies (Schauer, 2018), perhaps two sides of the employment coin.

These two forms of work, however, can also be analyzed in terms of the family and the privatization of economic self-sufficiency in Korea. Strong work ethic characterizes both the Confucian and the American values, but a strong work ethic becomes enmeshed with the family in Korea. Some scholars have examined familialism in Korea in terms of family-owned small businesses. It is not uncommon for family members, mostly the nuclear family but often also the extended family, to work in a family member's small or medium-sized business. In fact, approximately 1.2 million Korean workers are those employed by family members (OECD, 2018e). A substantial proportion of the self-employed Korean labor force (about 10% in 2005: Ra & Shim, 2009) are "unpaid family members," who lack a formal contract to receive wages or pay, but family ties bind them to the income generated by the enterprise. Unpaid family members, as a class of workers, are defined as persons who reside in the household of the proprietor of the owning enterprise and work in or for the establishment without regular pay for

at least one third of the normal working hours of the establishment (OECD, 2001). Also, informal workers tend to be employed by their family in informal working contracts.⁸¹

Thus, the family as entrepreneur plays a key role as employer in Korea. This family-worker household structure may thus lead to higher burden on the family, by forcing family members to redistribute their resources within the family with little governmental support. In this redistribution mechanism within the family, most of these additional responsibilities tend to be put on females rather than males.

However, in highly bifurcated labor markets such as that in Korea, some scholars take an account of self-employment as a form of non-regular work, defined by lower pay, less access to social benefits and more jobs insecurity (Schauer, 2018). Indeed, within Korea's segmented employment context, the non-regular tier of workers is in stark contrast from the regular tier of workers who enjoy high wages, benefit from social protections and have job security (Schauer, 2018), such as those who have jobs in Korean-owned global companies like Samsung and Hyundai. Within this context of insufficient social protections and taking a structural lens to view self-entrepreneurship and informal work, the family can be analyzed as taking on support provisions for Korea's low-wage and precarious workers, and their family members.

Meanwhile, some labor market policy reforms in Korea over the last decade have aimed towards improving employment security of workers (OECD, 2018e; Jones & Fukawa, 2016), but some perspectives critique that policies have not gone far enough in providing protections for poor self-employed workers and informal laborers (Jones & Fukawa, 2016), and their family-employers. The Employment Insurance (EI) program's eligibility requirements were expanded in recent reforms; and the Act on Protection of Temporary and Part-Time Workers in

81. This means non-standard, atypical, irregular, and precarious contracts, which are outside tax and regulations (Nightingale & Wandner, 2011).

2007 and the Employment Success Package Program (ESPP) in 2015 were introduced as new programs to provide job stability for workers (OECD, 2018e), the former for non-regular workers specifically. ESPP reforms extended protections to disadvantaged workers, such as elderly jobseekers and new workers. Ancillary labor market policies, meanwhile, enacted programming, for example, for special training services that targeted about 2,500 self-employed workers with low income (Ra & Shim, 2009) and short-term vocational training for non-regular workers (International Labor Organization [ILO], 2012). Furthermore, tax reforms including the EITC were made to expand social protection to low-wage workers over the decade (Jones & Fukawa, 2016).

Despite such efforts, some scholars argue that Korean labor market policy expansions to support employment stability and income security remain insufficient (Jones & Fukawa, 2016; Kim, 2017; Kim & Hieβl, 2017; Koh, 2008). Self-employed workers including unpaid family workers constitute such a large share of Korea's labor force that government efforts were simply wanting (Jones & Fukawa, 2016). Thus, considering discussions above on family values within the domain of work, the family as employer steps up as social protection for non-regular workers insofar as labor market policies and other government programs do not.

In the United States, meanwhile, since around the mid-1970s, policy reforms pertaining to employment applied an "active" approach, whereby individuals were required to conduct activities if they were to receive assistance (Abrahamson, 2017, p. 88). This U.S. policy shift links together labor market participation with public benefits, most notably via "workfare" or the conditioning of public assistance on work. Workfare is a key policy that has garnered debate and analysis, and its emphasis upon the individual has characterized liberal welfare states such as the United States (Aspalter, 2011) with its stipulation that all recipients of public cash assistance

should work. Aspalter assesses that concept of social rights is as “clientelistic”⁸² as applicable to liberal welfare states such as the United States; and indeed workfare as a policy embodies clientelism precisely. Public aid recipients as clients are incentivized to work via workfare, and monitored for compliance.

Labor Market Policy and Mobility

With regards to labor policies in the two nations and their philosophical underpinnings, both Korean and the U.S. labor policies value and prioritize the productive citizen, but yield insights on mobility in different ways. In Korea, self-employment and “informal work” via the family are notable distinctions pertaining to the labor market. In this system entwined or co-productivity, the family becomes the unit for generating income and occupational opportunities, and thus upward mobility. In the United States, meanwhile, policies and values of self-sufficiency and the conditioning of public assistance in work have a more direct and explicit impact on the individual-worker. Such policies and ethos have an explicit message or work, thus denoting encouragement and incentivizing for upward mobility. However, structural and systemic barriers, including those related to education and health, often create insecurities in job prospects, job readiness and job search, thus thwarting opportunities for upward mobility.

Family Assistance Policy

Fifth, family assistance policies in the two nations are in contrast: Korea has enacted reforms that aim to provide work-life balance for women, while the United States remains with very minimal supports. Family assistance policies, such as maternal leave and childcare support,

82. This means that social rights are based on the contract between citizens as clients and the state as welfare provider, which reflects a rationale-choice and individualist perspective (Berenschot, 2018).

can be conceptualized as founded upon familial values, ultimately increasing women's productivity as both laborers in the workplace and care workers at home.

In Korea, two main policy reforms were enacted to support working women who struggled with combining paid work and family responsibilities: a parental leave scheme in 1995 and then maternity benefits in 2001 (Sung, 2003). There are also several other smaller scale programs that support work-life balance. The Best Family-Friendly Management program serves as an incentive program for family-friendly companies, encouraging and rewarding proper implementation of leave entitlements and flexible workplace arrangements. Companies that are certified are rewarded with a wide range of benefits, such as interest rate benefits for bank loans. More than 1000 companies and organizations have been certified as family-friendly since the program's launch just over a decade ago (Kim, 2015). In addition, supportive programming such as the Women's Re-employment Center has been developed, to provide comprehensive career services (i.e., career counseling, job training, internships, and post-employment management) that have been practical supports to job readiness and placement for women, particularly after child-rearing (Kim, 2015).

However, some scholars question the paradoxical consequences of family assistance policy reform within the context of the Confucian welfare state in Korea. The two reforms were enacted as a response to the changing role of women in the workplace, as more and more women take employment and gain economic capacity. Yet, Confucian norms regarding gender roles in the home have not changed in parallel to changes in economic or work norms pertaining to gender. That is, in Korea, mothers and women maintain their roles and responsibilities as homemaker, even as they have come to be increasingly relied upon for paid work. The strong Confucian tradition of familialism continues to emphasize filial piety, seniority, and the married

woman's responsibility for her parents-in-law. Thus, as Sung (2003) contends, family assistance policies in Korea resulted in a paradox: the policy sought to increase women's capacity to be productive workers, at the same time that their roles in the home were sustained. Thus, the gendered characteristics of the Confucian welfare state pose challenges for women's reconciliation of work life with family life (Sung, 2003).

