저작자표시-비영리-동일조건변경허락 2.0 대한민국

이용자는 아래의 조건을 따르는 경우에 한하여 자유롭게

- 이 저작물을 복제, 배포, 전송, 전시, 공연 및 방송할 수 있습니다.
- 이차적 저작물을 작성할 수 있습니다.

다음과 같은 조건을 따라야 합니다:

저작자표시. 귀하는 원저작자를 표시하여야 합니다.

비영리. 귀하는 이 저작물을 영리 목적으로 이용할 수 없습니다.

동일조건변경허락. 귀하가 이 저작물을 개작, 변형 또는 가공했을 경우 에는, 이 저작물과 동일한 이용허락조건하에서만 배포할 수 있습니다.

- 귀하는, 이 저작물의 재이용이나 배포의 경우, 이 저작물에 적용된 이용허락조건 을 명확하게 나타내어야 합니다.
- 저작권자로부터 별도의 허가를 받으면 이러한 조건들은 적용되지 않습니다.

저작권법에 따른 이용자의 권리는 위의 내용에 의하여 영향을 받지 않습니다.

이것은 이용허락규약(Legal Code)을 이해하기 쉽게 요약한 것입니다.

Disclaimer
Determinants of Individual Support for the Welfare State: The Korean Middle-Class and Economic Insecurity

복지국가 지지의 결정요인 - 한국의 중산층과 경제적 불안정성 -

2013년 8월

서울대학교 행정대학원
행정학과 행정학 전공

김 유 선
Master’s Thesis

Determinants of Individual Support for the Welfare State: The Korean Middle-Class and Economic Insecurity

August 2013

Seoul National University
Graduate School of Public Administration
Public Administration

Yusun Kim
Abstract

Determinants of Individual Support for the Welfare State: The Korean Middle Class and Economic Insecurity

Over the past few years, the provision of social services and universal welfare has become the centerpiece of political competition in South Korea. However, the geography of public support has not followed the conventional lines of political cleavage. Acknowledging that public support for a larger welfare state is not fully coherent with class structure or other static economic conditions, this paper takes an alternative approach. It suggests that economic insecurity, measured in various ways, may provide a better indication than that provided by household income. In particular, this research draws attention to the role of economic uncertainty in shaping individual attitudes towards a larger welfare state. The explanatory strength of three types of economic insecurity (income, individual and household employment, and debt), along with other variables discussed in the previous literature were tested in order to draw conclusions on what determines support for welfare.

This work is also intended to fill the gap in the literature on middle-class welfare in the Korean context. One of its main objectives is to study middle-class preferences for welfare and its financing so as to bolster the Korean welfare state’s sustainability. This study primarily shows that the middle class is a highly complex mix of various groups. For heterogeneous middle-class respondents, various types of economic insecurity have commonly been found. The findings of this analysis suggest that income insecurity is one of the key determinants of support for increasing welfare expenditure. Individuals who experienced a drop in household income between 2008 and 2009 were more likely to back increases in welfare expenditures. This tendency was found in both general and middle-class samples. With respect to the other two questions of welfare perceptions,
however, income insecurity had no significant impact, though the direction was identical.

Debt insecurity, which may be somewhat related to income insecurity, is another key variable with considerable explanatory power for attitudes towards increasing taxes to fund more welfare. The impact of debt insecurity was particularly noticeable among middle-class respondents, a finding that implies that they, as major taxpayers, are more sensitive to the increasing burden of debt. Moreover, negative shocks to an individual’s employment status had no significant impact on all three questions of welfare support. Meanwhile, employment insecurity, when measured at the household level, significantly impacted the middle-class respondents’ attitudes towards the responsibility of government to reduce income disparity.

The second purpose of this paper is to place economic insecurity in relation to other explanatory variables found in the previous literature. The impact of income insecurity on attitudes towards larger welfare expenditure is clearly greater than that of other key independent variables, with one exception, that of satisfaction with the current administration’s welfare performance, which is rather equivalent in its force. This study confirms that political ideology is another key determinant of the demand for government interference. Middle-class citizens who are politically conservative were found to be more supportive of the idea that the government shows greater responsibility in reducing income inequality. This finding contradicts conventional wisdom, which generally affirms that liberals tend to back social policies, particularly redistributive ones. Either way, value oriented factors, such as the evaluation of government performance or political ideology, were found to have considerable explanatory strength in construing support for welfare expenditure.
Nevertheless, interest-oriented variables were shown to matter as much as value-oriented ones. Social security contributions were found to be another variable that has a significant effect on support for tax increases. Furthermore, previous experience in using welfare service programmers had an explanatory role; however, the effect was not particularly strong and much weaker than those of debt insecurity and social security contributions. This result implies that the attitudes of middle-class citizens toward welfare financing are primarily shaped by self-interest related variables. With regard to other socio-demographic variables, such as education and age, this study reconfirms the conclusions of earlier scholarship that the young and less-educated are more supportive of welfare expansion and redistributive measures. Gender was also found to have a noteworthy impact on the backing for tax increases, with male respondents appearing to be more positive than females.

Based on these findings, this study suggests that it is necessary to secure sufficient support, which should be measured in multiple ways, from middle-class contributors in order to develop a sustainable welfare state. The means to fund a larger welfare state should be deemed a primary question when surveying the demand for welfare. Thus, policy makers should consider the key determinants of middle-class citizen attitudes towards welfare financing and taxes and seek solutions to cope with the problem of rising economic insecurity.

Keywords: Welfare state, Middle-class, Economic insecurity, Policy support, Social policy
Student ID: 2011-22124
# Table of Contents

## I. Introduction

1. Purpose and objectives of research ................................................................. 1  

2. Definition of the Middle-Class and scope of research ........................................ 4

## II. Korean Middle Class and Economic Insecurity

1. Declining Middle-Class and rising inequality ...................................................... 6  

2. Deficit households ............................................................................................. 8  

3. Rising burden of debt ......................................................................................... 9  

4. Employment insecurity ....................................................................................... 11

## III. Literature Review

1. Determinants of Public Support for Welfare State .............................................. 14  

   1.1. Class based approach .................................................................................. 14  

   1.2. New politics and other factors .................................................................... 17  

   1.3. Value oriented factors ................................................................................ 18  

   1.4. Risk and welfare perception ........................................................................ 19  

2. Determinants of Public Support for Welfare in Korea ..................................... 23
IV. Research Question and Method

1. Research question ........................................................................................................... 28
2. Data source and scope of research .................................................................................. 28
3. Explanation of variables
   3.1. Dependent variables ................................................................................................... 30
   3.2. Independent variables ............................................................................................... 33
   3.3. Control variables ....................................................................................................... 37
4. Analytical framework and method of analysis................................................................. 40
5. Hypotheses ...................................................................................................................... 43

V. Determinants of Welfare support and Statistical Analysis

1. Descriptive Statistics
   1.1. Descriptive statistics of sample ................................................................................. 45
   1.2. Descriptive statistics of dependent variables ............................................................ 47
   1.3. Descriptive statistics of independent variable: Economic insecurity ................. 49
   1.4. Descriptive statistics of other explanatory variables .................................................. 51
2. Correlation Analysis ....................................................................................................... 52
3. Results and Robustness Check
   3.1. Results of welfare expenditure models ................................................................... 56
   3.2. Results of tax-increase models ................................................................................. 59
   3.3. Results of government responsibility models ......................................................... 60
VI. Conclusion

1. Summary of Results and Implications ................................................................. 64

2. Limits of Research and Future Expectations .................................................... 69

VII. References ......................................................................................................... 71
I. Introduction

1. Purpose and Objectives of Research

Welfare politics is contentious in nature. As long as effective and equitable distribution of limited resource is the primary objective of social policy while innumerable stakeholders continue to claim their rights, it is bound to be so. Coalitions and conflicts of interest are constantly created between groups that demand for more welfare and those who are less supportive. The fate of a welfare state largely depends on broad support from the constituents of average households. Hence, it is essential to know who will be the key supporters to form pro-welfare alliances as well as how they may be conducive to fostering the welfare state.

Welfare expansion has quickly become a key agenda among late developers like South Korea, where social welfare seemed less likely to be a policy priority. With increasing public awareness of the issue, the landscape of welfare politics in Korea changed accordingly. The rift between the conservatives and progressives is deepening over social welfare in a country which relatively has a short history of social policies. The Korean welfare scheme had been originally designed to cater to the needs of those in the formal sector and thus, was largely contributory and predominantly selective. Meanwhile, a larger welfare state that covers the rest of the disadvantaged population has been the policy slogan of the progressives for a long while(Kwon, Kim, & Song, 2012). Only recently, a year after public attitude towards the welfare state was tested at the municipal vote over free school meals in 2011 universal welfare suddenly became the centerpiece of political competition for both the conservatives and progressives. In the 18th presidential election campaigns, one of the main pledges included the restoration of the middle class through more
government commitment in the welfare sector. In the mean time, controversies over free social services and universal welfare were coupled with social conflict. Yet this time, the conflict did not follow the classical lines of political cleavage. Thereupon, it drew the attention of many social scientists to construe the cleavage underlying public attitudes towards welfare in Korea.

Since the late twentieth century, scholars have strived to depart from earlier scholarship that had been predominantly based on class and income (Kriesi 1998; Hall and Jaques 1989). In contrast to the power-resource theorists, post-modernists along with feminists and supporters of ‘new politics’ have stressed other criteria including ideology, gender and employer-employee relation to be the main characteristics that determine public attitude towards the welfare state. Others have also discussed the importance of welfare experience and how greater coverage of welfare programs would foster political support for a larger welfare state(Joo & Baek, 2007; Paskov & Koster, 2012). Yet, the answers to who supports the welfare state and why still remain ambiguous particularly because few studies have paid attention to the fact that a citizen’s complex set of interests as a tax payer and welfare recipient may lead to ambivalent attitudes. Thus a more in-depth analysis on the preferences of the middle class individuals is strongly required.

Previous normative studies have generally focused on social right as part of citizen right, and yet the financial obligation that follows such right is as much as important (Marshal 1950; Pierson 1991). In a welfare state that pursues universal welfare, a citizen is not only responsible for one’s own welfare but as a tax payer carries the burden for others as well. Since a citizen is a welfare beneficiary as well as a tax payer at the same time, welfare alliance can also be based upon ‘tax-alliance’(Ahn, 2000). A recent Korean study confirmed that the status of a tax payer is the only welfare-status that has significant impact on political attitudes such as voting behaviors(E. J. Kim &
Determinants of Individual Support for the Welfare State

Ahn, 2010). This implies that financial burden is the central concern among Koreans and especially, the middle class citizens who are the primary tax-payers and have significant stake in social policies. Also, a citizens’ interest as a tax payer should be considered before concluding that full-scale expansion of public welfare will promote welfare alliance. Therefore, it is of chief concern to study the preference of the middle class towards welfare and its finance for the sake of sustainability of the Korean welfare state.

Acknowledging that public support for a larger welfare state is not fully coherent with class structure or other static economic conditions, this paper takes an alternative approach. This study suggests that economic (in)security may provide better implications which cannot not fully be explained by household or individual income. Economic insecurity can affect demand for welfare and the contributory capacity of individuals to pay tax at the same time(Carnes & Mares, 2012). Several studies have shown that low financial satisfaction or economic shocks at micro level causes people to chiefly act for self interest by realizing that their taxes are benefiting other people(Alt, 1979; Durr, 1993). Many scholars have used risk-based variables to construe the relation between income and demand for public welfare (Carnes & Mares, 2012; Hacker, Rehm, & Schlesinger, 2013; Rehm, 2009). Yet, most have focused on the visible preferences of the low and high income citizens while the middle class citizens are the key stakeholders of a welfare state.

Reflecting such neglect, this paper aims to reassess the impact of changes in a middle class citizen’s economic situations which is referred to as changes in household income and employment status at individual and household level. Does economic insecurity influence an individual’s attitude toward the welfare state? Do middle class citizens who undergo drastic changes in economic conditions have different views of the government’s role in providing welfare services from those who do not? How
strong is the effect when compared to political ideologies and other demographic or structural characteristics? These are the questions this study intends to answer drawing on data from the Korean Welfare Panel Study. The particular case of Korea is chosen due to its special features: with weak unions, inconspicuous partisan cleavage and lack historical background of social solidarity, the Korean case may have fewer confounding factors. Also a close analysis of the middle class attitude toward social welfare in Korea may provide implications to developing countries that are in the phase of gradually expanding social policies.

2. Definition of the Middle-Class and Scope of Research

The main objective of this paper is to understand the middle class preferences for a larger welfare state at an individual-level. The object of research is therefore the middle class, and the definition of which is debated upon. The middle class can be defined largely in two ways: the first standard is based on economic indicators such as household income or wealth, while the more subjective standard refers to sociopolitical factors such as relative deprivation and self-classification.

