

출장 보고서

- 출장지: 미국 하와이대학 East West Center (EWC)
 - 출장기간: 2011년 8월 17~21일
 - 출장자: 현오석, 고영선, 김희삼, 정완교
 - 출장목적 : 2011 KDI - EWC 공동 국제컨퍼런스 참가 및 논문 발표
 - 컨퍼런스 주제: 사회정책의 현안과제와 정책방향(Issues in Social Policies)
 - 기 간: 2011년 8월 18일(목) ~ 19일(금)
 - 장 소: 하와이대 EWC 회의실
 - 컨퍼런스 주요 내용
 - KDI(원장: 현오석)는 8월 18, 19 양일간 하와이대 EWC와 공동으로 “사회정책의 현안과제와 정책방향(Issues in Social Policies)” 주제의 국제컨퍼런스를 개최, 소득분배 악화, 노동시장 불안정성 증대, 인구고령화 등 당면 사회 이슈들에 효과적으로 대응키 위한 양국의 사회정책 방향에 관해 폭넓게 논의함.
 - 경제위기 이후 악화한 재정건전성을 확보하는 한편으로 지속가능한 성장을 위한 안정적 사회통합을 달성키 위해서는 사회정책 수립과 실행에 있어 보다 신중한 접근이 요구됨.
 - 경제사회적 측면의 글로벌화가 심화되면서 세계 각국이 당면한 사회 문제들의 유사성이 증대된 바, 사회정책의 효과를 제고하기 위해서는 각국의 경험을 적극적으로 공유하고, 이로부터 얻은 교훈을 정책 수립과 집행 단계에 합리적으로 적용토록 노력해야 할 것임.
 - 현오석 KDI 원장은 “미국 뿐 아니라 한국에서도 사회정책이 재정
- 에 미치는 영향은 매우 크며, 특히 최근의 경제위기로 재정건전성

이 약화되고 있는 만큼 사회정책 확대에 있어 양국 모두 신중을 기할 필요가 있다”면서, “사회정책의 낭비를 줄이고 효율성과 비용효과성의 극대화를 동시에 모색해야 하며, 무엇보다 포퓰리즘적인 복지의 확대는 반드시 경계해야 할 것”이라고 강조함.

□ 컨퍼런스에는 위스콘신大의 존 칼 솔츠(John Karl Scholz) 교수, 프린스턴大의 앨런 크루거(Alan Krueger)교수, MIT의 데이빗 아우터(David Autor) 교수, 노스웨스턴大의 다이앤 산젠바흐(Dianne Schanzenbach) 교수, 켄터키大의 제임스 질리악(James Ziliak) 교수 등 각각 미국의 사회복지, 노동시장, 사회보험, 교육정책, 빈곤정책 분야를 대표하는 석학들이 참여해 해당 분야 전반에 걸쳐 현오석 원장을 비롯한 KDI 연구진과 심도 깊은 논의를 진행했음.

○ 사회정책 각 분야의 최고 전문가로 구성된 패널들은 특히, 소득 분배 악화, 노동시장 불안정성 증대, 공교육 실패, 인구고령화 등 양국이 공통적으로 당면한 사회 이슈들을 중심으로 구체적이고 심층적인 토론을 전개했음.

○ 컨퍼런스의 발표 및 토론내용은 추후 세계 최고의 학술서적 출판사 중 하나인 에드워드 엘가 퍼블리싱(Edward Elgar Publishing)에서 발간될 예정임.

[첨부 1] 컨퍼런스 전체 일정

2011 EWC/KDI Conference

Social Welfare Issues

Organized by the East-West Center and the Korea Development Institute
Honolulu, Hawaii, 1819 August 2011

Agenda

WEDNESDAY, 17 August 2011

Arrival Check-in at the hotel
Waikiki Beach Marriott Hotel
2552 Kalakaua Avenue
Honolulu, Hawaii 96815-3699
Tel. (808) 922-6611

6:00 p.m. Opening ceremony (cocktails and dinner) at Waikiki Beach Marriott Hotel
Queen Lili'uokalani Suite (25th floor, Suite 2504)

Welcoming by the East-West Center

Oh-Seok Hyun, President, Korea Development Institute

Andrew Mason, Senior Fellow, East-West Center, and Professor, Department of Economics,
University of Hawaii at Manoa

THURSDAY, 18 August 2011

8:00 a.m. board bus at the hotel

8:30 a.m. continental breakfast at the East-West Center (Jefferson Hall)

Session I. Social and Fiscal Policy

Chair: **Oh-Seok Hyun**, President, Korea Development Institute

9:00-9:30 a.m. Paper 1. *Tax and Spend: The Interplay of Fiscal and Social Policy*

Presented by **John Karl Scholz**, Professor, University of WisconsinMadison

9:30-10:00 a.m. Paper 2. *Social Safety Net in Korea: From Welfare to Workfare*

Presented by **Youngsun Koh**, Chief Economist, KDI

10:00-10:25 a.m. Discussant: **Sumner La Croix**, Professor, Department of Economics, University
of Hawaii at Manoa (Papers 1 and 2)