The United States, meanwhile, is an outlier and lags behind its OECD counterparts in terms of family assistance policies, reflecting a prioritizing of the individual-worker rather than work-life balance for working mothers, specifically, and parents more broadly (Gornick, Meyers, Wright, & Bergmann, 2009; Lein et al., 2016). The U.S. Family Medical Leave Act (FMLA), which passed in 1993 and allows new parents to take job-protected time off to care for very young children, is meager compared with other OECD nations. Compared to family leave arrangements in other OECD countries, the United States is much less generous and more limited in three ways: leave periods are shorter; family leave is typically unpaid; and access is not universal (Garfinkel et al., 2010; Waldfogel, 2006). Only about 20% of all new mothers qualify for coverage under FMLA (Klerman, Daley, & Pozniak, 2013), and those with coverage tend to be higher-wage workers. Because family leave is unpaid, low-income workers typically do not use it even when eligible, because they rely on income (Boushey, 2011; Earle, Mokomane, & Heyman, 2011).

Family Assistance Policy and Mobility

Family assistance policies yield implications for mobility of women particularly, with increasing women's productivity as both workers and mothers. While there remains no policies for family assistance in the United States, there were Korean reforms have sought to provide work-life balance for women, specifically parental leave scheme in 1995, maternity benefits in

2001 and other programming for working women. Women in Korea thus benefit from such supports and public investment, and have had better opportunities for upward mobility. Indeed, one finding in this study is illustrative: sons compared with daughters had more mobility in Korea in the first period, which reversed in the second period wherein daughters became more mobile in Korea. Trends were not found in the United States. Family assistance policies, as a key component of the welfare state, can thus provide context for gender differences in mobility.

Redistributive Tax Policy

Sixth, the United States and Korea have a lower redistributive role for tax policies as measured by an inequality reduction rate that compares a before-tax Gini and after-tax Gini index (more reduction means more governmental redistribution through taxes and transfers). Compared with the OECD average of 33.8%, both nations (16.6% and 7.8%, respectively) are lower as of 2005. Ten years later, as of 2015, the two nations' less redistributive roles are maintained: compared with the OECD average of 26.9%, both nations (22.9% and 13.5%, respectively) are lower. A comparison of the redistributive tax efforts in thirteen OECD nations is presented in Figures 5.2 and 5.3. The countries represent four welfare regimes: Denmark, Finland, Norway, and Sweden are social democratic welfare regimes; France, Germany, Belgium, and Italy are conservative welfare regimes; Canada, the United States, the United Kingdom are liberal welfare regimes; Korea and Japan are East Asian welfare regimes. The limited tax systems in the United States and Korea reflect the fact that the tax bases, i.e., the property tax base, are eroded by exemptions and deductions, and tax rates are low (Augustine, Bell, Brunori, & Youngman, 2009; Crivelli, Mooij, & Keen, 2015). Thus, the legacies of the regressive tax system in both nations may serve as a key determinant of "sticky floors" and

“sticky ceilings” on the social ladder (OECD, 2018a): over the period of the early 2010s, among OECD countries, income persistence has increased both at the top and bottom of the income distribution in the United States and Korea, as well as Austria, Spain, and the Netherlands.

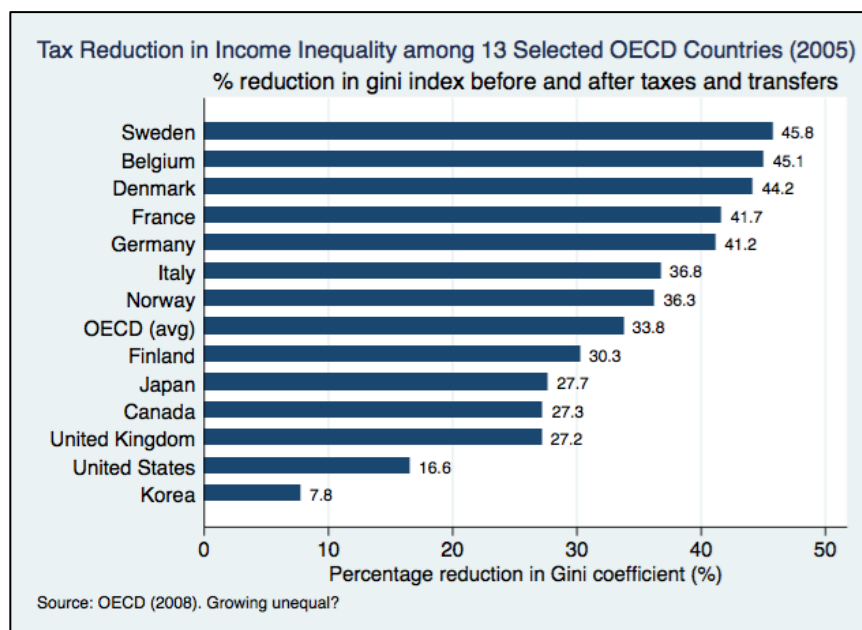


Figure 5.2. Tax Reduction in Income Inequality among 13 Selected OECD Countries (2005).

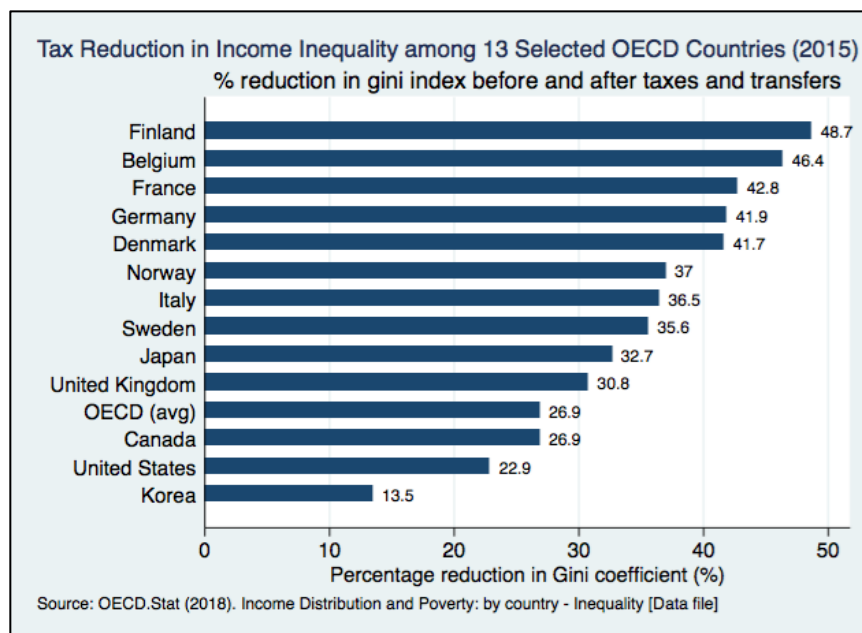


Figure 5.3. Tax Reduction in Income Inequality among 13 Selected OECD Countries (2015).

In addition, in terms of tax revenue as a percentage of GDP⁸³ indicating the degree of government taxation, the U.S. tax-to-GDP rate is relatively low compared with those rates in other developed countries (OECD, 2018f). Taxes at all levels of the U.S. government were 27.1% of GDP, which was about 7 percentage points lower than the 35 OECD nations' average of 34.2% in 2017. OECD countries with the highest tax-to-GDP, including Denmark and France, also have more extensive government services. Korea, along with just four other OECD countries, collected slightly less taxes from constituents (26.9%) compared with the United States. This lower tax-to-GDP ratio indicates that, at least via this specific component of the tax structure, Korea's tax policy enacts a less equitable distribution of wealth than the United States.