The latter definition implies a more sociological meaning turning to the behavioral characteristics such as education level, jobs and social status, and the presence of particular values(Coleman, Rainwater, & McClelland, 1978). Meanwhile, such way of defining the middle class can be rather arbitrary and difficult to use for comparative studies. Even when using the more generally used economic standard, scholars have variously defined the middle class1. Some have considered them to be any household with 75 to 125 percent of the median household income (Thurow, 1981) while others

1 Other types of definition include the Wolfson index that captures falling middle class and was devised from the Lorenz curve(Wolfson, 1997; Yoo & Choi, 2008)
Determinants of Individual Support for the Welfare State

have referred them as middle 60% of the five income quintiles (Easterly, 2001; Levy, 1987). The former definition is generally used to see what percentage out of total households is consisted of middle class households. On the other hand, such definition can be less useful in capturing implications for social cohesion or economic growth (Yoo & Choi, 2008). The latter definition can be more conducive for cross-country analysis and studies on middle class consensus or social cohesion. Yet, this method requires the dataset to proportionately include entire households, while most available panel data such as labor and welfare panel study have their own ways of sampling that better suit their objectives. For instance, the Korean welfare panel study disproportionally collects samples, half of which are poor households.

This analysis refers to the OECD term that defines middle class as households that have between 50 to 150% of the median income (OECD, 1995). According to this definition, middle income households amounted up to 63.1% of total households in 2009 (Yoo & Choi, 2008). The size of the middle class is diminishing in Korea, as compared to 67.7% in 2003, the portion dropped to 62.6% after the 2007-2008 global financial crisis. I will use the Korean Welfare Panel Study data from years 2008-2009 and extract the middle income households based on their disposable annual income. This research covers 833 samples from middle income households that were observed over both years.
II. Korean Middle Class and Economic Insecurity

1. Declining Middle Class and Rising Inequality

Socioeconomic insecurity has never been as pandemic as it is today. The stability of the middle class that once appeared to be so auspicious, as promised by the classical modernization theory, is now being menaced. Reports of growing inequality and attenuating middle class have become more common worldwide. Poverty used to seem so extraneous to those from the middle-income class, but series of abrupt economic shocks have exposed them to greater economic insecurity. The middle class are now struggling with volatility of income that exceeds the inflation of costs. The Korean middle class can especially be susceptible to socioeconomic risks when compared to those from other OECD countries. With sheer social safety nets and shorter history of public welfare service, the Korean middle class citizens are responsible to spend more of their disposable income on private welfare such as education and childcare (Shin, 2004).

Various data shows that income inequality is gradually on the rise in Korea. Until early 1990s the size of middle income households (households with 50% to 150% of median income) was constantly rising, and after the Asian financial crisis the size was reduced to approximately 68.5% in 1998. Ever since, the portion continued to decline to 63-64% during the next decade. Conversely, the size of lower income class (with household income below 50% of median income) rose from 11.25% in 2006 to 15.3% in 2009. This shows how much middle income households have fallen below the poverty line. Regarding such concern, this paper mainly uses panel data from year 2008-2009 which is the time when the middle class size was the smallest during the past five years.
## Table 1. Income inequality and portion of each class

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gini</td>
<td>0.306</td>
<td>0.312</td>
<td>0.314</td>
<td>0.314</td>
<td>0.31</td>
<td>0.311</td>
</tr>
<tr>
<td>Low income class</td>
<td>14.3</td>
<td>14.8</td>
<td>15.2</td>
<td>15.3</td>
<td>14.9</td>
<td>15.2</td>
</tr>
<tr>
<td>Middle class</td>
<td>64.6</td>
<td>63.9</td>
<td>63.1</td>
<td>63.1</td>
<td>64.2</td>
<td>64.0</td>
</tr>
<tr>
<td>High income class</td>
<td>21.0</td>
<td>21.3</td>
<td>21.7</td>
<td>21.6</td>
<td>20.9</td>
<td>20.8</td>
</tr>
</tbody>
</table>

Source: Household Survey, National Statistical Office

---

**Size of class**

![Size of class](chart)

**Distribution of income**

![Distribution of income](chart)

---

2 below 50% of median income  
3 Disposable income standard
Determinants of Individual Support for the Welfare State

Table 2. Distribution of net asset by different income class

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low income</td>
<td>7.7</td>
<td>6.8</td>
</tr>
<tr>
<td>Middle income</td>
<td>48.9</td>
<td>46.8</td>
</tr>
<tr>
<td>High income</td>
<td>43.3</td>
<td>46.4</td>
</tr>
</tbody>
</table>

Source: Korean Statistical Information Service Portal, Hyundai Economic Institute

Moreover, the declining middle class is claiming smaller portion of total income that comes from economic growth. Their income portion was on the rise until the Asian economic crisis, rising up to 56% but dropped to 51.6% in 2000 and though it mildly rose, it did not recover its earlier rate (Yoo & Choi, 2008). The middle 60% of the total population is claiming less than 60% of total income and the lower income households gaining only 6%, while the top 20% are earning almost 40% of total income. Data on distribution of net asset shows even greater inequality. Though distribution of wealth is prone to be more unequal than income distribution, data shows that the top 20% owns almost equivalent size of wealth that the middle 60% does.

2. Deficit households

Economic conditions of the Korean middle class households have become more volatile over the past years. Income volatility is only one among many other indicators.

4 Rising inequality has many causes. Primary reasons that have been suggested includes various demographic causes related to age (Levy, 1987). Also more frequent divorces and the rise of double-income families have been suggested to contribute to the decline of the middle class (Blackburn & Bloom, 1985; Lerman, 1996). In the Korean context, problems of greater inequality is coupled with the aging society. The number of single and old-aged households have dramatically rose from 9% in 1990 to 15.6% in 2000 and 24.9% in 2012 which implies more middle income households have been degraded to a lower class (KOSTAT, 2013). Other structural causes include change in labor market such as discrepancies in demand for high skill workers and low skill workers; change in industrial structure; global recession; greater competition triggered by globalization and government fiscal policies.
Determinants of Individual Support for the Welfare State

Household asset and debt report by the National Statistical Office suggests that more households are struggling with income deficit. [Table 3] shows deficit household ratio which indicates the ratio of households that have greater expenditure (consumption expenditure and non-consumption expenditure combined) than income. By 2011, 69.2% of the middle class were spending more than they earned while only 6.4% of the top 20% households had income deficits.

Generally lower income class tend to have larger portion of deficit households, however this data shows that the ratio is higher in the middle tier than the bottom tier. Since 2005, more than 65% of the middle class households had income deficit while less than 58% of the lower income households suffered with such problem.

<table>
<thead>
<tr>
<th>Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low income</td>
<td>61.6</td>
<td>60.1</td>
<td>57.9</td>
<td>55.3</td>
<td>54.1</td>
<td>56.7</td>
<td>52.9</td>
<td>53.7</td>
<td>56.6</td>
</tr>
<tr>
<td>Middle income</td>
<td>60</td>
<td>61.4</td>
<td>65.4</td>
<td>66.1</td>
<td>65.2</td>
<td>68.7</td>
<td>65.1</td>
<td>67</td>
<td>69.2</td>
</tr>
<tr>
<td>High income</td>
<td>6</td>
<td>7.5</td>
<td>8.7</td>
<td>9.7</td>
<td>10.2</td>
<td>7.9</td>
<td>10.4</td>
<td>9.1</td>
<td>6.4</td>
</tr>
<tr>
<td>All class</td>
<td>25.5</td>
<td>25.8</td>
<td>26.4</td>
<td>26.2</td>
<td>25.9</td>
<td>26.7</td>
<td>25.7</td>
<td>26</td>
<td>26.4</td>
</tr>
</tbody>
</table>

Source: Household Survey, National Statistical Office

3. Rising burden of debt

While more households suffer from income deficit, debt is another major strain. The National Statistical Office reports that total asset of the Korean middle class has been on the rise, and that there was a 10.3% bump between 2010 and 2011. Nevertheless, the average amount of total debt among the middle class has increased to 41 million KRW by 13.3% during the same period.

---

5 Data is collected nationwide, and includes households with two or more household members.
Determinants of Individual Support for the Welfare State

Table 1.4 shows that the average amount of debt has been increasing in all income groups. Also the indebted household ratio which indicates how many household have financial debt out of total households in a particular income group is on the rise in almost all income groups. Also, financial debt to disposable income ratio has rose from 172% in 2010 to 177.8% in 2011. Figure 2. depicts the changes in debt to net-asset ratio from 2007 to 2010. The lower income households have experienced considerable volatility in terms of household debt and their debt to net-asset ratio peaked in 2009 while it declined afterwards. Though the variance is much meager, the rate was also at the highest in 2009 among middle class households. On the contrary, the high income class has relatively the lowest debt burden. Overall, the debt to net asset ratio is recovering its earlier rate since 2010: the total debt to total asset ratio was 5.7 in 20% in 2010 and 5.6% in 2011.

### Table 4. Average debt by income class and ratio of indebted households

<table>
<thead>
<tr>
<th>Income group</th>
<th>2010 Debt, Average (10,000KRW)</th>
<th>2010 Indebted household ratio (%)</th>
<th>2011 Debt, Average</th>
<th>2011 Indebted household ratio (%)</th>
<th>2012 Debt, Average</th>
<th>2012 Indebted household ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5th quintile</td>
<td>1,209.6</td>
<td>29.1</td>
<td>1,444.7</td>
<td>32.8</td>
<td>982.0</td>
<td>32.2</td>
</tr>
<tr>
<td>4th quintile</td>
<td>2,221.0</td>
<td>56.6</td>
<td>2,748.4</td>
<td>59.8</td>
<td>2,811.9</td>
<td>60.6</td>
</tr>
<tr>
<td>3rd quintile</td>
<td>3,359.5</td>
<td>65.6</td>
<td>3,850.5</td>
<td>68.3</td>
<td>3,856.3</td>
<td>72.9</td>
</tr>
<tr>
<td>2nd quintile</td>
<td>4,786.7</td>
<td>71.8</td>
<td>5,953.0</td>
<td>75.6</td>
<td>5,620.2</td>
<td>76.5</td>
</tr>
<tr>
<td>1st quintile</td>
<td>11,511.8</td>
<td>75.9</td>
<td>12,022.8</td>
<td>77.4</td>
<td>13,185.5</td>
<td>81.0</td>
</tr>
<tr>
<td>Total</td>
<td>4,618.3</td>
<td>59.8</td>
<td>5,204.8</td>
<td>62.8</td>
<td>5,291.5</td>
<td>64.6</td>
</tr>
</tbody>
</table>

Source: Household Survey, National Statistical Office

Debt is a major strain for middle class households since the interest expenses on debt directly affects household income and they generally do not hold sufficient asset as the higher income class. Particularly, housing debt constitutes a large part of such debt. Unlike the higher income class that have a more diverse asset structure, middle class
households usually rely on housing. Thus the middle class are hardly hit in the dismal period where the real estate market continues to be in recession while it takes longer to recover. A Merrill Lynch report on over-levered consumer states ‘wealth effect’ that led to increased mortgage loans and consumption is one of the main reason why the American middle class is heavily indebted(Bank of America Merrill Lynch, 2009). Many Korean middle class are also categorized as the so-called ‘house poor’ and in 2010, 72.5% of total ‘house poor’ households were from the middle class(Hyundai Research Institute, 2011).

4. Employment insecurity

While the middle class struggle with income deficit and debt, job insecurity is another factor that contributes to their economic concern. Unemployment rate was the highest after the 1997 Asian financial crisis when massive number of paid workers in the middle class was laid out and self employed workers were bankrupt. After a brief
Determinants of Individual Support for the Welfare State

recovery period in the beginning of the new millennium, followed the Korean credit card crisis in 2003 and in 2008, unemployment rate hiked again due to the aftershock of subprime mortgage crisis.

Unemployment is only a part of a larger problem related to rising economic insecurity. With the baby boomer generation reaching the age of retirement, many middle income households face high economic insecurity\(^6\). Between 2000 and 2010, 30% of workers in management and business administration sector became self-employed or paid workers. Rapid economic reforms and post industrialization hit middle and lower income households harder in Korea than those in other developed countries as smaller enterprisers were weak and social safety nets were sheer.

![Graph showing rising unemployment rates](image)

Source: National Statistical Office

Figure 3. Rising unemployment rate

Another major problem is expansion of precarious employment. In 2010, 42.5% of middle class was regular worker while 26% was irregular workers, 22.1% was self-employed and only 7.2% were employer. 1.73million households among the middle

---

\(^6\) Out of five million self-employed workers, 3 million are above the age of 50.
Determinants of Individual Support for the Welfare State

income households had temporary workers (Maekyung, 2010). In 2012, approximately 47.8% of paid workers were irregular workers, and the size of total irregular employees had reached 8.48 million. Even if the total size of middle class did not drastically change over the recent years, employment structure has changed causing higher rates of job turnover and a noticeable decrease in the portion of regular workers. Previous experience of massive redundancy during the Asian financial crisis has made regular workers to worry about the potential possibility of being laid off. Early retirement is becoming more general among highly educated professional workers who are also not immune to employment insecurity.