10:25-10:40 a.m. coffee break

10:40-11:30 a.m. open discussion

11:30 a.m. group photo in the Japanese Garden

11:45-12:45 p.m. lunch on the garden level, Jefferson Hall

Session II. Issues in Labor Market Policy

Chair: **Lee-Jay Cho**, Senior Emeritus Fellow, East-West Center

12:45-1:15 p.m. Paper 3. *Understanding Differences in Employment in Europe and the U.S.A.*

Presented by **Alan B. Krueger**, Professor and Director of Survey Research Center, Princeton University

1:15-1:45 p.m. Paper 4. *The Effect of Protection of Temporary Workers on Employment Levels: Evidence from the 2007 Reform in Korea*

Presented by **Changhui Kang**, Associate Professor, Department of Economics, Chung-Ang University & **Gyeongjoon Yoo**, Senior Research Fellow, KDI

1:45-2:05 p.m. Discussant: **Sang-Hyop Lee**, Fellow, EWC, and Associate Professor, University of Hawaii at Manoa (Papers 3 & 4)

2:05-2:45 p.m. open discussion

2:45-3:00 p.m. coffee break

Session III. Social Insurance and Policy Effectiveness

Chair: **tba**

3:00-3:30 p.m. Paper 5. *The Unsustainable Rise of the Disability Rolls in the US: Causes and Consequences*

Presented by **David Autor**, Professor, MIT

3:30-4:00 p.m. Paper 6. *Expanding Coverage of the National Pension in Korea: Effectiveness of the Matching Contribution Subsidy*

Presented by **Hyungpyo Moon**, Senior Research Fellow, KDI

4:00-4:20 p.m. Discussant: **Jeffrey Traczynski**, University of Hawaii at Manoa (Papers 5 & 6)

4:20-5:00 p.m. open discussion

5:10 p.m. board bus to return to the hotel

FRIDAY, 19 August 2011

8:00 a.m. board bus at the hotel

8:30 a.m. continental breakfast at the East-West Center (Jefferson Hall)

Session IV. Education Policy Effectiveness

Chair: **Denise Eby Konan**, Professor and Chair, Department of Economics, University of Hawaii at Manoa

9:00-9:30 a.m. Paper 7. *Education Policy in the United States*

Presented by **Diane Schanzenbach**, Associate Professor, Northwestern University

9:30-10:00 a.m. Paper 8. *The Effect of After-School Class on the Demand for Private Tutoring and Academic Performance of Korean Students*

Presented by **Hisam Kim**, Associate Research Fellow, KDI

10:00-10:30 a.m. Discussant: **Changhui Kang** (Paper 7) **Timothy Halliday**, University of Hawaii at Manoa (Paper 8)

10:30-10:45 a.m. coffee break

10:45-11:45 a.m. open discussion

11:45-12:45 p.m. lunch on the garden level, Jefferson Hall

Session V. Issues in Anti-Poverty Programs

Chair: **Andrew Mason**

12:45-1:15 p.m. Paper 9. *Recent Developments in Antipoverty Policies in the United States*
Presented by **James P. Ziliak**, Professor and Director of the Center for Poverty Research,
University of Kentucky

1:15-1:45 p.m. Paper 10. *Poverty Reduction Effect of the Basic Age Pension in Korea*
Presented by **Wankyo Chung**, Research Fellow, KDI

1:45-2:15 p.m. Paper 11. *The Effects of Government Subsidy on the Investment of Small
Companies*

Presented by **Bong-Geul Chun**, Assistant Professor, University of Seoul

2:15-2:45 p.m. Discussants: **Timothy Halliday** (Paper 9), **Andrew Mason** (Paper 10), and
Changhui Kang (Paper 11)

2:45-3:00 p.m. coffee break

3:00-4:00 p.m. open discussion

Session VI. Major Findings and Policy Implications

4:00-5:45 p.m. Convened by **John Karl Scholz**

5:45 p.m. Closing remarks by EWC and KDI organizers

6:00 p.m. board bus to go to restaurant

6:30 p.m. Closing dinner hosted by KDI at the Beijing Restaurant, Royal Hawaiian
Shopping Center (3rd floor, Diamond Head end)

[첨부 2] 컨퍼런스 결과 요약(Karl Scholz)

Findings and Policy Implications

2011 EWC/KDI Conference on Social
Welfare Issues

August 19, 2011

Common Issues

- ▶ **The conference brought up many common issues between Korea and the U.S.**
 - ▶ Sharp increases in income inequality are a concern.
 - ▶ Poverty is a problem in both countries, though it may have greater prominence in Korean policy debates.
 - ▶ Demographic trends, particularly the aging of the labor force will create challenges to policy-makers in both countries.
 - ▶ Not surprisingly, aspirations for both countries depend on robust economic growth shared throughout the income distribution.