Tax policies, in facilitating intergenerational mobility by income redistribution, are critical to equalize inequalities in childhood and adulthood by cushioning unexpected income loss through tax credits. Both the United States and Korea have fairly low levels of governmental redistribution in terms of poverty reduction as evidenced by the percentage change between market-income-based poverty and post-tax-and-transfer-based poverty. Poverty reduction effects of the tax system in both countries are lower compared to ten other OECD countries including Australia, Canada, Denmark, Finland Germany, the Netherlands, Norway, Sweden, Switzerland, and United Kingdom, and thus lagging in redistributive taxation policy effects (Plotnick, 2012). However, in both Korea and the United States, the EITC serves to harness earnings of workers, and provide incentives for low-pay workers to gain increased earnings, while simultaneously maintaining lifestyles. In the United States, the EITC reduces poverty for working individuals, and improves the health of children in recipient families (Hoynes, Miller, & Simon, 2015; Reagan & Duchovny, 2016). In Korea, the EITC was introduced for employees with children in

83. The tax-to-GDP ratio measures the amount of taxes collected by a government to the amount of income that country receives for its products measured by GDP. This comparison gives insight on how the economy is fueled by its tax collection (Asian Development Bank, 2018).

2008 and extended twice in 2012 and 2014, resulting in benefiting workers without children and some self-employees, and single people (Jones & Fukawa, 2016; OECD, 2018e).

Redistributive Tax Policy and Mobility

Tax policies are a primary means for income redistribution, to help in childhood-era and adulthood-era inequalities (Esping-Andersen, 2002; Nolan et al., 2011), thus impacting mobility insofar as inequalities is offset by gaining increased income and status through employment. However, in both the United States and Korea, tax policies provide low levels of governmental redistribution and poverty reduction.

As depicted in Figures 5.2 and 5.3, while both Korea and the United States are at the bottom of OECD states in tax reduction in income equality, Korea is 41% lower than the United States in this metric. But at the same time, however, IGM is generally higher in Korea. Although tax redistributive efforts in Korea are less than that in United States, the private family's redistribution function⁸⁴ is greater in Korea than the United States (Kim & Choi, 2011; Ku, 2017), which in turn would help contribute to higher IGM. Compared with the United States, Korea has more spouses who are actively working as a second earner, especially in low-income households; and has more two-parent households, and less single-parent and single-person households (Ku, 2017).⁸⁵ Indeed, as discussed in Chapter 2, income and resource redistribution within the family system is a distinctive element to the Korean welfare state, and its impacts on

84. Percentages of reduction in income-poor status by spouses' earnings in low-income households are 85% and 60% in Korea and the United States, respectively. The reduction rate is measured by comparing the individual- and family-level poverty status (Ku, 2017, p. 41).

85. Based on the Luxemburg Income Study (2010) and the Korean Survey of Household Finances and Living Conditions (2012), the proportions of two-parent married couples are respectively 73% and 60% for Korea and the United States. Meanwhile, the proportions of single-parent families are respectively 5% and 12% for both nations. In addition, the proportion of single-person and other types of families in Korea (22%) is less than that in the United States (28%) (Ku, 2017).

mobility may be far-reaching. Along those same lines, policies in Korea in other domains—education, healthcare, labor and family assistance—provide increased material and symbolic resources that in turn arguably help advance opportunities for mobility, compared with the United States, as discussed in this Chapter. As such, the gains on IGE from these other policies may counteract the detrimental impacts that may stem from Korea’s tax policy that lags behind that of the United States in reducing income inequality.

Judging from the aforementioned main points, the theorized effects of each six policy on IGM are summarized as Table 5.1.

Table 5.1.
Summary of the Theorized Effects of Six Key Policies on IGM

Policy	Korea	The United States
Policy #1 Anti-Poverty	IGM+/-	IGM-
Policy #2 Public Education	IGM+	IGM-
Policy #3 Healthcare	IGM+	IGM-
Policy #4 Labor Market	IGM+/-	IGM-
Policy #5 Family Assistance	IGM+	IGM-
Policy #6 Tax	IGM-	IGM-

CHAPTER 6. CONCLUSION AND IMPLICATIONS FOR SOCIAL WELFARE POLICIES

Introduction

This dissertation has attempted to investigate the degree of IGM in two countries and two time periods and to evaluate how different institutional welfare contexts may affect IGM. Using two birth cohorts from the KLIPS and the PSID data during the period 1980-2015, I examined the rate of IGM for men and women as adult children and the role of social welfare policies for explanation of those mobility differences between the two countries.

Summary and Discussion of Findings

This dissertation makes several contributions to the welfare state and social mobility literature, particularly in terms of comparative research on intergenerational income mobility.

Table 6.1 summarizes the family size effect on IGM from the empirical chapters.

Table 6.1.
Family Size Effect to the IGE estimates by Country and by Gender

		Korea		United States	
		Period I	Period II	Period I	Period II
Total	Family Size Effect to the IGE	(-)	(-)	(+)	(+)
Sons	Family Size Effect to the IGE	(-)	(-)	(+)	(+)
Daughters	Family Size Effect to the IGE	(+)	(+)	(+)	(+)

Note: Period I refers to 1980 to mid-1990s. Period II refers to mid-1990s to 2015. Family size effect to IGE is positive when the IGE increases by adjusting family income by family size; otherwise, it is negative.

Empirical Findings on Nation Differences and Income Mobility

The first contribution was to examine the role of small welfare states such as Korea and the United States in promoting or hampering intergenerational income mobility. The main finding confirms that Korea is a more mobile society compared with the United States, as suggested by results from previous studies (Corak, 2016b; Kim et al., 2009; Kim et al., 2013; Nam, 2018; Ueda, 2013; Yang, 2012; Solon, 1992; Zimmerman, 1992; Mazumder, 2005a, 2005b, 2012; Chetty et al., 2014; Bloome, 2015).

Period Effects: Empirical Findings on Period Differences and Income Mobility

The analyses presented in this dissertation found no statistical significance in the period effects on IGM in Korea and the United States. Table 6.1 summarizes the period effects on IGM from the empirical chapters. The overall IGE findings (0.292 and 0.143) are consistent with the results from most previous studies demonstrating that Korean IGE is less than 0.4 (Corak, 2016b; Kim et al., 2009; Kim et al., 2013; Nam, 2018; Ueda, 2013; Yang, 2012), although it is relatively lower compared with those results from some prior studies suggesting that Korean IGE is equal to or greater than 0.4 (Kim et al., 2012; Choi & Hong, 2011; Kim, 2017). The IGE estimates for both periods (0.292 and 0.143) indicate that Korea has remained a highly mobile society using the benchmark of 0.4 (Smeeding et al., 2011) over the two periods, although the overall period effect fails to be significant at .05 significance level. My findings align with those of other studies on Korean IGE and stay within the range from 0.2 to 0.4 that are reported by Kim (2017) and Nam (2018) that are most cited, as discussed in Chapter 1. This variability is accounted for via different methodological approaches and decisions in terms of waves, analytical strategies, and age selection for adult children. Accordingly, my study selects a more youthful sample of adult children aged 25-30, given that stabilization of the IGE estimates is made when adult

children are in their late twenties (Chetty et al., 2014; Torche, 2015a), whereas other studies include older adult children aged between the early-30s and mid-40s. This age selection difference yields findings that are relatively smaller but within range of other studies' findings.