As shown in Korean welfare panel study which annually collects data on subjective insecurity reports that worries about economic issues (such as debt and employment) in one’s household was the highest among other issues such as health of family members, housing in 2009. The number of respondents that reported no worries in their household decreased significantly over the next two years, while those who answered that economic worries was their primary concern increased.

Table 5. Subjective economic insecurity

<table>
<thead>
<tr>
<th>Household type</th>
<th>2009</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total household</td>
<td>Regular household</td>
</tr>
<tr>
<td>Worries about debt and employment</td>
<td>21.08</td>
<td>16.78</td>
</tr>
<tr>
<td>Worries about family health</td>
<td>20.29</td>
<td>35.03</td>
</tr>
<tr>
<td>No particular worries</td>
<td>49.38</td>
<td>23.86</td>
</tr>
</tbody>
</table>

Source: Compiled data from Korea Welfare Panel Study, 2009 and 2011
Determinants of Individual Support for the Welfare State

III. Literature Review

1. Determinants of Public Support for Welfare State

1.1. Class based approach

*Power Resource School*

Many social scientists have claimed household or individual income as one of the most important determinant of individual-level preferences for social policies and welfare expenditure. The classical power-resource school had laid out that the working class or lower income citizens are the driving force of the welfare state (Huber & Stephens, 2001; Korpi, 1983). Various types of welfare regimes were formed in different political context of class coalitions and each institutional structures shaped public attitudes toward the welfare state (Esping-Andersen, 1990; Korpi, 1989). Such line of thinking accords with Meltzer-Richard logic in which those with higher income will gainsay redistribution, while others with lower income espouse it through taxes and transfers. This logic is based on people’s voting behaviors which illustrates that the median voter will be more positive towards redistributive policies to the extent that income inequality is larger. Thus the role of the swaying median voter was emphasized in the discourse of general public sentiment. Kristov, Lindert, and McClelland (1992) also argue that voters are willing to support benefits for others in the same way they react to their own interests (Kristov, Lindert, & McClelland, 1992). Therefore support for welfare state weakens as the income inequality between the disadvantaged and the middle increases.

This school brought focus to the role of class, defined by income and particularly the
Determinants of Individual Support for the Welfare State

less affluent class that strongly demand for the government’s protection against socioeconomic disadvantages. Demand for social spending is deemed to be negatively related with income (Meltzer and Richard 1981). Advocators of this school endorsed the idea that even a risk society is formed along class structures as the distribution of risk generally coincides with the distribution of wealth (Esping-Andersen, 2007; Taylor-Gooby, 2004). The two great pillars of the power resource school’s discussion center on well-organized and centralized labour unions and dominant social-democratic party.

Despite the various criticisms against the power resource theory, further studies have reconfirmed that with growing income disparity and ‘recommodification’ of social relationships, stratification across class is becoming even more conspicuous in the post industrial society (Breen & Rottman, 1995; Goldthorpe & Marshall, 1992). Kriesi (1998) also has defended the validity of class-based approach arguing that it should not be rejected despite many problems of using the notion (Kriesi, 1998).

Middle Class and the Welfare State

The principle concern of such power resource school is ‘the institutionalized politics of class interests,’ and explains major changes in a welfare state by referring to political coalitions with representations from different class (Papadakis & Bean, 1993). For instance, according to Esping-Anderson’s categorization, the middle class would form a pro-welfare coalition with the working class in a universal regime (Esping-Andersen, 1990). Meanwhile in liberal regimes, a different type of divide between the poor against non-poor will be formed as upper working class would ally with the middle class against the lower working class (Esping-Andersen, 1990; Korpi, 1983). The role of middle class was deemed to vary according to different type of welfare
Determinants of Individual Support for the Welfare State

regimes where institutional organizations such as trade or labor unions were regarded as social agencies that heavily influenced in shaping preferences of individuals.

Another group of scholars mainly focus on the role of middle class (Baldwin, 1992; Le Grand & Goodin, 1987). Though this different line of thinking similarly draws on a class-based approach, the assumption is different as it objects to reducing an individual’s interest to class interest and instead associates one’s attitude towards the welfare state with one’s social and economic circumstances. Middle class citizens are assumed to make decisions of supporting social policies on the base of their objective ‘social location’ and economic self-interest rather than on their political alignments, which is different from the classical class-based approach (Papadakis & Bean, 1993). Support from the middle class matters as an institutional, redistributive welfare state cannot be created merely upon the support of lower class. Le Grand and Goodin called the middle class as a key force that influences ‘creation, expansion, endurance, reform and dismantlement of the welfare state’ (Le Grand & Goodin, 1987:3).

Meanwhile, whether the middle class are key supporters of a larger welfare state is a different question, especially since they are both beneficiaries and producer (or contributor) of a welfare state. Le Grand claimed that the wealthier class benefit from increasing public expenditure on social policies does not automatically lead to greater equality, as not only the poor but the middle class also make great use of free education (Le Grand, 1982:79). Baldwin also underlined that it was self-interest of the middle class citizens that developed the welfare states that are funded by tax and social insurance in the post war era. He further argued that a welfare alliance between the middle class and working class plays a decisive role in determining the fate of a welfare state. Such alliance was formed only when both classes shared risk, demand for redistribution and political clout coincided. Baldwin especially emphasizes that demand for protection against risk is what binds people across different class
Determinants of Individual Support for the Welfare State

(Baldwin, 1990:36).

On the other hand, the middle class who are the main tax-payers also are prone to resist against expanding redistributive social policies that accompanies tax increase(Field, 1995). There are also other difficulties in forming a cross-class alliance. When discussing the problems of a universal welfare state, Le Grand points out that many people and usually the middle class citizens demand different types and levels of welfare service(Le Grand, 1982). In order to draw support from the middle class, social services should be satisfactory enough to make the middle class be willing to pay more tax(Y. S. Kim, 2011). Nevertheless, it is indisputable that the middle class are significant stakeholders of social policies.

1.2. New Politics and other factors

The pursuit for other structural sources of cleavage in welfare politics continued during the retrenchment period. Scholars have discussed the importance of various factors such as gender, generation, employer-employee relation and consumption(Crompton, 1993; Hall & Jacques, 1990; Saunders, 1986) Coupled with the discourse on new social risk, particular emphasis have been put on the role of female and the elderly who were deemed to be the additional pillars of pro-welfare alliance. From a pluralist perspective, power in modern welfare capitalism is not

7 Recent works on middle class welfare have mostly focused on the shrinking middle class and the potential causes of such global phenomenon(Davis & Huston, 1992; Pressman, 2007). Jacob Hacker studies the political background of the declining American middle class over the recent three decades. He probes into the question of why the responsibility to protect against socioeconomic risk has shifted from public to private and why insufficient welfare service has become a prevalent problem among the middle class citizens. Hacker argues that the attenuated labor unions and debilitation of organizational might of the middle class on key economic issues such as tax led to changes in governance and outcomes of public policies including social policies(Hacker, 2006).
Determinants of Individual Support for the Welfare State

concentrated among a few elites, but distributed across numerous interest groups (Dahl, 1957). Unlike the power resource theory that reduces one’s identity to a member of a certain class, an individual has multiple subjectivities and has stake in multiple number of groups. Thus there are numerous points of antagonistic relations between diverse interest groups in the post industrial societies and cross cutting cleavage is formed (Pampel & Williamson, 1992).

1.3. Value-oriented factors

Post modernist theorists have suggested alternatives for the class-based approach. Inglehart (1990) emphasized the so-called ‘value cleavage’ between materialist and post materialists while some pointed out how the classical form of class-stratification was becoming fragmented (Clark & Lipset, 1991; Clark, Lipset, & Rempel, 1993). Knutsen and Scarbrough(1995) showed that value orientations can be more significant for individual voting behaviors than socioeconomic variables through an empirical analysis of cleavage politics in West Europe. Disputes against the self-interest oriented perspective continued (Knutsen & Scarbrough, 1995). A group of critics argued that the belief system that lies above individual interests have greater effects on the formation of a civil consensus for demanding government intervention (Cook & Barrett, 1992; Lynch & Gollust, 2010).

Several relevant studies focused on political trust by demonstrating that it has important attitudinal and behavioral consequences as it fosters citizen compliance with governmental demands (Scholz & Lubell, 1998). They concluded that ideology or political orientation is more dominant factors than interest orientations in explicating an individual’s opinion on welfare policies. This group underlined the
Determinants of Individual Support for the Welfare State

importance of values and ideas that are garnered through long term socialization (Achen, 1992).

Another alternative perspective emphasizes the role of culture on the formation of citizen’s political preference and public attitudes. Douglas and Wildavsky took the approach of analyzing the culture formed by social interactions what powerfully constructs peoples’ preference rather than ideology (Douglas & Wildavsky, 1983). Wildavsky defined preference as dissimilar with interests, as even interests are built upon human perception and conferred by social relations.

Countering such approaches, a preliminary work executed by three American political scientists weighed the relative effects of value-based factors, e.g. partisanship, ideology against the effects of actual experiences of socioeconomic shocks (Hacker et al., 2013). In the health policy arena, partisanship and ideology appeared to have greater impacts on public attitudes toward the role of government. Nevertheless in other domains including employment and wealth, such value-oriented factors had much limited effects in explaining the respondents’ economic insecurity. Thus the difference of subjective instability among partisans showed to be rarely significant.

1.4. Risk and welfare perception

The income based view was also challenged by another body of studies that stressed risk as what bind different classes and brought the concerns of middle class and employers into the picture of welfare state support (Baldwin, 1992; Cusack, Iversen, & Rehm, 2006; Moene & Wallerstein, 2001; Swenson, 2002). With extensive pressures of globalization, drastic changes in the structure of labour market, and demographical transitions, risk exposure became far more pandemic and conspicuous.
Determinants of Individual Support for the Welfare State

That change of economic conditions affects change in individual preference towards the welfare state have already been vastly discussed among many scholars (Cutright, 1965; Hacker et al., 2013) Some have suggested that social risks and changes of individual economic conditions have more significant impact compared to political ideologies in predicting public support towards welfare expenditure.

Built on the conjecture that risk aversion chiefly explains individual demand for social protection, many scholars have probed into how individual preferences affected by risk affects the general public attitude and prospects for a larger welfare state. Beck professed that the contemporary society has shifted from industrial society to a risk-society where poverty and unemployment does not necessarily follow the lines of class structure and difficult to form political coalitions (Beck, 1997). Iversen and Soskice argued that workers that rely heavily on specific skills demand welfare state programs (Iversen & Soskice, 2001). This group of scholars commonly view that traditional class not has always necessarily coincided uniformly with categories of risk and misfortune.

Typically, in a risk society, not only the disadvantaged, but the higher income individuals would also support for more public provision of protective social policies to compensate them for the possible economic loss. Peter Baldwin illustrated how even the bourgeoisies turned to the recourse to public assistance for risk-pooling, due to the spread of new risks and technological development. His work showed how the Swedish social democratic party successfully formed an alliance encompassing diverse class that includes workers, peasants and even white-collar workers from the middle class. Though critics cast skepticism on the narrow view of attributing the ramifications of egalitarian social policy to self-interest motives of bourgeoisies, Baldwin’s work provides a preliminary base for the study of pro-welfare alliances.
Determinants of Individual Support for the Welfare State

While the fall in economic capacity to make contributions may place the preferences of middle class citizens more closely in align with the lower-income citizens, critiques have commented otherwise. A couple of commentators argued that economic worries cause people to focus on self-oriented interest while caring less of redistribution to the disadvantaged, hindering potential pro-welfare coalitions (Alt, 1979; Durr, 1993). In accordance, some have shifted their focus point to the distribution of risk and a pro-welfare coalition would be more likely to form in an environment where risk is widely distributed across different income groups: convexly, coalitions would be less likely if risk is concentrated to a particular group (Rehm, Hacker, & Schlesinger, 2012).

*Household income insecurity*

Economists have long documented income dynamics while much work is yet to be done in linking such income dynamics with demand and support for social welfare. A group of American political scientists have brought a new work that married economic insecurity and attitudes towards public policy ((Cutright, 1965; Hacker et al., 2013). The negative effects of various insecurities in terms of employment, health and wealth have impact on various types of welfare perception. Most of the previous works have studied the impacts on attitudes toward larger welfare expenditure or the role of government in providing social welfare. Meanwhile, Carnes and Mares (2012) have found that economic insecurity leads individuals to reassess their preference of an optimal mix between private and public social insurance (Carnes & Mares, 2012). They also found that of the three different criteria of economic insecurity, household income shock showed to have least effect on support for public provision of welfare. Their work showed a nonlinear relation between income and demand for contributory social policies and confirmed that middle class individuals especially had the highest demand. Also, their work underlined that economic insecurity has two impacts on individual attitudes: the first which increases demand for social protection from risks
Determinants of Individual Support for the Welfare State

and the second which lowers the citizen’s financial capacity to contribute. The second effect leads to more popular support for non-contributory benefits, and in the case of Latin American countries, the first effect showed to outweigh the second. It is therefore crucial to consider whether the structure of social policy in a country is dominantly social insurance based or not.