Some country-specific issues

- ▶ **There are some distinct challenges in both countries.**
 - ▶ **Korea**
 - ▶ Dual (or informal sector) labor market makes design of the safety net more difficult.
 - ▶ Low fertility rates may make it more difficult to maintain growth and labor market flexibility.
 - ▶ The "welfare state" is very recent in Korea. Given the difficulty of altering established programs, it is critical to get program design "right" from the start.
 - ▶ Reunification would impose tremendous costs on Korean society.
 - ▶ **U.S.**
 - ▶ While no democratic political system would seem to operate smoothly, the U.S. is in a particularly dysfunctional state right now.
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A critical issue in all OECD countries

- ▶ **Job growth**
 - ▶ A healthy, vibrant labor market relieves pressure on the safety net.
 - ▶ It generates revenue that can fund the activities of government.
 - ▶ At several points in the conference people have noted, the challenge is not growth per se, but how does growth translate into employment and rising wages?
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If rising employment and wages are key to social cohesion and living standards

- ▶ **How do we achieve this goal?**
 - ▶ What is the role for “active” labor market policies?
 - ▶ Seldom used in the U.S.
 - ▶ Korean case: not terribly optimistic about the protection of temporary workers, though modestly beneficial overall employment effects.
 - Are there examples that should get more consideration?
 - ▶ Is there any promise for industrial policy (i.e., the Korean public investments in small companies)?
 - I think it's fair to say that there is little interest/support for this type of investment in the U.S., beyond support for basic research. Is this view misguided?
 - ▶ Labor market flexibility.
 - ▶ How important is this? And if it is important, how can it be enhanced?
 - ▶ Longer run policies... (next page).

The employment and wages agenda

- ▶ **Longer run policies: Education**
 - ▶ Korean K-12 schools perhaps could be more efficient, given the amount of time kids spend in schools.
 - ▶ Can children spend less time in academic activities (10pm!) and can families spend less income (8% per child) without compromising results?
 - ▶ There is a tremendous amount of innovation in U.S. K-12 schooling.
 - ▶ Very large rich-poor achievement gaps in the U.S. has been a focus of innovation and policy, though at the school- rather than home-level.
 - Reduce class size. KIPP schools (more hours, focused curriculum).
 - ▶ The U.S. could presumably learn from the out-of-school activities that support academic achievement in Korea.
- ▶ **As with all social policy issues, design is critical.**
 - ▶ Be careful about incentives (end up ignoring high- and very-low ability children).

The scope for labor market flexibility is enhanced by a well-functioning safety net

- ▶ It seems there are opportunities to improve the Korean safety net before programs and policies get entrenched.
 - ▶ Evaluate, evaluate, evaluate. Social experiments can be extremely valuable in understanding what does and does not work in specific contexts.
- ▶ The papers in this conference (appropriately) segment the safety net into 3 distinct groups.
 - ▶ Prime-age families and individuals without a disabled member.
 - ▶ Individuals (including children) with a disability.
 - ▶ The elderly.
 - ▶ The challenges in designing effective interventions differ across these groups.



Prime-age families and individuals

- ▶ The U.S. experience is (perhaps) informative.
 - ▶ The overwhelming expectation is for poor families and individuals to work.
 - ▶ Diversion is a strategy. Most (70%) TANF payments are in-kind.
 - ▶ Place an expectation of work on families.
 - People may (and do) slip through the cracks, but the system (arguably) works better now than it did before the reform era (culminating in the 1996 PRWORA).
 - ▶ Program evaluation has been critically important for progress in this area.



Disability policy

- ▶ **Perilous waters.**
 - ▶ Generous programs run the risk of the other “Dutch disease,” which perhaps will now be relabeled the U.S. disease.
 - ▶ It is easy, particularly in a weak economy, to see disability caseloads soar. There are economically important moral hazard issues with disability.
- ▶ **Yet, a sensible disability policy is essential if one truly wants to have a work-based anti-poverty policy.**
 - ▶ You can't have a universal work requirement if there is not some mechanism to support those who are unable to work.
 - ▶ We saw an excellent analysis of challenges in U.S. disability policy that I think has broad application to other circumstances.



Old age

- ▶ **For having a relatively small share of GDP devoted to the welfare state, the U.S. does pretty well for its elderly population.**
 - ▶ Social security is efficiently financed and keeps many elderly families and individuals out of poverty.
 - ▶ It is vulnerable to demographic shocks. Hence, it's understandable that Korea chose to adopt a funded pension model.
 - ▶ But coverage gaps present a challenge.
 - ▶ How can the basic old age pension and the national pension system be made more effective, in the sense of mitigating poverty among the elderly at a reasonable cost?
 - Appropriate to be concerned about crowd out of *inter-vivos* transfers and, perhaps, effects on private saving.
 - ▶ A central issue is the solvency of its long-run financing.



Missing items

- ▶ **We can't do everything in one conference, but...**
 - ▶ In the next conference on these issues, I would love to see more on health care costs and the health care safety net in the U.S. and Korea.
 - ▶ Public health care costs (or the unwillingness to fund them!) are driving much of the structural fiscal imbalances in the U.S.
 - ▶ Presumably it is an issue in Korea.
 - ▶ Unemployment insurance.
 - ▶ What else?