Gender Effects: Empirical Findings on Gender Differences and Mobility

The second contribution of this dissertation is to the investigation of gender differences in intergenerational income mobility based on family income rather than individual earnings across periods and nations. Except for very few studies (e.g., Chadwick & Solon, 2002; Jäntti et al., 2006; Hirvonen, 2008), the bulk of scholarship has primarily focused on the outcomes of men to estimate the elasticity of individual earnings of sons with respect to that of fathers. However, recent research has turned attention to the outcomes of women to adopt a more comprehensive and gender-inclusive measure of economic standing in both generations in three important aspects: i.e., incorporating total family income, daughters, and the contribution of assortative mating into the intergenerational transmission process of income (Fox et al., 2016; Torche, 2015a). In this vein, the present study has attempted to extend this recent scholarship by addressing the above three issues. Overall, Korean IGM has improved (as evidenced by a decrease in IGE from 0.292 to 0.143) for both sons (as evidenced by a decrease in IGE from 0.182 to 0.160) and daughters (as evidenced by a decrease in IGE from 0.344 to 0.082) between the two periods.

With regard to gender differences in Korean IGM in the two periods, sons (IGE: 0.182) are more mobile than daughters (IGE: 0.344) in the first period; however, sons (IGE: 0.160) become less mobile than daughters (IGE: 0.082) in the second period. The sons being more mobile than daughters in the first period is consistent with the results from previous studies (Choi & Ahn, 2015; Nam, 2018; Ueda, 2013). Higher intergenerational mobility of women

compared with men in the second period may be in part attributable to the role of matchmaking in which Korean parents and their daughters tend to select their sons-in-law within or above their own economic status (Park & Smits, 2005; Ueda, 2013). Meanwhile, in the second period, daughters are more mobile than sons, although these gender differences in IGM are smaller compared with the first period. The fact that daughters' IGM is slightly greater than sons' may in part reflect increasing educational assortative mating between men and women with post-secondary education (Park & Smits, 2005) given declining returns to education for women in both the labor market and the marriage market since the mid-1990s (Chang, 2015).

Meanwhile, the U.S.'s IGM has deteriorated overall (as evidenced by an increase in IGE from 0.177 to 0.279) for both sons (as evidenced by an increase in IGE from 0.245 to 0.273) and daughters (as evidenced by an increase in IGE from 0.096 to 0.260) through the two periods. The overall IGE findings (0.177 and 0.279) are relatively lower compared with the results from previous studies documenting that the U.S.'s IGE is at least 0.4 or greater (Solon, 1992; Zimmerman, 1992; Mazumder, 2005a, 2005b, 2012; Chetty et al., 2014; Bloome, 2015). The IGE estimates for both periods indicate that the United States has remained a moderately mobile society using the benchmark of 0.4 (Smeeding et al., 2011), although the U.S.'s IGM has declined over the two periods.

In regard to gender differences in IGM in the two periods in the United States, daughters (IGE: 0.096) are more mobile than sons (IGE: 0.245) in the first period; women's higher IGM relative to men's remained unchanged in the second period as evidenced by daughters (IGE: 0.260) and sons (IGE: 0.273). The daughters being more mobile than sons through the two periods is in accordance with the findings from previous studies (Chadwick & Solon, 2002;

Jäntti et al., 2006). Higher intergenerational income persistence of men compared with women may be partly attributable to the effect of assortative mating (i.e., the effect of spousal selection).

Empirical Findings on Family Size Effect on Mobility

The third contribution is to empirically examine differences in intergenerational mobility in Korea and the United States by contextualizing two distinctive periods in terms of economic trends and public welfare structure and constructing comparable data of adult children and their parents, which is different from many previous comparative studies that typically compare the researchers' own country's IGE estimates with those estimates taken from other independent country-specific research (e.g., Kan, Li, & Wang, 2015; Li, Liu, & Wang, 2014). In terms of the relationship between family size and the IGE estimates among twelve parent-child pairs (i.e., parents-children, parents-sons, and parents-daughters across periods and nations), it is evident that the family size adjustment tends to increase the IGE except for four pairs such as parents-children and parents-sons in the two periods in Korea. This result suggests that the intergenerational transmission process needs to be considered as the transmission of family structure as well as income (Björklund & Jäntti, 2011). In addition, the contribution of family size adjustment on the IGE estimates is negative only for parents-children and parents-sons in Korea. This means that the family system may contribute to improving IGM for adult children in general and for sons in particular in Korea. This fact may reflect the role of the Korean family system as the private safety net in distributing economic resources within family members (Kim & Choi, 2011; Lee & Choi, 2018; Ku, 2017), thereby decreasing intergenerational income persistence.

Theoretical Insights on Cultural-moral Ethos, the Welfare State, and Mobility

As a fourth contribution, this dissertation provides insights to theorize how distinctive features in cultural norms and the ethical, moral, and value-laden underpinnings of the Korean and American version of the welfare state—specifically as they pertain to the locus of responsibility on the individual/the family/the state/the market—provide context for understanding between-country differences in IGM. The “culture of poverty” and the ethical question on the character and behavior of the poor are key concepts that have garnered rich debate, both scholarly and public, pertaining to the welfare state, emphasizing the centrality of culture and ethics. Thus, it can be argued that cultural and ethical underpinnings are considered as prime determinants of welfare state development (Van Oorschot et al., 2008). Clearly, over the past four decades, European and American welfare states have been significantly impacted by religious cultures such as Catholicism and Protestantism or neo-liberal political culture in terms of their establishment, design, and restructuring of social protection (Bonoli, George, & Taylor-Gooby, 2000; Van Oorschot et al., 2008).

Theoretical arguments in this dissertation contribute to discussions on the role of cultural values in welfare state development, joining what Van Oorschot et al. (2008) have called the “cultural turn” in the study of the welfare state. This cultural turn recognizes the importance of culturally critical perspectives on the analysis of social policies to understand the relation between culture and welfare, and reveals how traditional theories and practices, as well as social policies, are socially constructed, particularly as a way of empowering the power elites rather than emancipating vulnerable groups. Social welfare policy is constructed and implemented within dynamic socioeconomic and cultural contexts. In this sense, social policy and its beneficiaries are affected by socially constructed family and gender norms (Herrick, 2014).

Welfare policy emerges as both mechanism and site through which concepts such as the individual role and family role are played out. Within the specific context of this comparative analysis of the U.S. and Korean welfare state, policy emphasis on familial social responsibility with clear enforcement is the primary operational distinction between the individualistic welfare state of the U.S. and the Korean family-first Confucian approach. As detailed in Chapter 5, welfare policies in the United States and Korea reflect notions of individualism and familialism as they pertain to six policy domains: anti-poverty, public education, healthcare, labor market, family assistance, and tax redistribution. These discussions unpack Aspalter's analysis of the ideal-typical welfare regimes, honing most precisely into his analysis of the Confucian welfare state (as in Korea) as exemplifying a "weak-individual/strong-family" welfare structure and the liberal welfare state (as in the United States) as embodying a "strong-individual/weak-family" welfare structure (Aspalter, 2011). As opposed to an individual emphasis in the United States, the "family" was a central concept underpinning these policy areas in Korea, most clearly and intensely with anti-poverty policy that used family income for the determination of eligibility in anti-poverty policy.

The differences between the two welfare states reflect culture-driven political choices in welfare policies in response to the problems of reconciling production and distribution and the public and private spheres. These choices are manifested explicitly or implicitly in social welfare policies that govern or control the scope and quality of social rights and also the divisions of responsibility for the provision of benefits and services between the state, the market, and the family. This comparative and culture- and ethics-based framework highlights the ideological dimension as the ongoing struggle between libertarian/liberal and familial notions of the role of the state in the life chances of individuals and the underpinnings of the social safety net.