Employment insecurity

Not only income mobility but changes in employment situation also matters. In fact, employment insecurity is a central part of economic insecurity and therefore often treated as identical. An employed worker and whose work is expected to be maintained for the time being is bound to have better economic security than the unemployed. Primarily maintenance of one’s work implies consistent inflow of income and most likely, accumulation of wealth. Also, constant earning of income allows one to continue one’s contribution to social insurance and other social expenses. Convexly, economic insecurity will reduce one’s ability to maintain such contribution towards expensive private insurances, and therefore demand for more public provision of welfare and transfers funded by the government (Blekesaune, 2007). Blekesaune(2007) showed that the macro economic conditions such as high unemployment rate may increase public demand for social welfare programmes by increasing the awareness of unemployment risk as well as the concerns of those who have already lost their jobs.

With growing labour market flexibility becoming a worldwide phenomenon, the number and types of irregular works are increasing. In Korea, labour market dynamics after 1998 economic crisis found that more than half of the total population remained as unemployed after three years (S.K, Lee 2004). While job insecurity often is linked
to poverty, the middle class are also becoming increasingly susceptible to such risk. This leads to a conjecture that rising employment risk may lead to greater demand for social welfare. Indeed, many have recently documented through empirical analysis that risk of unemployment increases support for public provision of protection against social and economic risks (Carnes & Mares, 2012; Paskov & Koster, 2012; Rehm, 2009; Rehm et al., 2012). Rehm (2009) showed that among several risk factors, those related to employment such as specificity of skills and occupational unemployment influence individual preference over income redistribution. Paskov and Koster (2012) claimed that the secure and insecure workers show different attitudes towards unemployment benefits. He also examined that the effect of job insecurity on support for social policy varies across different countries, meaning that polarization of preference between the secure and insecure depends on the institutional settings such as level of employment and protection legislation. Carnes and Mares (2007) showed through a study on eighteen Latin American countries that employment insecurity and income volatility can affect public support for social policies.

2. Determinants of Public support for welfare in Korea

Previous literature on social risk and public support for the welfare state in Korea has explored the various interest oriented, and value oriented factors (H. Kim, 1999; Park, 2008). H. Kim (1999)’s work was based on survey research on working residents in the Seoul metropolitan area in 1998 and introduced preliminary findings on the impacts of various socioeconomic characteristics on individual’s preference. Subsequent research emphasized the undemocratic structure of risk, focusing on the class structure (Hong, 2003; Jung, 2003). In J. Park’s empirical study using International Social Survey Programme found that regardless of policy domains, the general public supports a
Determinants of Individual Support for the Welfare State

larger welfare state, though there was meager social consensus in the area of unemployment insurance.

Many have pointed out that welfare perception does not necessarily coincide with class interests, or else, income is not the only factor that generates political cleavage. Joo E.S. and Baek, J.M (2007) also underlined the importance of welfare demand and previous experience of public welfare whose work confirmed the presence of ‘old’ and ‘new cleavages’ in Korean welfare politics. They found that class, political ideology and previous experience of receiving public welfare services have significant effects on welfare perception in general. They argued that expanding welfare experience is critical for building pro-welfare coalitions and emphasized the need to introduce universal welfare that covers not only the poor but also the middle class citizens (Ahn, 2000; Joo & Baek, 2007; E. J. Kim & Ahn, 2010).

Other than post-materialist values, socioeconomic factors such as age, gender education level and forms of employment were the congruent factors that affected people’s preference and many consented that the lower class are more vulnerable to social risks. Further, it was the general consensus that those in the lower socioeconomic class espoused a larger welfare state, while those in the upper tier promoted more productive policies than social policies. Nevertheless, with increasing number of precarious workers and growing instability in the labour market, middle and high income class also became susceptible to social risk. Rhew and Choi found that the high income class showed a higher support for welfare policy in certain arenas and particularly employers, small-business owners, temporary workers and salary-workers showed greater support (Rhew & Choi, 2009). They concluded that self-interest oriented variables have ambiguous impact on public preferences for welfare state. However, there has not yet been any attempt to analyze both the impacts of risk
Determinants of Individual Support for the Welfare State

and income on the public attitudes towards welfare state in the case of Korea. [Table 6] summarizes several recent studies on public welfare support in Korea.

**Table 6. Previous literature on public support for welfare state in Korea**

<table>
<thead>
<tr>
<th>Author</th>
<th>Research findings</th>
<th>Data and key variables</th>
</tr>
</thead>
</table>
| (H. Kim, 1999)          | No significant difference in preference towards social insurance and assistance between classes: Male respondents, those who are discontent towards the current tax system and the young tend to be more supportive for welfare policies.                                                                                                                                  | Surveyed the employed in Seoul metropolitan area in 1998 - Dependent Variable: Support for public welfare system - Independent Variable: class, income, education, perception of one’s own class, age, marriage status, gender, degree of discontent against the tax system 

| (Park, 2008)            | Attitudes towards the welfare state is negatively related with education, income, class perception. Particularly the lower class is more supportive of welfare expenditure.                                                                                                                                                                                                 | ISSP survey research - Dependent Variable: attitudes toward government responsibility, government expenditure, government intervention in the economy - Independent Variable: Demographical and socioeconomic variables, political and ideological variables |
| (Rhew and Choi, 2009)   | Class association has significant effect on an individual’s attitude towards welfare policy. Income,                                                                                                                                                                                                                                                  | Korea Welfare Panel Study - Dependent Variable: Support for increasing welfare expenditure - Independent Variable: class(income), |
Determinants of Individual Support for the Welfare State

| Education and welfare perception has positive correlation. Discernible differences among different occupation types were found. Household with disabled individual showed higher support while those with elderly members were more reluctant towards increasing welfare expenditure. | Occupation type, household with disabled and elderly
Control Variable: welfare perception, education |
---|---|
(S. Y. Kim, 2010) | Social trust and age is positively correlated with welfare perception, while income level, participation in the labor market and wage is negatively correlated with the dependent variable. | 2006 Korean Social Survey
-Dependent Variable: Welfare perception
-Independent Variable: Age, gender, marital status, education, subjective class association, political preference, satisfaction of health, satisfaction of wellbeing, monthly wage, social trust, labor market participation, religion |
### Determinants of Individual Support for the Welfare State

<table>
<thead>
<tr>
<th>Study (Author, Year)</th>
<th>Description</th>
<th>Data Source</th>
<th>Dependent Variable</th>
<th>Independent Variable(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kang, 2011</td>
<td>Value oriented variables and evaluation of the government had more significant relation with public attitudes towards the government than interest-related variables.</td>
<td>2009 Citizen Perception Survey</td>
<td>- Dependent Variable: attitudes toward government responsibility, attitudes towards government expenditure</td>
<td>- Independent Variable: self-interest variable, value-oriented variable, government evaluation variable</td>
</tr>
<tr>
<td>Joo &amp; Baek, 2007</td>
<td>Class, Political ideology and previous experience of receiving public welfare services have significant effect on welfare perception in general</td>
<td>2006 Social Policy Demand and Perception Survey</td>
<td>- Dependent Variable: Perception of social equality, attitude towards expanding government expenditure for public welfare, willingness to pay more for universal/Selective welfare</td>
<td>- Independent Variable: Income, political ideology, welfare demand, previous welfare experience</td>
</tr>
<tr>
<td>Ahn, 2009</td>
<td>Non-class cleavage, Those who have received more welfare services are more likely to be supportive of a larger welfare state, and those who pay higher tax and contribution are more likely to oppose such expansion.</td>
<td>Welfare Panel Study</td>
<td>- Dependent Variable: Support for welfare state (level of tax and welfare service)</td>
<td>- Independent Variable: Total amount of social benefit received, nominal household income, public sector worker</td>
</tr>
</tbody>
</table>
Determinants of Individual Support for the Welfare State

IV. Research Question and Method

1. Research Question

The research question of this paper is what individual level attributes have impact on the middle class citizens’ attitudes towards a larger welfare state. This study particularly intends to assess the effect of economic insecurity defined as negative changes in economic situation of an individual or within household. Does economic insecurity have significant impact on an individual’s attitude toward public welfare? Do middle class citizens who experience negative change in economic conditions, i.e. negative income shock, negative change in employment status, increased burden of debt, tend to support a larger welfare state?

Also this study attempts to see how economic insecurity rivals other key factors that have been mainly discussed in the previous literature. How strong are the impacts on middle class citizens’ support for public provision of social welfare when compared to political ideology, welfare experience and other demographic or structural characteristics?

2. Data Source and Scope of Research

This paper draws on data from the Korea Welfare Panel Study (KWPS). While the Korea Labour and Income Panel Study (KLIPS) is generally used for research on income dynamics or employment security, information on welfare perception is only available in KWPS. Also, the KWPS data on household income and expenditure is proximate to household survey data provided by the National Statistical Office. Samples are extracted by stratified double sampling based on household income. Also
Determinants of Individual Support for the Welfare State

the KWPS data surveys households at a national basis covering urban and rural regions while KLIPS limits its sample to urban households.

Each yearly data from KWPS is consisted of household data, individual(household member)data and additional survey data. Welfare perception survey is conducted every three years and the most recent data that is publicly available is in the fifth wave additional survey. The welfare perception survey contains survey items concerning the role of government as a welfare provider, Korean equality status and other various attitudes toward social welfare and tax.

This study employs household data from fourth and fifth wave that covers two years from 2008 to 2009 to capture changes in respondent’s economic conditions and economic insecurity. Other demographical and structural independent variables refer to household data from the fifth wave.

The object of research is 2,247 respondents out of 2,366 who have been surveyed for the fifth wave of KWPS ‘welfare perception survey.’ Respondents of the sample households are household heads or their spouse. Among the 2,247 sample, the focus of this study is 833 respondents from middle class households. When testing the impact of various independent variables, same method of analysis is applied to middle-class group and all-class group. This research follows the OECD definition of middle class, i.e. households with household income between 50% and 150% of median income. A sample of middle-class is separated on the basis of disposable income.

---

8 Respondents for the fourth wave were surveyed between Jan 1st to Dec 31st in 2008 and the fifth wave between Jan 1st to Dec 31st in 2009. Respondents are heads of household or their spouse.

9 1,694 is the number of total respondents after adjusting missing values.

10 Income standard used to define middle class is as follows.
Determinants of Individual Support for the Welfare State

household income in year 2009\textsuperscript{11}. Also, general weighting is adjusted due to the concern of oversampling the lower income class which is a key characteristic of KWPS.

3. Explanation of Variables

3.1. Dependent Variables

There are three main dependent variables. One is support for greater welfare expenditure while the second is about individual’s support for raise of tax to increase welfare expenditure. The third variable is individual opinion on the government’s role in reducing income inequality. The former two are the basic criteria in seeking public opinion of a larger welfare state. While most previous empirical studies on welfare preference have used survey items enquiring support for greater welfare expenditure and government responsibilities for the provision of public welfare, fewer have covered both attitudes towards expenditure and tax raise. Therefore it is critical that we consider both expenditure and finance to have better comprehension of the middle class’s perception of social welfare. [Table 1] shows a summary of the variables used in this analysis.

\textit{Support for government welfare expenditure}

<table>
<thead>
<tr>
<th></th>
<th>50% of median income</th>
<th>150% of median income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market income (monthly)</td>
<td>764,166.5 KRW</td>
<td>2,292,500 KRW</td>
</tr>
<tr>
<td>Disposable income (monthly)</td>
<td>737,665 KRW</td>
<td>2,212,995 KRW</td>
</tr>
</tbody>
</table>

\textsuperscript{11} Disposable household income is the amount of public consumption expenditure subtracted from the sum of market income and public income transfer. (Public income transfer refers to public pension, old age pension, social benefit, tax refund while public consumption expenditure includes spending on nominal tax, pension and social insurance.)
Determinants of Individual Support for the Welfare State

First, in order to test the validity of the key independent variables, this research also includes the popular factor which asks perceptions towards greater public spending. A main line of reasoning of the power resource theorists was that income has negative relations with demand for public spending (Meltzer and Richard 1981). This hypothesis was based on the assumption that social policies are financed by tax which is proportional to the level of citizen’s income. This meant that low income individuals are likely to be more supportive to greater welfare expenditure than relatively advantaged individuals. This research would test such conjecture and see whether such class-based view is still valid. Survey items used for this purpose ask whether respondents want the government to increase welfare expenditure in nine different welfare sectors. They were asked to choose between ‘would like to spend a lot more’ and ‘would like to spend a lot less’ which was measured by five point scales. The variable is a mean value of each respondent’s answer to this identical form of items of nine welfare sectors.