The ideas and associated discourse are not independent of social and economic context and are also not the sole explanatory variable in social policy development and change. Toggling between the role of the individual and the family in social assistance serves to obfuscate the role of the state. Thus, in discussing the individualistic and familial ethos in the United States and South Korea, it remains crucial that the broader global context is also considered. The Scandinavian “welfare culture” (Ferrera, 1996), for example, provides a contrast in its espousing of social protection and provision of generous and universal coverage of risk based on citizenship rights, altogether removing both individual and family from the terms of the debate. Meanwhile, there are also uniquely American and Korean distinctions internal to each nation that must be considered. A crucial one is the role of racial history and politics in the evolution of the “reluctant” American welfare state, vis-a-vis the homogenous racial context of the Korean welfare state. These external and internal dimensions to both countries thus synthesize with individual and familial cultural-ethical dimensions to foreground specific welfare policies and programs, and ensuing impacts for life chances, including income mobility. The key implications are that a cultural dimension is an essential component of an explanatory framework for cross-national welfare state and intergenerational mobility research.

A conceptual framework is developed to illustrate the complex relationships between culture, welfare state, social welfare policies, and IGM. Considering the role of ideas and culture in shaping social policy (Sachweh & Olafsdottir, 2012; Steensland, 2006; Van Oorschot et al., 2008), a rough outline of the conceptual framework is presented in Figure 6.1, wherein the far left circle represents culture, including American individualism and Korean Confucian familialism. In this dissertation, culture is defined as “welfare culture,” referring to “the negotiated expression of the way a society cares for itself and its members” (Walker, 2008, p.

134). Welfare culture serves as the ideological and philosophical foundations of the welfare state in the next circle by influencing the welfare state or being impacted by it. The welfare state has devised and implemented various social policies, in particular six key social welfare policies are shown in the third circle through policy proposals and legislation (shown in Figure 2.3). Social policy refers to a broad array of governmental acts that impacts the well-being of the citizenry including “laws, regulations, executive orders, and court decisions” to address human needs and social problems (Herrick, 2014, p. 1). Especially, six key social welfare policies—anti-poverty, public education, healthcare, labor market, family assistance, and tax policies—are important driving forces promoting or retarding IGM. At the end of the sequence of processes that connect culture with societal outcomes, the far right circle in Figure 6.1 represents social indicators including IGM. IGM, as a final outcome of this conceptual framework, has a feedback effect on culture because IGM, as a stratification reality by the welfare state, affects citizens’ perceptions and aspirations about its desired level (Sachweh & Olafsdottir, 2012). All in all, this conceptual framework allows for the examination of the links between culture, welfare state, social welfare policy, and IGM.

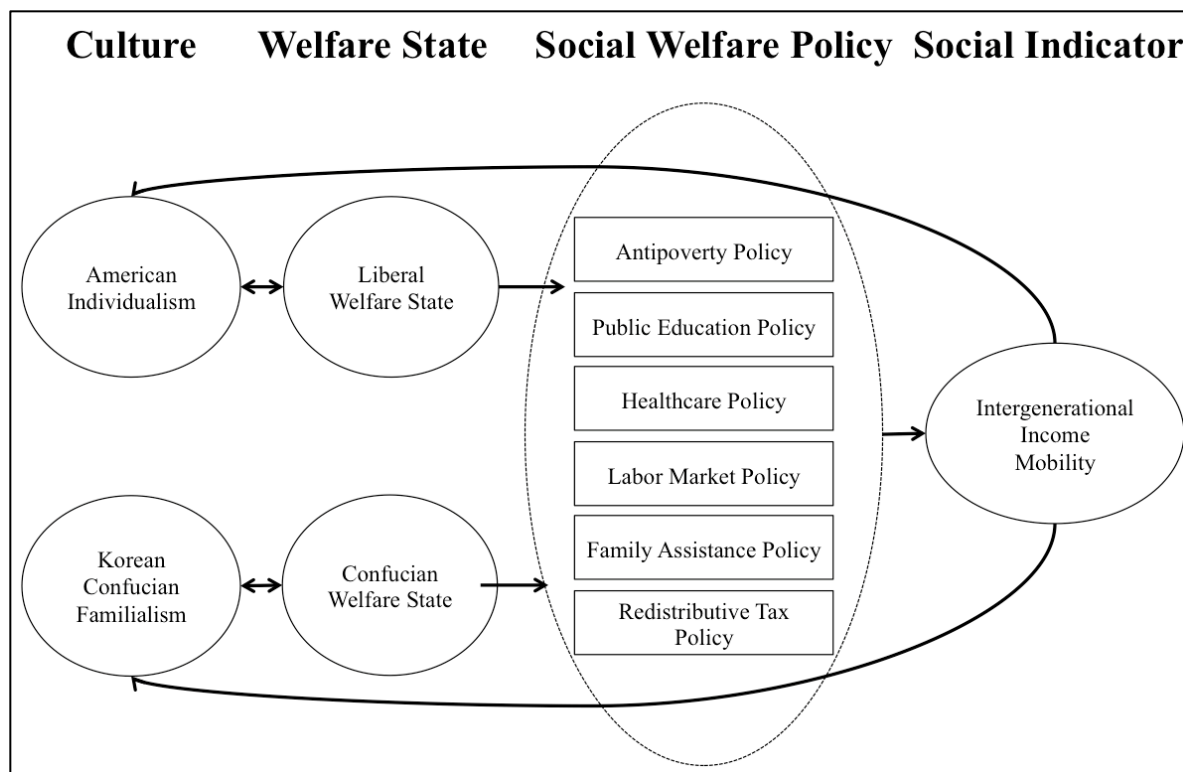


Figure 6.1. Conceptual Framework between Culture, Welfare State, Social Welfare Policy, and Social indicators.

Limitations of the Study

The present study is not without limitations. First, due to the data availability in Korea, this study was not able to select adult children's birth cohorts in a more ideal way that reflects the characterization of two distinctive study periods. Second, due to the unobservable parents' family income in study period I, the two-sample instrumental variable (TSIV) method was applied to predict parental income using adult children's reports on their parents' education level. Considering that the IGE estimates produced by the TSIV method tend to be inflated compared with the OLS method (Björklund & Jäntti, 1997; Fox et al., 2016), it should be pointed out that the IGE estimates in study period I in Korea may be overestimated, so those estimates should be

interpreted with caution. Third, due to the small sample size, this study is not able to test other forms of specification (e.g., quantile or spline models) used by several previous studies (e.g., Grawe, 2004b; Ueda, 2013) that could address potential nonlinear relationships between parents' and adult children's income instead of traditional log-log specification.

Implications for Policy and Future Research

The findings of this dissertation provide several implications for policy. A key endeavor with this study was to theorize and make evident the role of social policy in contextualizing mobility and life chances. Based on theorized effect of each policy on IGM (as detailed in Chapter 5), this study's findings suggest that a combination of a set of mobility-enhancing social welfare policies are important. Given that the broad policy objectives of the welfare state are to enhance fair and equal life chances, the design of the main policy elements should be associated with addressing the inequality and opportunity structure underlying the particular welfare state system. Drawing from previous research, this study's historically informed comparative social welfare policy analysis clearly identified six areas where policymakers can make a difference: anti-poverty, public education, healthcare, labor market, family assistance, tax policies.

With regards to Korea, my conjecture about the theorized impact of each policy on IGM reveals that at the current time, Korea appears to have policies that are more favorable for mobility, particularly in education, healthcare, and family assistance, compared with the United States. Among the 28 OECD nations, Korea has the second highest educational mobility after Finland, among OECD countries in 2015 (OECD, 2018a).⁸⁶ Thus, for Korean policymakers,

86. However, recently, there is widespread public anger over the lack of IGM in Korea. Thus, transformative change in the education system is needed, particularly in the process of applying to the universities for reducing barriers to higher education (Chang, 2018).

attention should be maintained in those three areas and also greater efforts should be made in the other remaining areas, anti-poverty, labor market, and tax policies.

In regards to the United States, findings also yield some implications for policy. This comparative approach gives clarity regarding the limitations of U.S. policy, specifically with regards to health, education, and family assistance, for supporting mobility. Universal healthcare is one direct step towards supporting equal access to healthcare. Also, increased resources for education and improving equal access to quality education would be further steps in reducing inequality and facilitating mobility. In addition, investing in family assistance policies, such as paid family leave and early childcare support, would help support female employment in the workplace, particularly women with children in more disadvantaged families. Redistributive tax policies would also help reduce income and wealth disparities, thus facilitating a more social fluidity. Finally, the U.S. anti-poverty policy should be reexamined so that beyond an individualized welfare-to-work approach, it applies a more inclusive approach that interlinks with policies concerning fair wages and working conditions, such as those that support a living minimum wage, workers' rights, and less discrimination in the workplace. In this vein, the prominent U.S. welfare scholar, Marcia Meyers stated, "Our scholarly emphasis on the details of poverty measurement, controversies in estimation methods, and fine distinctions of interpretation fails to produce a coherent and authoritative narrative about the fundamental reasons why so many individuals are poor in such a rich country" (2014, p. 741).

This story is not only about the policy context of the welfare state, but should also come together with its sociocultural context that recognizes the role of family and social networks in mobility. Families provide both the monetary and non-monetary resources associated with culture, aspirations, contacts, and networks. Particularly for young adults, the significance of

those non-monetary resources has gained prominence when they face barriers in terms of gaining improved access to quality schools, higher achievement in education, and smoother transition from education to work. Confucian Familialism and American Individualism are passive at best and restricting at worst for mobility-enhancing policies because they both emphasize the private sector's responsibility for welfare provision. Thus, policymakers should be mindful of these philosophical foundations of the welfare state, and seek the best combination of policy instruments to help facilitate solidarity, collectivism, and social cohesion. Such judicious social welfare policymaking would result in consensus for fair and equitable allocation of societal responsibility for welfare provision among individual/family/state/market to realize all the citizens' full potential.

With regards to future research, the findings of this dissertation raise questions and help open new lines of inquiry. First, the present study's results offer implications for understanding intergenerational income mobility in a comparative perspective. The main finding that Korea is more mobile compared with the United States suggests that prospects for intergenerational mobility within each country are similar for men and women, although there are some differences by gender in each study period. Researchers should move towards comparative and creative analytical strategies to make clear how economic and institutional characteristics of different countries facilitate the intergenerational reproduction of advantage and disadvantage. To enable upward mobility for disadvantaged families, policymakers and practitioners should redirect attention from individual characteristics toward social welfare policies and socio-political institutions (Meyers, 2014). Future studies could thus take similar comparative policy-level or macro-level perspectives when examining mobility.

Second, given the study's findings regarding the family structure effect on the IGE, future research should be directed at examining the unexplored relationship between the family system and intergenerational income mobility in different institutional settings across nations. For instance, studies could investigate intra-family monetary or non-monetary exchange and its impact on the redistribution within the family. Also, it may be productive to examine mobility based on diverse family structures and particularly non-traditional or vulnerable households, i.e. households that are single-parent, multi-family, immigrant, multi-generational, multi-racial, etc. Such studies would help pinpoint which specific economic and cultural functions of the family may affect prospects for intergenerational mobility both positively and negatively.

Third, future research could reexamine conventional indicators of social mobility, i.e., measured income and occupation, that relate primarily to people with a mature income or occupation status. Compared to other studies that commonly consider cohorts in their 30s or 40s, the sample for this study is a younger cohort aged 25 to 30, suggesting that there are challenges to mobility even earlier in the life phase. Thus, researchers could readjust and recalibrate the indicators to reflect changes at earlier or critical life stages, such as education or employment status transition (European Foundation for the Improvement of Living and Working Conditions, 2017; OECD, 2018a).

Fourth, future research could refine this study's findings by considering mobility pathways across the life cycle from early childhood to adulthood in different national contexts. For instance, there are three interlocking links that connecting individuals' social origins and their social destinations: educational attainment, the school-to-work transition, and within-career mobility (Jarvis & Song, 2017). If mobility barriers differ for various life phases, the means for support may also be variable by timing as congruent with life phases. In other words, providing

appropriate and just-in-time support during critical life phases (e.g., entering college, transitioning from student to worker, mid-career promotion or professional development) may help facilitate opportunities for upward mobility.

Fifth, future studies could incorporate specific macro-social (e.g., economic growth measured by per capita GDP, inequality, occupational structure) or policy-related (e.g., government spending or expenditure on specific social welfare program in terms of public human capital investments) variables that may impact the association between the income of adult children and the income of their parents in the analytic equation. Importantly, recent research suggests that individual-level dynamics of the family and labor market, and the resultant macro-level economic and demographic trends are key to understand “the persistence of existing disadvantage or the emergence of new forms of disadvantage” (Bloome, 2014, p. 1218). If the KLIPS data contains more time-series observations to allow for the examination of the variation in intergenerational income mobility in relation to temporal macro-level social and policy-related factors, future researchers could conduct more refined analyses on the relation between the institutional context of the welfare state and intergenerational income mobility.

Conclusion

The main purpose of this study has been to examine intergenerational income mobility evidenced by intergenerational income elasticity in the period 1980-2015 in Korea and the United States and if there are differences, to evaluate how those differences can be explained by different institutional contexts of those two welfare states. Although the period effects on intergenerational mobility are not statistically significant in both Korea and the United States, this study’s main finding confirms that Korean intergenerational mobility has improved over the

two periods whereas the American intergenerational mobility has deteriorated through the two periods. In addition, this study finds that sons are more mobile than daughters in the first period, whereas the former become less mobile than the latter in the second period in Korea; however, in the United States, sons are less mobile than daughters in the first period, which is maintained in the second period. Furthermore, regarding the family size effect to intergenerational mobility, it is positive only for parents-children and parents-sons in Korea. This indicates that the family system may contribute to improving IGM for adult children in general and for sons in particular in Korea.

I would like to close by pointing out that social mobility, including intergenerational income mobility, is not only a scientific and seemingly neutral concept in academia, but also a value-laden and politically manipulative concept deeply embedded in the context of contemporary political economy. One of the major criticisms of social mobility research is that whereas a host of researchers—predominantly, sociologists and economists—have analyzed social mobility (i.e., occupational or income mobility) to provide empirically sophisticated evidence on whether social mobility is changing or not in advanced nations, their overwhelmingly narrow focus on quantitative evidence has failed to contribute to providing practical implications for the political and public discourse (Atherton, 2016; Meyers, 2014). In this vein, examining intergenerational mobility in relation to the welfare state context is meaningful both statistically and substantively.

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- Yeo, E.-G., Kim, M.-G., Hwang, D.-G., Kim, M.-J., Jeong, Y.-M., Jeong, J.-H., & Lee, J.-M. (2017). *A study on the policy implication of the abolition of the family support obligation rules*. KIHASA Research Report 2017-14. Korea Institute for Health and Social Affairs.
- Yoon, M.-S. (2014, September 10). Korea has highest reliance on private education market in OECD: report. Retrieved from <http://www.koreaherald.com/view.php?ud=20140910000235>
- Zimmerman, D. J. (1992). Regression toward mediocrity in economic stature. *The American Economic Review*, 82(3), 409-429.