*Attitude towards increase in tax*

The second dependent variable is concerned of public attitude towards increase of tax for a larger welfare state. Demand for more welfare entails the financial question and thus analyzing preference for tax raise is chiefly. The middle class has long been considered as the important pillar for pro-welfare coalition and the future of a welfare state (Esping-Andersen 1990; Esping-Andersen 2007) while others have documented otherwise in the periods of retrenchment (Svallfors 2002). The middle class are prone to bear more financial burden than receiving benefits and therefore likely to show negative attitude towards tax raise and increase in welfare expenditure. Nevertheless,

---

12 The nine different welfare sectors are: Health, Old age pension, Education, Housing, Financial support for the poor, Financial support for the elderly, Financial Support for the disabled, Support for families with children, Unemployment benefits and Employment pension.
Determinants of Individual Support for the Welfare State

they have recently become more exposed to old and new social risks which may lead to more complex results.

In this research the main independent variable is based on responses to a couple of survey items, first of which asks: “Do you agree to increasing tax for expanding social welfare?” Respondents were asked to answer between ‘strongly agree’ and ‘strongly disagree,’ which was divided into seven point scales. The KWPS welfare perception survey also contains a similar item that asks almost the same question in different phrasing: “Do you agree or oppose to the argument that more tax should be collected to increase welfare expenditure?” Thus in order to check the liability and consistency of individual response, an average of both survey items becomes the independent variable that captures attitude toward tax. Thus ordinal values are converted to a continuous variable.

**Attitude towards government responsibility**

The third variable is individual opinion on the government’s role in improving income equality. Respondents were asked whether they agree to the idea that it is government’s responsibility to reduce the income gap between high income earners and low income earners and responses were measured by five point scales. Public opinion of government responsibility for providing redistributive policy and reducing income gap can be a highly relevant barometer of public support towards the welfare state. While the former two dependent variables are more related to people’s perception of the size of a welfare state, the third variable captures a more fundamental belief concerning the role of the government. The casual conclusion in previous scholarship was that groups with lower socioeconomic status show greater support to the government’s responsibility to pursue social equilibrium while those with higher status prioritize the responsibility to take care of the economy (Park, J.M, 2008). Thus this study attempts to confirm the middle class citizen’s attitude toward
Determinants of Individual Support for the Welfare State

government’s responsibility to resolve the problem of income inequality and whether there is difference across class with regard to this issue.

### 3.2. Independent Variables

**Economic Insecurity**

The key objective of this research is to show that economic insecurity can have significant impact on an individual’s wellbeing and welfare perceptions. This paper uses four measures of individual economic insecurity which is referred to as experience of negative economic shock. One is negative household income insecurity; the second is negative change in employment status; the third variable is household employment insecurity and the fourth is the burden of debt. In this paper, an individual is regarded to be insecure if one has no experience of negative shock (the aforementioned four types of shock) during a single year.

Among various ways of defining economic insecurity, scholars have used survey items that enquire subjective insecurity by asking respondents whether they have experienced negative shocks. Nevertheless, while using subjective measure of risk is debatable, a group of political scientists recently devised a way of collecting more objective data through tracking income dynamics. The Economic insecurity index in America which collected data after the 2007 financial crisis, defines a household as insecure when it experiences 25% decline of ‘available household income,’ i.e. household income that after paying medical bills and financial debts (Cutright, 1965; Hacker et al., 2013). Meanwhile, other scholars have also used different way of defining income insecurity, by regarding a report of drop in household income as insecure and those who did not experience such negative shock as secure(Carnes & Mares, 2012). In this research, I use a similar approach but rather than using
subjective report, I refer to changes in disposable income at household level between 2008 and 2009. Individuals from households that experience a drop of household income during the previous year are labeled as insecure while those have maintained same level of income or experienced an increase are deemed as secure.

Another measure of economic insecurity is employment insecurity at individual level. Employment shock may have significant impact on support for greater welfare expenditure and tax through indirectly affecting the contributory capacity of individuals. Scholars have favorably used loss of job or recent experience of unemployment as what represents insecurity at individual level (Carnes & Mares, 2012). Gottschalk and Moffitt used three measures of employment insecurity: 1) the probability of being involuntarily laid off from most recent job, 2) the probability of becoming unemployed or leaving the labor force after involuntarily losing a job, 3) the probability of earning lower wages at a new job than the previous job (Gottschalk & Moffitt, 1999).

As such, the general standard of defining employment insecurity was set as experience of job loss. However, in this research I expand the concept of employment insecurity by taking into consideration of changes in employment status, e.g. shift from the status as a regular worker to irregular worker, instead of simply referring to unemployment risk. The employed population is consisted of much more complex set of groups and thus considering the difference between regular workers and irregular workers is central to studying economic insecurity (Park.S.H et al, 2009). This alternative approach will also be more conducive to capture job insecurity that many middle class citizens are expected to experience. Hence in this study, individuals who experience a decrease in employment status, e.g. from regular worker to irregular worker or from irregular worker to unemployed are categorized as insecure, while those who experience otherwise is considered as secure. An individual is assumed to
Determinants of Individual Support for the Welfare State

experience change in employment status only once between the two years [Table 7] further describes which type of change in employment status is categorized as insecure in this study.

Table 7. Defining key variables: economic insecurity

<table>
<thead>
<tr>
<th>Income insecurity</th>
<th>Employment insecurity</th>
<th>Debt insecurity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Individual level</td>
<td>Household level</td>
</tr>
<tr>
<td>No Experience of Negative shock</td>
<td>Household Income (↑ or stable)</td>
<td>No negative change in employment status (U→I, U→R, I→R, I→I, R→R)</td>
</tr>
<tr>
<td>Experience of Negative shock</td>
<td>Household Income (↓)</td>
<td>Negative change in employment status (R→I, R→U, I→U, U→U)</td>
</tr>
</tbody>
</table>

R=Regular worker, I=Irregular worker, U=Unemployed

Another measurement of employment insecurity taken into account in this study is employment security in the household. A large number of respondents of the Welfare panel study are non-income earning workers or housewives who are prone to the impacts of economic insecurity in the household while such impact is disregarded through measuring employment insecurity at individual level. Therefore employment security can be significantly under-estimated and there is the need to consider whether other household members have also experienced a negative change in employment status.

The third type of economic insecurity used in the study refers to household debt-to-income ratio. Burden of debt can often be a highly relevant cause of economic insecurity. In this study, household debt includes financial debt, credit card debt and
Determinants of Individual Support for the Welfare State

private loan. Also, disposable income is the denominator to proximately capture the burden of such debt that each household is experiencing. An individual is considered to have experienced insecurity when debt-to-income ratio

**Economic condition**
This research also tests the impacts of static economic condition which is expected to have significant effects on welfare perception. Previous studies have suggested that occupation type and employment status provides considerable explanation for welfare perception. In a Korean case study, individuals were classified according to their occupation instead of income which showed more discerning difference in welfare perception than simple income-based studies (Kim Y.S. and Yeo.Y.K, 2011). I use total household income instead of disposable household income as well as current employment status in 2009. Employment status is divided into four groups: regular workers, irregular workers, self-employed and unemployed. The self-employed category includes non-income earning workers and owners of small business who are self-employed.

**Other key variables**
I also test the effects of welfare contribution that is directly related to self interest as a financial contributor to public provision of welfare and is expected to have impacts particularly on attitude towards tax raise. The contribution variable is the logged value of total amount of social security contribution. Also, reflecting the relative importance of previous welfare experience, I also include social insurance coverage and experience of public welfare service programmes. The ‘Social insurance coverage’ variable takes positive values for the number of social insurance programmes and takes the value 0 if the respondent is subscribed to none. While previous experience of benefiting from social insurance can either be determined by whether an individual has received the benefits and/or simply subscribed to the programme, one may argue
Determinants of Individual Support for the Welfare State

that subscription alone may suffice since one may feel protected by insurance even if one had not yet received direct benefits.

Another indicator for welfare experience is the number of publicly provided welfare services that the respondent claims to have benefited from. A recent work that emphasized welfare experience have used binary code by discerning those who have had any experience of welfare as 1 and those who have none as 0 (Joo, E.S and Baek, J.M, 2007). Yet, this paper prefers to use the number of programmes out of 20 programmes in total to see how much experience one has. Moreover, other value related variables are included, acknowledging that public attitudes towards social welfare expenditure can reflect stronger ideological conflict than towards governmental expenditures in other policy arenas (Jacoby, 1994). Variables such as political ideology and evaluation of current administration’s performance in social policy sectors are included to see how they compete with other self-interest related variables.

3.3. Control variables

A battery of individual-level controls will be used as well such as age, gender, level of education and marital status. Previous studies have explicitly stated the importance of age and that its relation between supports towards the welfare state may be nonlinear. Younger generation may tend to be more negative towards increasing welfare expenditure and public provision of old-age pension or public health. On the other hand, a young worker who has newly been employed or is expected to join the labor force

---

13 Such sectors includes the following : Provision of health care service; maintaining quality of life for the elderly; Supporting the disabled; Provision of high quality and sufficient childcare service; Poverty reduction/prevention; Measures against unemployment; Raising awareness of gender equality; Housing quality and Effective public education.
Determinants of Individual Support for the Welfare State

force would be favor social protection against unemployment risk (Park, J.M, 2008; Kim, S.Y, 2010). Age is a continuous variable while the level of education is measured in a nine point scale, with the value 9 meaning the highest degree of education.

Gender is another heavy issue in the study of welfare support. Generally, female are perceived to be more supportive towards expansion of a welfare state (Svalfors, 199714)(Blekesaune, 2007). Male workers on the other hand, may be less supportive due in part to their inclination to be more sensitive to tax increase and the concern that welfare expansion will ultimately lead to greater competition with the females in the labor market. However, recent studies on public welfare support in Korea suggests otherwise showing either ambiguous relation or contrary results(Kim, H.J 1999; Cho, D.M 2001). Either way, the arguable effect of gender should be controlled and in this paper, male is coded as 1 and females are coded as 0.

The same is with marital status: married are coded as 1 while singles are coded as 0. Married couples and those especially with children or plans to have one may be more favorable to social welfare while single workers may tend to be less supportive. The following [Table 8] summarizes operational definitions of variables used in this study.

## Table 8. Summary of variables and operational definition

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Variable</th>
<th>Variable explanation</th>
<th>Operational definition</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welfare expenditure</td>
<td>Support for greater welfare expenditure (9 welfare sectors)</td>
<td></td>
<td>Five point scale (5=strongly support, 1=strongly oppose)</td>
<td>w_expndt</td>
</tr>
<tr>
<td>Support for tax raise</td>
<td>Attitude towards tax raise</td>
<td></td>
<td>Seven point scale (7=strongly support, 1=strongly oppose)</td>
<td>tax_spirt</td>
</tr>
<tr>
<td>Support for government responsibility to reduce inequality</td>
<td>Attitude towards government’s responsibility to reduce income inequality</td>
<td></td>
<td>Seven point scale (7=strongly support, 1=strongly oppose)</td>
<td>ineq_red</td>
</tr>
</tbody>
</table>
| Household income(disposable) insecurity | Household income | | Insecure (Decrease in household income during the previous year)=1
Secure (No change or increase in household income)=0 | inc_insecu |
| Economic insecurity | Employment status change of an individual (economically active) | | Insecure (Regular→Irregular, Regular→Unemployed, Irregular→Unemployed, Irregular→Irregular, Unemployed→Unemployed)=1
Secure (U→I, U→R, I→R, R→R)=0 | ei_insecu |
| Total household income | Total annual household income (logged value) | | income |
| Social security contribution | Total amount of social security contribution (logged value) | | ss_contrb |
| Social insurance coverage | Number of subscribed social insurance programmes (4 in total) | | si_exprnc |
| Previous experience of public welfare service | Number of experience in public welfare service programmes (20 in total) | | ws_exprnc |
| Political ideology | Conservative=5, Progressive=1 (Five point scale) | | pol_ideo |
| Evaluation of government performance | Satisfaction of the current administration’s performance in 9 social policy sectors (Five point scale) | | gov_prfm |
4. Analytical Framework and Method of Analysis

This research is designed to see what kind of determinant factors have significant impact on three types of welfare perception. This study intends to compare the effects of economic insecurity with those that have been noted in previous literature such as income, occupation, welfare experience, occupation and political ideology as shown in [Figure 4]. Each group of four models uses different dependent variables. For instance, the first four models assesses impacts of these independent variables on support for increase in welfare expenditure, while the next four models tests the impact on support for tax increase. Each group of model tests the individual impact of four types of economic insecurity (income; individual-employment; household-employment and debt insecurity).

Model 1.

\[
Support \ for \ Increase \ in \ Welfare \ Expenditure (Y_{1t}) = \\
\beta_0 + \beta_1 Income \ insecurity + \sum \text{Current economic status} + \\
\sum \text{Welfare contribution} + \sum \text{Welfare experience} + \sum \text{Controls} + \epsilon_t \quad (1)
\]

Model 2.

\[
Support \ for \ Increase \ in \ Welfare \ Expenditure (Y_{2t}) = \\
\beta_0 + \beta_1 Individual \ employment \ insecurity + \sum \text{Current economic status} + \\
\sum \text{Welfare contribution} + \sum \text{Welfare experience} + \sum \text{Controls} + \epsilon_t \quad (2)
\]
Determinants of Individual Support for the Welfare State

Model 3.