Curriculum Vitae

Chiho Song
 University of Washington School of Social Work chsong79@uw.edu
 4101 15th Ave. NE
 Seattle, WA 98105-6299

EDUCATION

- PhD University of Washington** March 2019
 Dissertation: *Period Changes in Intergenerational Income Mobility between Welfare State Contexts in South Korea and the United States*
 Chair: Dr. Gunnar Almgren
 Statistics Certificate, Center for Statistics for Social Science
- MSW Seoul National University (SNU), Seoul, Republic of Korea** February 2007
 Thesis: *Empirical Analysis on the Characteristics of the Chosun Social Work Association during the Japanese Occupation*
 Chair: Dr. Sang-Kyun Kim
- BSW Seoul National University (SNU), Seoul, Republic of Korea** February 2005
 Minor: Korean History

Awards, Grants, & Fellowships

- J. Scott Briar Award (for Doctoral Dissertation) 06/2017
 Survey of Income and Program Participation, Introductory Workshops
 Training Grants, University of Michigan 06/2014
 Boeing International Fellowship 03/2012
 Graduate School Fund for Excellence and Innovation Fellowship 09/2011

PUBLICATIONS & PRESENTATIONS

Peer-Reviewed Publications

- Borja, S., Nurius, P., **Song, C.**, & Lengua, L. (2019). Adverse childhood experiences to adult adversity trends among parents: Socioeconomic, health, and developmental implications. *Children & Youth Services Review, 100*, 258-266.
- Marshall, G., Baker, T., **Song, C.**, & Miller, D. (2018). Pain and hardship among older men: Examining the buffering effect of Medicare insurance coverage. *American Journal of Men's Health, 12*(3), 1-11.
- Jones, T., Nurius, P. S., **Song, C.**, & Fleming, C. (2018). Modeling life course pathways from adverse childhood experiences to adult mental health. *Child Abuse & Neglect, 80*, 32-40.
- Nurius, P., Green, S., Logan-Greene, P., Longhi, D., & **Song, C.** (2016). Stress pathways to health disparities: Embedding ACEs within social and behavioral contexts. *International Journal of Child & Adolescent Health, 8*(2), 241-256.
- Nurius, P. S., Green, S., Logan-Greene, P., Longhi, D., & **Song, C.** (2015). Complex relationship of adverse childhood experiences with adult health outcomes. In *Public Health, Social Work and Health Inequalities*. (pp. 179-198). Nova Science Publishers, Inc..
- Song, C.**, & Yeo, E. (2010). Decomposing differences of poverty incidence between single-parent and two-parent households: A comparative analysis with the U.S. *Korean Social Policy Review, 17*(3), 223-255. (in Korean)
- Yeo, E., & **Song, C.** (2010). Redistributive effects of public transfer programs: A cross-national analysis. *Korean Social Security Studies, 26*(4), 95-119. (in Korean)
- Kim, M., & **Song, C.** (2007). A study on job retention probability of the workers with physical disabilities. *Disability & Employment, 17*(2), 137-162. (in Korean)

Manuscripts Under Review

- Tajima, E., **Song, C.**, Meyers, M., & Maglalang, J. (under review). Measuring social work competencies: A comparison of field instructor, classroom instructor and student self-assessment competency ratings. *Journal of Social Work Education*.

Manuscripts In Progress

- Song, C.** (in progress). Examining how change in living arrangements contributes to change in estimates of young adult poverty over the Great Recession. Target Journal: *Journal of Poverty*.
- Song, C.** (in progress). Investigating the impact of socioeconomic factors on poverty entry in the United States. Target journal: *Journal of Poverty*.
- Song, C.**, & Marshall, G. (in progress). Racial disparities in pain and financial hardship among older men: Examining the buffering effect of Medicare Insurance Coverage. Target journal: *Journal of Gerontology*.

Reports

Romich, J., Bignell, W., Brazg, T., Johnson, C., Mar, C., Morton, J., & **Song, C.** (2014). *Implementation and early outcomes of the City of Seattle paid sick and safe time ordinance*. Final Report. City of Seattle, Office of City Auditor, Washington.

Other Publications (in Korean)

Kim, T., Kim, M., Yoon, S., **Song, C.**, Kim, S., & Lee, J. (2013). *Analyzing the socioeconomic impact of cash and in-kind benefits of low-income families* (KIHASA Research Paper No. 2013-15). Seoul, Korea: Korea Institute for Health & Social Affairs.

Kim, T., Choi, H., Kim, M., Yeo, E., Kim, M., Son, C., Lee, S., Woo, S., Shin, J., Lee, J., Jung, H., & **Song, C.** (2013). *A study on the estimation of minimum living cost of the year 2013* (KIHASA Policy Paper No. 2013-32). Seoul, Korea: Korea Institute for Health & Social Affairs.

Yeo, E., Kim, M., Kim, S., Ku, I., Oh, J., & **Song, C.** (2009). *A study on improving family support obligation rules of the National Basic Livelihood Security System* (KIHASA Policy Paper 2009-34). Seoul, Korea: Korea Institute for Health & Social Affairs.

Kim, M., Son, C., Yeo, E., Kim, G., Ryu, H., Oh, J., **Song, C.**, Lim, M., Kim, E., Lee, B., Kim T., Ku, I., Kahng, S., Lim, S., Ahn, S., & Kim, H. (2008). *Korea Welfare Panel Study (KOWEPS) descriptive report of the year 2008* (KIHASA Research Paper 2008-21-1). Seoul, Korea: Korea Institute for Health & Social Affairs.

Yeo, E., Kim, M., Son, C., Huh, S., Lee, B., Kim, S., Shin, Y., Kim, Y., Oh, J., **Song, C.**, Lim, M., Ryu, H., Ban, J., & Son, J. (2008). *KOWEPS in-depth analysis report of the year 2007* (KIHASA Research Paper 2007-21-2). Seoul, Korea: Korea Institute for Health & Social Affairs.

Kim, M., Yeo, E., Kim, T., **Song, C.**, Oh, J., & Lim, M. (2008). *Anti-poverty programs for Beneficiaries with ability to work* (KIHASA Policy Paper 2008-13). Seoul, Korea: Korea Institute for Health & Social Affairs.

Yeo, E., Kim, M., Kim, T., Son, C., Choi, H., Lee, S., Kim, M., Kim, G., Oh, J., **Song, C.**, Seo, B., Ryu, H., & Kim, E. (2007). *A study on the estimation of minimum living cost of the year 2007* (KIHASA Policy Paper 2007-69). Seoul, Korea: Korea Institute for Health & Social Affairs.

Kim, M., Yeo, E., Son, C., Lee, B., Kahng, S., Ahn, S., Ku, I., Kim T., Ryu, H., Kim, M., Baek, H., Lim, S., Yun, M., Ji, E., Seo, B., Oh, J., **Song, C.**, & Kim, G. (2007). *KOWEPS descriptive report of the year 2007* (KIHASA Research Paper 2007-21). Seoul, Korea: Korea Institute for Health & Social Affairs.

Kim, M., Yeo, E., Son, C., No, D., Kang, B., Kwon, M., Kim, S., Shin, Y., Kim, M., Oh, J., **Song, C.**, Ryu, H., Seo, B., & Kim, E. (2007). *KOWEPS in-depth analysis report of the year 2006* (KIHASA Research Paper 2007-20). Seoul, Korea: Korea Institute for Health & Social Affairs.

Kim, M., Yeo, E., Son, C., Lee, B., Kahng, S., Ahn, S., Ku, I., Kim T., Kim, G., Kim, M., Baek, H., Jung, S., Yun, M., Seo, B., Oh, J., Ryu, H., & **Song, C.** (2006). *KOWEPS descriptive report of the year 2006* (KIHASA Research Paper 2006-23). Seoul, Korea: Korea Institute for Health & Social Affairs.