Support for Increase in Welfare Expenditure \( (Y_{3i}) = \)
\[ \beta_0 + \beta_1 \text{Household employment insecurity} + \sum \text{Economic status} + \]
\[ \sum \text{Welfare contribution} + \sum \text{Welfare experience} + \sum \text{Controls} + \epsilon_i \]  \hspace{1cm} (3)

Model 4.

Support for Increase in Welfare Expenditure \( (Y_{4i}) = \)
\[ \beta_0 + \beta_1 \text{Debt insecurity} + \sum \text{Economic status} + \sum \text{Welfare contribution} + \]
\[ \sum \text{Welfare experience} + \sum \text{Controls} + \epsilon_i \]  \hspace{1cm} (4)

Similarly models 5 to 8 seeks to see the effects of these explanatory variables on support for increase in tax to expand welfare. Also, the next four models test in a similar way to see the impacts on support for government responsibility in reducing income inequality.

Model 5,6,7,8

Support for Welfare tax Increase \( (Y_j) = \)
\[ \beta'_0 + \beta'_1 \text{Economic insecurity (income insecurity, employment insecurity, household employment insecurity, debt insecurity)} + \sum \text{Economic status} + \]
\[ \sum \text{Welfare contribution} + \sum \text{Welfare experience} + \sum \text{Controls} + \epsilon'_j \]  \hspace{1cm} (5,6,7,8)

Model 9,10,11,12

Support for government responsibility in reducing income inequality \( (Y_k) = \)
\[ \beta'_0 + \beta'_1 \text{Economic insecurity (income insecurity, employment insecurity, household employment insecurity, debt insecurity)} + \sum \text{Economic status} + \]
\[ \sum \text{Welfare contribution} + \sum \text{Welfare experience} + \sum \text{Controls} + \epsilon'_j \]  \hspace{1cm} (9,10,11,12)
Determinants of Individual Support for the Welfare State

Models 1 to 4 all test the impact of various variables on attitude towards increasing welfare expenditure. Meanwhile, the difference is that the first model includes the impact of income insecurity while the second model checks the effect of employment insecurity at individual level and the third looks into employment insecurity at household level. The sizes of sample for Models that tests individual employment insecurity as its main independent variable are different from the rest, as employment insecurity can be measured only among economically active population\textsuperscript{15}.

All data is analyzed based on the fourth and fifth Korean Welfare Study Panel data, using Stata 12.0 IC. The causal relation between various independent variables and dependent variables are estimated through logistic regression and ordinal logistic regression method. The following shows the main hypotheses this empirical research intends to test.

\begin{figure}
\centering
\begin{tabular}{|l|}
\hline
\textbf{Independent variables} \\
Economic Insecurity  \\
Economic Condition  \\
Welfare Contribution  \\
Welfare Experience  \\
\hline
\textbf{Dependent variables} \\
Support for greater welfare expenditure  \\
Support for tax raise (to expand welfare)  \\
Attitude towards government’s responsibility for reducing income inequality  \\
\hline
\end{tabular}
\caption{Analytical Framework}
\end{figure}

\textsuperscript{15} While the total number of middle-class observations is 734, only 171 samples are used in individual employment models and 226 samples are used in household employment models, due to the demographic structure of the panel data.
Determinants of Individual Support for the Welfare State

5. Hypotheses

[Hypothesis 1.] Economic insecurity will have a positive (+) relation with a middle class individual’s support for greater welfare expenditure.

[H 1-1] Income insecurity will have a positive (+) relation with support for increasing welfare expenditure

[H 1-2] Employment insecurity at individual level will have a positive (+) relation with support for increasing welfare expenditure

[H1-3] Employment insecurity at household level will have a positive (+) relation with support for increasing welfare expenditure

[H1-4] Debt insecurity will have a positive (+) relation with support for increasing welfare expenditure

[Hypothesis 2.] Economic insecurity will have a positive (+) relation with a middle class individual’s support for raising tax.

[H 2-1] Income insecurity will have a positive (+) relation with support for raising tax

[H 2-2] Employment insecurity at individual level will have a positive (+) relation with support for raising tax

[H2-3] Employment insecurity at household level will have a positive (+) relation with support for raising tax

[H2-4] Debt insecurity will have a positive (+) relation with support for raising tax
Determinants of Individual Support for the Welfare State

[Hypothesis 3.] Economic insecurity will have a positive (+) relation with a middle class individual’s support for government’s responsibility for reducing income inequality.

[H 3-1] Income insecurity will have a positive (+) relation with support for government’s responsibility for reducing income inequality

[H 3-2] Employment insecurity at individual level will have a positive (+) relation with support for government’s responsibility for reducing income inequality

[H 3-3] Employment insecurity at household level will have a positive (+) relation with support for government’s responsibility for reducing income inequality

[H 3-4] Debt insecurity will have a positive (+) relation with support for government’s responsibility for reducing income inequality

Table 9. Summary of key hypotheses

<table>
<thead>
<tr>
<th>Attitude towards Economic security</th>
<th>Greater welfare expenditure</th>
<th>Tax raise to expand welfare</th>
<th>Government responsible for reducing income inequality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure</td>
<td>Opposition</td>
<td>Opposition</td>
<td>Opposition</td>
</tr>
<tr>
<td>Insecure</td>
<td>Support</td>
<td>Support</td>
<td>Support</td>
</tr>
</tbody>
</table>
V. Determinants of Welfare Support and Statistical Analysis

1. Descriptive Statistics

1.1. Descriptive statistics of samples

Two groups of samples were used in this study to compare middle class attitudes with sample that contains respondents from all class. [Table 10] provides the descriptive statistics of middle class samples while [Table 11] of total samples. The income distribution of all-class sample resembles a pyramid structure with approximately 49.4% of respondents from lower income households. The KWPS typically collects half of its samples from households with 60% of median income.

The age structure of the middle class sample is skewed, containing respondents over age of 40 compared to that of the all-class sample which is more evenly distributed. This is so since the respondents of the KWPS welfare perception survey are households or spouses of households in middle income households which leaves out many young and single citizens. The sample also particularly includes a large portion of respondents in their 70s, which reflects a characteristic of KWPS that focuses on tracking welfare of children and senior citizens. Also, both samples have more female respondents than male respondents which is another characteristic of KWPS data.

A large portion of middle class sample are economically inactive, 78% of which are housewives or senior citizens with no intention to work. The self employed compose 20.55% of economically active group, which is the largest portion from the

---

16 Nevertheless to avoid bias, the effect of gender is controlled in further analysis.
middle class sample and is greater than the relative portion from the all-class sample. Also the portion of irregular workers (temporary and day workers combined) is slightly higher among middle class respondents than all-class respondents.

Table 10. Socio-demographic characteristics of Middle class respondents

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>Freq</th>
<th>%</th>
<th>Variable</th>
<th>Category</th>
<th>Freq</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>20-29</td>
<td>6</td>
<td>0.72</td>
<td>Education</td>
<td>Elementary</td>
<td>406</td>
<td>48.8</td>
</tr>
<tr>
<td></td>
<td>30-39</td>
<td>37</td>
<td>4.45</td>
<td></td>
<td>Secondary1</td>
<td>147</td>
<td>17.67</td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>95</td>
<td>11.42</td>
<td></td>
<td>Secondary2</td>
<td>187</td>
<td>22.48</td>
</tr>
<tr>
<td></td>
<td>50-59</td>
<td>119</td>
<td>14.3</td>
<td></td>
<td>College</td>
<td>37</td>
<td>4.45</td>
</tr>
<tr>
<td></td>
<td>60-69</td>
<td>191</td>
<td>22.96</td>
<td></td>
<td>Graduate</td>
<td>55</td>
<td>6.61</td>
</tr>
<tr>
<td></td>
<td>70-79</td>
<td>288</td>
<td>34.62</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>80-89</td>
<td>91</td>
<td>10.94</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Over 90</td>
<td>5</td>
<td>0.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working Status</td>
<td>Regular worker</td>
<td>54</td>
<td>6.49</td>
<td>Disposable Income</td>
<td>18-20</td>
<td>78</td>
<td>9.38</td>
</tr>
<tr>
<td></td>
<td>Temporary worker</td>
<td>80</td>
<td>9.62</td>
<td></td>
<td>20-22</td>
<td>82</td>
<td>9.86</td>
</tr>
<tr>
<td></td>
<td>Day worker</td>
<td>71</td>
<td>8.53</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Public/Self-support worker</td>
<td>12</td>
<td>1.44</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employer</td>
<td>2</td>
<td>0.24</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Self-employed</td>
<td>171</td>
<td>20.55</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unpaid family worker</td>
<td>71</td>
<td>8.53</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unemployed</td>
<td>12</td>
<td>1.44</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Economically inactive</td>
<td>359</td>
<td>43.15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 11. Socio-demographic characteristics of all class respondents

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>Freq</th>
<th>%</th>
<th>Variable</th>
<th>Category</th>
<th>Freq</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>20-29</td>
<td>10</td>
<td>0.45</td>
<td>Regular worker</td>
<td>379</td>
<td>16.87</td>
<td></td>
</tr>
<tr>
<td></td>
<td>30-39</td>
<td>203</td>
<td>9.03</td>
<td>Temporary worker</td>
<td>231</td>
<td>10.28</td>
<td></td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>464</td>
<td>20.65</td>
<td>Day worker</td>
<td>156</td>
<td>6.94</td>
<td></td>
</tr>
<tr>
<td></td>
<td>50-59</td>
<td>459</td>
<td>20.43</td>
<td>Public/Self-support worker</td>
<td>20</td>
<td>0.89</td>
<td></td>
</tr>
</tbody>
</table>

17 Yearly household income(unit: million KRW)
Determinants of Individual Support for the Welfare State

<table>
<thead>
<tr>
<th>Age</th>
<th>60-69</th>
<th>70-79</th>
<th>80-89</th>
<th>Over 90</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Status</td>
<td>16.96</td>
<td>21.94</td>
<td>9.57</td>
<td>0.98</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Employer</th>
<th>Self-employed</th>
<th>Unpaid family worker</th>
<th>Unemployed</th>
<th>Economically inactive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>45</td>
<td>378</td>
<td>141</td>
<td>20</td>
<td>114</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>16.82</td>
<td>6.28</td>
<td>0.89</td>
<td>2.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education</th>
<th>Elementary</th>
<th>Secondary1</th>
<th>Secondary2</th>
<th>College</th>
<th>Graduate school</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>34.09</td>
<td>13.8</td>
<td>30.13</td>
<td>7.3</td>
<td>14.69</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1226</td>
<td>1021</td>
</tr>
<tr>
<td></td>
<td>54.56</td>
<td>45.44</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income class</th>
<th>Low</th>
<th>Middle</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1110</td>
<td>832</td>
<td>305</td>
</tr>
<tr>
<td></td>
<td>49.4</td>
<td>37.03</td>
<td>13.57</td>
</tr>
</tbody>
</table>

1.2. Descriptive statistics of dependent variables

The mean support for increasing tax and government having responsibility for reducing income gap is greater among middle class respondents. The mean support for increasing tax to expand welfare expenditure is 3.91 in the middle class sample, while the value is 3.81 in the general sample. Similarly, support for the idea of government being responsible for coping with income inequality is 3.72 in the former sample and 3.70 in the latter.

Attitude towards expanding welfare expenditure in welfare sectors show to be marginally more positive among respondents in the general sample. Nevertheless, attitude varies across different welfare sectors. Middle class respondents appeared to show more support towards increasing expenditure in most sectors with education sector being an exception. They were supportive to investments in sectors including health, pension, housing and unemployment benefit/unemployment insurance which are areas that middle class are expected to receive benefit from.
Determinants of Individual Support for the Welfare State

On the contrary, while middle class citizens are regarded to be less generous to public spending on redistribution (Field, 1995), present data shows that the middle class are rather positive towards providing public assistance to the poor. Mean support for assisting the poor is 3.75 among middle class respondents, while the average value is 3.70 in the general sample. Meanwhile, they show to be more favorable to assisting the elderly, while being less supportive toward assisting the disabled and families with children. As such, attitudes toward more spending to special groups also varied.

Table 12-1. Middle Class attitudes towards welfare state

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welfare Expenditure</td>
<td>Average of nine welfare sectors</td>
<td>3.67</td>
<td>0.39</td>
<td>2.4</td>
<td>4.7</td>
</tr>
<tr>
<td>Health</td>
<td>3.71</td>
<td>0.667</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Pension</td>
<td>3.67</td>
<td>0.703</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>3.69</td>
<td>0.677</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>3.41</td>
<td>0.832</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Unemployment benefit and insurance</td>
<td>3.61</td>
<td>0.799</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Economic assistance to the poor</td>
<td>3.75</td>
<td>0.753</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Economic assistance to the elderly</td>
<td>3.79</td>
<td>0.663</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Economic assistance to the disabled</td>
<td>3.84</td>
<td>0.654</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Social assistance to families with children</td>
<td>3.81</td>
<td>0.691</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

Tax increase | 3.91 | 1.014 | 1 | 6 |

Government responsibility for reducing income inequality | 3.72 | 0.898 | 1 | 5 |

Table 12-2. Public(all-class) attitudes towards welfare state

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welfare Expenditure</td>
<td>Average of nine welfare sectors</td>
<td>3.68</td>
<td>0.412</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Health</td>
<td>3.68</td>
<td>0.685</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Pension</td>
<td>3.63</td>
<td>0.728</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>
### Determinants of Individual Support for the Welfare State

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>3.71</td>
<td>0.730</td>
<td>1</td>
</tr>
<tr>
<td>Housing</td>
<td>3.39</td>
<td>0.823</td>
<td>1</td>
</tr>
<tr>
<td>Unemployment benefit and insurance</td>
<td>3.59</td>
<td>0.769</td>
<td>1</td>
</tr>
<tr>
<td>Economic assistance to the poor</td>
<td>3.70</td>
<td>0.785</td>
<td>1</td>
</tr>
<tr>
<td>Economic assistance to the elderly</td>
<td>3.76</td>
<td>0.682</td>
<td>1</td>
</tr>
<tr>
<td>Economic assistance to the disabled</td>
<td>3.85</td>
<td>0.659</td>
<td>1</td>
</tr>
<tr>
<td>Social assistance to families with children</td>
<td>3.86</td>
<td>0.703</td>
<td>1</td>
</tr>
<tr>
<td>Tax increase</td>
<td>3.81</td>
<td>1.046</td>
<td>1</td>
</tr>
<tr>
<td>Government responsibility for reducing income inequality</td>
<td>3.70</td>
<td>0.910</td>
<td>1</td>
</tr>
</tbody>
</table>

1.3. Descriptive statistics of independent variable: Economic insecurity

Two groups also show different levels of economic insecurity. In the all-class sample, portion of economically secure respondents was generally higher than the insecure. On the other hand, middle-class sample showed more complex tendencies. The percentage of middle class respondents who have experienced employment insecurity during the past year was higher than those who have not. Particularly, the mean value of individual employment insecurity showed to be predominantly higher among middle class when compared to the general sample. The portion of respondents who experienced income insecurity also was larger in the middle class sample, but among middle class respondents, the size of secure group was larger than the insecure group. Predominantly more respondents in both samples seemed to have no experience of negative shock in terms of burden of debt, as measured by changes in debt-to-income ratio.
Table 13-1. Economic insecurity among Middle-class respondents

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income insecurity</td>
<td>830</td>
<td>0.47</td>
<td>0.50</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Individual employment insecurity</td>
<td>192</td>
<td>0.63</td>
<td>0.484</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Household employment insecurity</td>
<td>257</td>
<td>0.63</td>
<td>0.483</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Debt insecurity</td>
<td>833</td>
<td>0.236</td>
<td>0.425</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 13-2. Economic insecurity among Middle-class respondents

<table>
<thead>
<tr>
<th>Variable</th>
<th>Group</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income insecurity</td>
<td>Secure</td>
<td>439</td>
<td>52.89</td>
</tr>
<tr>
<td></td>
<td>Insecure</td>
<td>391</td>
<td>47.11</td>
</tr>
<tr>
<td></td>
<td>All</td>
<td>830</td>
<td>100</td>
</tr>
<tr>
<td>Individual employment insecurity</td>
<td>Secure</td>
<td>71</td>
<td>36.98</td>
</tr>
<tr>
<td></td>
<td>Insecure</td>
<td>121</td>
<td>63.02</td>
</tr>
<tr>
<td></td>
<td>All</td>
<td>192</td>
<td>100</td>
</tr>
<tr>
<td>Household employment insecurity</td>
<td>Secure</td>
<td>94</td>
<td>36.58</td>
</tr>
<tr>
<td></td>
<td>Insecure</td>
<td>163</td>
<td>63.42</td>
</tr>
<tr>
<td></td>
<td>All</td>
<td>257</td>
<td>100</td>
</tr>
<tr>
<td>Debt insecurity</td>
<td>Secure</td>
<td>636</td>
<td>76.35</td>
</tr>
<tr>
<td></td>
<td>Insecure</td>
<td>197</td>
<td>23.65</td>
</tr>
<tr>
<td></td>
<td>All</td>
<td>833</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 14-1. Economic insecurity among all-class respondents

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income insecurity</td>
<td>2247</td>
<td>0.45</td>
<td>0.497</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Individual employment insecurity</td>
<td>724</td>
<td>0.47</td>
<td>0.499</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Household employment insecurity</td>
<td>2247</td>
<td>0.25</td>
<td>0.431</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 14-2. Economic insecurity among all-class respondents

<table>
<thead>
<tr>
<th>Variable</th>
<th>Group</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income insecurity</td>
<td>Secure</td>
<td>1242</td>
<td>55.27</td>
</tr>
<tr>
<td></td>
<td>Insecure</td>
<td>1005</td>
<td>44.73</td>
</tr>
<tr>
<td></td>
<td>All</td>
<td>2247</td>
<td>100</td>
</tr>
</tbody>
</table>
Determinants of Individual Support for the Welfare State

<table>
<thead>
<tr>
<th>Individual employment insecurity</th>
<th>Secure</th>
<th>386</th>
<th>53.31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insecure</td>
<td>338</td>
<td></td>
<td>46.69</td>
</tr>
<tr>
<td>All</td>
<td>724</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Debt insecurity</th>
<th>Secure</th>
<th>1694</th>
<th>75.39</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insecure</td>
<td>553</td>
<td></td>
<td>24.61</td>
</tr>
<tr>
<td>All</td>
<td>2247</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

### 1.4. Descriptive statistics of other explanatory variables

The following shows descriptive statistics of other key independent variables and control variables used to analyze the middle class sample. In this analysis, a logged value of yearly disposable income used as income variable.

#### Table 15-1. Other explanatory and control variables (middle-class sample)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (log)</td>
<td>832</td>
<td>7.390</td>
<td>0.315</td>
<td>6.786</td>
<td>7.879</td>
</tr>
<tr>
<td>Social security contribution</td>
<td>832</td>
<td>3.964</td>
<td>5.655</td>
<td>0</td>
<td>41</td>
</tr>
<tr>
<td>Social insurance coverage</td>
<td>832</td>
<td>1.505</td>
<td>0.965</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Welfare service experience</td>
<td>832</td>
<td>0.167</td>
<td>0.652</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Political ideology</td>
<td>735</td>
<td>3.173</td>
<td>0.959</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Government evaluation</td>
<td>822</td>
<td>2.823</td>
<td>0.500</td>
<td>1.556</td>
<td>4.667</td>
</tr>
<tr>
<td>Age</td>
<td>832</td>
<td>64.897</td>
<td>13.787</td>
<td>25</td>
<td>91</td>
</tr>
<tr>
<td>Gender</td>
<td>832</td>
<td>0.453</td>
<td>0.498</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Education</td>
<td>832</td>
<td>3.900</td>
<td>1.377</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Marital status</td>
<td>832</td>
<td>0.750</td>
<td>0.433</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

#### Table 15-2. Other independent and control variables in (all-class sample)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (log)</td>
<td>1228</td>
<td>6.079</td>
<td>1.359</td>
<td>-1.609</td>
<td>10.545</td>
</tr>
<tr>
<td>Social security contribution</td>
<td>2247</td>
<td>11.563</td>
<td>13.759</td>
<td>0</td>
<td>94</td>
</tr>
<tr>
<td>Social insurance</td>
<td>2247</td>
<td>0.172</td>
<td>0.561</td>
<td>0</td>
<td>7</td>
</tr>
</tbody>
</table>
Determinants of Individual Support for the Welfare State

<table>
<thead>
<tr>
<th>coverage</th>
<th>2247</th>
<th>1.793</th>
<th>1.166</th>
<th>0</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welfare service experience</td>
<td>2247</td>
<td>2.964</td>
<td>0.791</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Political ideology</td>
<td>2247</td>
<td>3.406</td>
<td>1.342</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Government evaluation</td>
<td>2247</td>
<td>59.826</td>
<td>15.155</td>
<td>25</td>
<td>95</td>
</tr>
<tr>
<td>Age</td>
<td>2247</td>
<td>0.454</td>
<td>0.498</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Gender</td>
<td>2247</td>
<td>4.467</td>
<td>1.582</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Marital status</td>
<td>2247</td>
<td>0.800</td>
<td>0.400</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

2. Correlation Analysis

[Table 16] shows the correlation between variables at the level of significance (P<0.05). In terms of attitude towards expanding welfare expenditure, income insecurity showed to be most significantly correlated. Other three types of economic insecurity have weak correlation and shows relation in a different direction. Those who experience negative shock of employment status or those who have family members that have such experience tend to be less supportive of increasing government expenditure in the welfare sector. Those who had heavier burden of debt during the past year also seemed to be less favorable to greater public spending on welfare. Political ideology and evaluation of government performance in social policy were also variables that have significant correlation with this dependent variable.

In terms of attitudes toward tax increase, social security contribution is significantly correlated. Those who contribute more to social security tend to be more conservative and less supportive towards increasing tax for more welfare. Also, two types of employment insecurity and income insecurity showed to be negatively related while debt insecurity had correlation in the opposite direction. Other variables such as experience of using welfare service and especially social contribution were
Determinants of Individual Support for the Welfare State

significantly related to attitude towards tax. Moreover, education and age among control variables showed to have considerable correlation with the dependent variable and thus are controlled in the following regression analysis.

On the other hand, key independent variables proposed in this study show to have weaker relation with attitudes toward government having responsibility over reducing income inequality. Overall, variables that show to be statistically significant in this analysis have coefficients that are lower than 0.5, which allows them to be employed for regression analysis. Details will be further elaborated in the following section.
Table 16. Correlation Analysis (Middle-class sample)\(^{18}\)

<table>
<thead>
<tr>
<th></th>
<th>w_expndt</th>
<th>tax_sprt</th>
<th>ineq_red</th>
<th>inc_insecu</th>
<th>ei_insecu</th>
<th>eh_insecu</th>
<th>d_insecu</th>
<th>income</th>
<th>ss CONTRIB</th>
<th>ws_exprnc</th>
<th>si_exprnc</th>
<th>gov_prfm</th>
<th>pol_ideo</th>
<th>age</th>
<th>gender</th>
<th>edu</th>
<th>marital</th>
</tr>
</thead>
<tbody>
<tr>
<td>w_expndt</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>tax_sprt</td>
<td>0.1616*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ineq_red</td>
<td>0.1233*</td>
<td>0.0102</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>inc_insecu</td>
<td>0.1405*</td>
<td>-0.0052</td>
<td>0.0612</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ei_insecu</td>
<td>-0.0539</td>
<td>-0.0849</td>
<td>0.0525</td>
<td>0.022</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>eh_insecu</td>
<td>-0.0916</td>
<td>0.0088</td>
<td>0.0454</td>
<td>0.0294</td>
<td>1.0000*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d_insecu</td>
<td>-0.0149</td>
<td>0.0004</td>
<td>-0.0256</td>
<td>0.1746*</td>
<td>0.007</td>
<td>0.0059</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>income</td>
<td>0.0193</td>
<td>-0.0648</td>
<td>0.0508</td>
<td>-0.0448</td>
<td>-0.2153*</td>
<td>-0.2509*</td>
<td>0.0158</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ss CONTRIB</td>
<td>0.0476</td>
<td>-0.1445*</td>
<td>0.025</td>
<td>0.1462*</td>
<td>-0.4598*</td>
<td>-0.4607*</td>
<td>0.1148*</td>
<td>0.3472*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ws_exprnc</td>
<td>0.0539</td>
<td>0.0879*</td>
<td>0.0408</td>
<td>-0.0277</td>
<td>-0.0326</td>
<td>-0.0603</td>
<td>0.0315</td>
<td>-0.0233</td>
<td>0.0003</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>si_exprnc</td>
<td>0.011</td>
<td>-0.0644</td>
<td>-0.0173</td>
<td>0.1281*</td>
<td>-0.4883*</td>
<td>-0.3715*</td>
<td>-0.0057</td>
<td>0.2401*</td>
<td>0.3652*</td>
<td>-0.0328</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>gov_prfm</td>
<td>0.1416*</td>
<td>0.0032</td>
<td>0.0338</td>
<td>0.0595</td>
<td>-0.1194</td>
<td>-0.1144</td>
<td>0.0708*</td>
<td>0.1619*</td>
<td>0.1492*</td>
<td>-0.0728*</td>
<td>0.1073*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>pol_ideo</td>
<td>-0.1119*</td>
<td>0.0161</td>
<td>-0.0043</td>
<td>-0.0606</td>
<td>0.0889</td>
<td>0.0509</td>
<td>-0.0738*</td>
<td>-0.0213</td>
<td>-0.0973*</td>
<td>-0.0045</td>
<td>-0.0458</td>
<td>-0.0770*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>age</td>
<td>-0.1599*</td>
<td>0.0868*</td>
<td>-0.0505</td>
<td>-0.0911*</td>
<td>0.3315*</td>
<td>0.3726*</td>
<td>-0.0986*</td>
<td>-0.3225*</td>
<td>-0.3916*</td>
<td>-0.0444</td>
<td>-0.3347*</td>
<td>-0.2432*</td>
<td>0.1795*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>gender</td>
<td>-0.0016</td>
<td>0.1173*</td>
<td>0.0419</td>
<td>0.0382</td>
<td>-0.2517*</td>
<td>-0.1032</td>
<td>-0.0046</td>
<td>0.067</td>
<td>0.0687*</td>
<td>0.0149</td>
<td>0.2896*</td>
<td>0.0948*</td>
<td>0.0095</td>
<td>0.0459</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>edu</td>
<td>0.0459</td>
<td>-0.0199</td>
<td>0.0384</td>
<td>0.1455*</td>
<td>-0.1985*</td>
<td>-0.2032*</td>
<td>0.1369*</td>
<td>0.2671*</td>
<td>0.2845*</td>
<td>-0.0256</td>
<td>0.2679*</td>
<td>0.2683*</td>
<td>-0.052</td>
<td>-0.5044*</td>
<td>0.2098*</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>marital</td>
<td>-0.0012</td>
<td>-0.0122</td>
<td>0.0574</td>
<td>0.0617</td>
<td>-0.0266</td>
<td>-0.0157</td>
<td>0.0327</td>
<td>0.1476*</td>
<td>0.0519</td>
<td>0.0543</td>
<td>-0.0950*</td>
<td>0.05</td>
<td>0.0451</td>
<td>0.1371*</td>
<td>0.1464*</td>
<td>-0.0257</td>
<td>1</td>
</tr>
</tbody>
</table>