Presentations

Kim, B., **Song, C.**, & Kwon, E. (2018, November). *Income dynamics and changes in cognitive health in old age*. Presented at the Gerontological Society of America's 70th Annual Scientific Meeting, Boston, MA.

Song, C. (2019, January). *Investigating the impact of socioeconomic factors on poverty entry in the United States*. Presented at Society for Social Work and Research 23rd Annual Conference, San Francisco, CA.

Rothwell, D., & **Song, C.** (2017, January). *Child poverty in the recession (2007-2010) and recovery (2010-2013): Comparing the United States and the United Kingdom*. Presented at Society for Social Work and Research 21th Annual Conference, New Orleans, LA.

Song, C. (2016, January). *Changes in household structure, school enrollment, and poverty: Young adults before and after the Great Recession*. Presented at Society for Social Work and Research 20th Annual Conference, Washington, D.C.

Kim, M., **Song, C.**, & Oh, J. (2007, October). *An exploratory study on the current status of regional poverty rates applied on the concept of estimated household income and the determinants of poverty*. Presented at the Korean Social Security Association Conference, Seoul, Korea.

RESEARCH INTERESTS & experience

Interests

Poverty, inequality, and social mobility; anti-poverty and comparative social welfare policy; poverty measurement and quantitative data analysis

Experience

Research Analyst 03/2018-06/2018
University of Washington School of Social Work

Instructional Assessment Analysis (PI: Dr. Tessa Evans-Campbell)

Conducted analysis to assess achievement of competencies for BASW and MSW students.

Research Analyst 01/2017-03/2017
University of Washington School of Social Work

Instructional Assessment Analysis (PI: Dr. Marcia Meyers)

Analyzed data to examine the fixed effects of taking mindfulness classes on students' self-assessed competencies.

- Research Analyst** 09/2016-03/2017
 University of Washington School of Social Work 09/2015-06/2016
Program Evaluation Analysis (PI: Dr. Emiko Tajima)
 Conducted analysis to assess achievement of competencies for BASW and MSW students and assisted in IRB application through Zipline.
- Research Analyst** 08/2016-12/2016
 University of Washington School of Social Work
Pain and Economic Hardship Analysis (PI: Dr. Gillian Marshall)
 Analyzed Health and Retirement Study data using multivariate logistic regression to assess the effect of hardship on pain for U.S. older men.
- Research Analyst** 06/2015-09/2015
 University of Washington School of Social Work & the City of Seattle
Seattle Minimum Wage Study (PI: Dr. Jennifer Romich)
 Conducted data merging and cleaning, made codebook of the survey data, and summarized descriptive statistics for final report.
- Research Analyst** 09/2013-06/2015
 University of Washington School of Social Work
Behavioral Risk Factor Surveillance System Data Study (PI: Dr. Paula Nurius)
 Analyzed data using latent class analysis and structural equation modeling to examine intergenerational transmission of adversities.
- Research Analyst** 08/2014-01/2015
 University of Washington School of Social Work 01/2014-03/2014
MSW Admission Prediction Analysis (PI: Dr. Emiko Tajima) 01/2012-03/2012
 Conducted admission prediction & triage analysis to MSW program, and provided a summary report to Admission Committee.
- Research Assistant** 02/2013-08/2013
 University of Washington School of Social Work & the City of Seattle
Paid Sick & Safe Time Ordinance Evaluation (PI: Dr. Jennifer Romich)
 Analyzed the Seattle Employer Survey data for producing the baseline survey report to the Seattle City Council.
- Researcher** 01/2010-06/2011
 Korea Institute for Health & Social Affairs, Seoul, Korea 02/2007-01/2009
Estimation of Minimum Cost of Living & Korea Welfare Panel Study (PI:

Dr. Mee-Gon Kim & Dr. Eu-Gen Yeo)

Analyzed data to estimate the minimum cost of living for 2007 and 2010, prepared documents for the Professional Commission under the Central Commission on Livelihood Security of Korea, and conducted Korea Welfare Panel Study data collection (1st-3rd wave).

Research Assistant

09/2005-08/2006

Seoul National University, Seoul, Korea

Korean Welfare State Dataset for Comparative Social Policy Study (PI: Dr. Sang-Hoon Ahn)

Constructed pooled cross-sectional and time-series dataset of Korea related to social welfare expenditure.

TEACHING INTERESTS & EXPERIENCE

Interests

Poverty, inequality, and social mobility; social welfare policy and history; research methods, policy analysis, and program evaluation

Experience

Foundations of Social Welfare Research (SOCW 505, MSW level) Winter/2019

UW School of Social Work, *Instructor*

Introduction to Social Welfare Practice (SOCWF 200, BASW level) Fall/2018

UW School of Social Work, *Teaching Assistant*
(Instructor: Dr. Mary L. Balassone)

Foundations of Social Welfare Research (SOCW 505, MSW level) 02/2018

UW School of Social Work, *Guest Lecturer*

Delivered a mini-lecture: basic statistics and quantitative data analysis

Health/Mental Health Policy & Services (SOCW 519B, MSW level) Winter/2018

UW School of Social Work, *Co-Instructor* (Instructor: Dr. Melissa Martinson)

Introduction to Social Welfare Research (SOCWF 390, BASW level) Fall/2017

UW School of Social Work, *Lab Instructor* (Instructor: Dr. David Fazio)

Social Welfare Policy (SOCWF 320, BASW level) Spring/2017

UW School of Social Work, *Teaching Assistant* (Instructor: Dr. Gunnar Almgren)

Poverty & Inequality (SOCW 501, MSW level)	Fall/2013
UW School of Social Work, <i>Teaching Assistant</i> (Instructor: Dr. Jennifer Romich)	
Delivered two mini-lectures: inequality & analysis for welfare programs.	
Intermediate Social Statistics (SOC 505, Graduate level)	Winter/2013
UW Dept. of Sociology, <i>Teaching Assistant</i> (Instructor: Dr. Jerald Herting)	
Introduction to Applied Social Statistics (SOC 504, Graduate level)	Fall/2012
UW Dept. of Sociology, <i>Teaching Assistant</i> (Instructor: Dr. Kyle Crowder)	

PROFESSIONAL AFFILIATIONS & SERVICE

Professional Affiliations

National Council on Family Relations, <i>Member</i>	03/2018-Present
Association for Public Policy Analysis & Management, <i>Member</i>	09/2014-Present
Society for Social Work & Research, <i>Member</i>	04/2014-Present
Center for the Study of Demography and Ecology, <i>Trainee</i>	09/2011-Present
Korean Association of Social Workers, <i>Member</i>	02/2005-Present

University Service

UW School of Social Work, <i>Statistics Consultant for Doctoral Students</i>	04/2017-06/2017
UW School of Social Work, <i>Statistics Tutor for First-year Doctoral Students</i>	01/2018-03/2018
	01/2017-06/2017
	09/2012-06/2014
Graduate & Professional Student Senate, <i>Social Work Representative</i>	09/2015-06/2016
UW School of Social Work, <i>First-year Doctoral Student Mentor</i>	07/2014-06/2015
UW School of Social Work, Student Speaker's Series Committee, <i>Member</i>	04/2012-04/2013

Community Service

Yeoksam Community Care Center for the Elderly (Seoul, Korea)	12/2005-02/2006
The National Assembly (Seoul, Korea)	07/2003-08/2003
Republic of Korea Army	12/2000-02/2003

References

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