\(^{18}\) * p<0.05
Determinants of Individual Support for the Welfare State

Table 17. Correlation Analysis (All-class sample)\(^\text{19}\)

<table>
<thead>
<tr>
<th></th>
<th>w_expndt</th>
<th>tax_sprt</th>
<th>ineq_red</th>
<th>inc_insecu</th>
<th>ei_insecu</th>
<th>d_insecu</th>
<th>income</th>
<th>ss_contrib</th>
<th>ws_exprnc</th>
<th>si_exprnc</th>
<th>gov_prfm</th>
<th>pol_ideo</th>
<th>age</th>
<th>gender</th>
<th>edu</th>
<th>marital</th>
</tr>
</thead>
<tbody>
<tr>
<td>w_expndt</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>tax_sprt</td>
<td>0.1426*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ineq_red</td>
<td>0.1501*</td>
<td>0.0193</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>inc_insecu</td>
<td>0.0658*</td>
<td>0.0071</td>
<td>0.0281</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ei_insecu</td>
<td>-0.0056</td>
<td>0.042</td>
<td>0.0118</td>
<td>0.0928*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d_insecu</td>
<td>-0.0024</td>
<td>-0.021</td>
<td>-0.0204</td>
<td>0.1448*</td>
<td>-0.0291</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>income</td>
<td>-0.0021</td>
<td>-0.0216</td>
<td>-0.0004</td>
<td>-0.1536*</td>
<td>0.0656*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ss_contrib</td>
<td>-0.0156</td>
<td>-0.0507*</td>
<td>0.0069</td>
<td>-0.0426*</td>
<td>-0.4578*</td>
<td>0.1313*</td>
<td>0.2988*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ws_exprnc</td>
<td>0.0924*</td>
<td>0.0248</td>
<td>0.039</td>
<td>-0.0154</td>
<td>-0.0609</td>
<td>0.0387</td>
<td>0.0574*</td>
<td>0.0025</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>si_exprnc</td>
<td>0.0149</td>
<td>-0.0161</td>
<td>0.0341</td>
<td>-0.0327</td>
<td>-0.5158*</td>
<td>0.0609*</td>
<td>0.1784*</td>
<td>0.3659*</td>
<td>-0.0027</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>gov_prfm</td>
<td>0.1540*</td>
<td>-0.0349</td>
<td>0.0496*</td>
<td>-0.0532*</td>
<td>-0.2265*</td>
<td>0.0682*</td>
<td>0.1328*</td>
<td>0.2481*</td>
<td>0.0201</td>
<td>0.2120*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>pol_ideo</td>
<td>-0.0580*</td>
<td>0.0009</td>
<td>-0.0296</td>
<td>0.0061</td>
<td>0.0915*</td>
<td>-0.0958*</td>
<td>-0.0175</td>
<td>-0.1461*</td>
<td>-0.0063</td>
<td>-0.1340*</td>
<td>-0.1020*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>age</td>
<td>-0.1069*</td>
<td>0.1112*</td>
<td>-0.0581*</td>
<td>0.0767*</td>
<td>0.4199*</td>
<td>-0.1734*</td>
<td>-0.2503</td>
<td>-0.4829*</td>
<td>-0.1586*</td>
<td>-0.3931*</td>
<td>-0.3382*</td>
<td>0.2051*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>gender</td>
<td>-0.0008</td>
<td>0.0723*</td>
<td>0.0523*</td>
<td>0.0168</td>
<td>-0.2745*</td>
<td>0.016</td>
<td>0.0429</td>
<td>0.0736*</td>
<td>0.0185</td>
<td>0.3657*</td>
<td>0.0775*</td>
<td>-0.0935*</td>
<td>-0.0117</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>edu</td>
<td>0.0878*</td>
<td>-0.0477*</td>
<td>0.0511*</td>
<td>-0.0261</td>
<td>-0.4152*</td>
<td>0.1332*</td>
<td>0.2515*</td>
<td>0.4967*</td>
<td>0.0737*</td>
<td>0.3657*</td>
<td>0.3162*</td>
<td>-0.1947*</td>
<td>-0.6287*</td>
<td>0.2217*</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>marital</td>
<td>-0.0068</td>
<td>-0.0527*</td>
<td>0.0652*</td>
<td>-0.0362</td>
<td>-0.1778*</td>
<td>0.1021*</td>
<td>0.2350*</td>
<td>0.2737*</td>
<td>0.0718*</td>
<td>0.1135*</td>
<td>0.1554*</td>
<td>-0.0885*</td>
<td>-0.2139*</td>
<td>0.1565*</td>
<td>0.2530*</td>
<td>1</td>
</tr>
</tbody>
</table>

\(^{19}\) *p<0.05
3. Results and Robustness Check

3.1. Results of welfare expenditure models

Models 1 to 4 explore the impact of various economic insecurity on attitude towards increasing welfare expenditure. Multivariate regression analysis was conducted for Models 1 to 3, and ordinal logistic regression method was used for Model 4. No multicollinearity problem was found in the three linear regression models when checked through VIF (variance inflation factor) test. VIF value ranged from 1.04 to 1.63 and correlation among variables was below 0.5, which allows one to conclude that the models are free from such problem. Overall the R-square value which represents the model fit ranges from 0.059 to 0.0938, and in the case of Model1 that tests the impact of income insecurity, 7.45% of the dependent variable can be explained by the explanatory variables.

The regression analysis as summarized in [Table 18] provides mixed results. The main hypotheses that expected four types of economic insecurity to have positive relation with support for a larger welfare state was confirmed to be partly true. Income insecurity with the beta value of -0.1241858 is the only type of economic insecurity that showed to have statistically significant impact on attitude towards welfare expenditure. The direction is positive (+), meaning that middle-class individuals who experienced decrease in household income over the past year tend to be more supportive to increasing welfare expenditure. Thus [Hypothesis 1-1] can be accepted. The impact of debt insecurity showed to be insignificant, while it also has positive relation with attitude towards larger welfare expenditure in the middle-class sample as proposed in [Hypothesis 1-4]. Meanwhile, the direction is negative in the general sample. Employment insecurity also
Determinants of Individual Support for the Welfare State

was found to be not statistically significant, yet the direction was shown to be negative: insecure groups appeared to be less supportive towards greater welfare expenditure which contradicts the hypotheses.

Other key independent variables did not have statistical significance, with the exception of one’s satisfaction of government’s performance in social policy sectors. Middle class respondents who were more satisfied with the current administration’s welfare and other social policies tend to advocate the idea of increasing welfare expenditure. Among control variables, age and education showed to be both statistically significant and have negative relation with the dependent variable. This is in align with previous works that showed negative relation between age and public attitudes (Rhew and Choi, 2009; Kang, H.J, 2011). Considering age, middle-class sample and general sample tells different stories: while the more educated middle-class respondents tend to oppose expansion of welfare spending, education was positively related to welfare support in the general sample.

The impact of income is rather obscure, as the variation is rather meager in the middle-class sample. Income variable is excluded in Model 1, due to collinearity problem. Meanwhile, in Model 2 and 4, income showed to be statistically not significant. Instead, among all-class respondents, social security contribution and previous experience of receiving welfare service showed to have significant impact on attitudes toward increasing welfare expenditure, the impact of which were meager among middle-class individuals.

20 This applies to Models 1 and 4.
Determinants of Individual Support for the Welfare State

Table 18. Determinants of support for increasing welfare expenditure\(^{21}\)

<table>
<thead>
<tr>
<th></th>
<th>(1) Middle-class sample</th>
<th></th>
<th>(2) All-class sample</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 1</td>
<td>Model 2</td>
<td>Model 3</td>
<td>Model 4</td>
</tr>
<tr>
<td>Income insecurity</td>
<td>0.094*** (0.035)</td>
<td>-0.081 (0.061)</td>
<td>-0.090 (0.055)</td>
<td>0.008 (0.036)</td>
</tr>
<tr>
<td>Employment insecurity (Individual)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment insecurity (Household)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt insecurity</td>
<td>-0.024 (0.059)</td>
<td>0.114 (0.124)</td>
<td>0.111 (0.100)</td>
<td>-0.036 (0.058)</td>
</tr>
<tr>
<td>Income(^{22})</td>
<td>0.003 (0.003)</td>
<td>-0.007 (0.006)</td>
<td>-0.006 (0.005)</td>
<td>0.003 (0.003)</td>
</tr>
<tr>
<td>Social security contribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience of welfare service</td>
<td>0.016 (0.027)</td>
<td>-0.055 (0.072)</td>
<td>-0.028 (0.050)</td>
<td>0.009 (0.026)</td>
</tr>
<tr>
<td>Social insurance coverage</td>
<td>-0.015 (0.018)</td>
<td>0.007 (0.026)</td>
<td>-0.010 (0.021)</td>
<td>-0.013 (0.018)</td>
</tr>
<tr>
<td>Evaluation of govn’t performance</td>
<td>0.089*** (0.038)</td>
<td>0.105 (0.065)</td>
<td>0.068 (0.056)</td>
<td>0.086** (0.038)</td>
</tr>
<tr>
<td>Political ideology</td>
<td>-0.008 (0.017)</td>
<td>0.003 (0.029)</td>
<td>0.027 (0.025)</td>
<td>-0.007 (0.017)</td>
</tr>
<tr>
<td>Age</td>
<td>-0.005*** (0.002)</td>
<td>-0.004 (0.003)</td>
<td>-0.005* (0.003)</td>
<td>-0.005*** (0.002)</td>
</tr>
<tr>
<td>Gender</td>
<td>0.009 (0.035)</td>
<td>-0.055 (0.053)</td>
<td>-0.028 (0.047)</td>
<td>0.008 (0.035)</td>
</tr>
<tr>
<td>Education</td>
<td>-0.038*** (0.014)</td>
<td>-0.060*** (0.023)</td>
<td>-0.043** (0.020)</td>
<td>-0.033** (0.014)</td>
</tr>
<tr>
<td>Marital</td>
<td>0.065 (0.044)</td>
<td>0.099 (0.070)</td>
<td>0.104 (0.065)</td>
<td>0.078* (0.044)</td>
</tr>
<tr>
<td>Constant</td>
<td>3.981*** (0.450)</td>
<td>3.106*** (0.947)</td>
<td>3.151*** (0.767)</td>
<td>4.170*** (0.448)</td>
</tr>
<tr>
<td>N</td>
<td>730</td>
<td>171</td>
<td>226</td>
<td>732</td>
</tr>
<tr>
<td>R-sq</td>
<td>0.0745</td>
<td>0.0938</td>
<td>0.0871</td>
<td>0.059</td>
</tr>
</tbody>
</table>

\(^{21}\) Number in each column refers to coefficient and value in (bracket) is standard error.
*** p<0.01, ** p<0.05, * p<0.1

\(^{22}\) Income variable is excluded from analysis using the all-class sample due to collinearity problem.
3.2. Results of tax-increase model

Models 5 to 8 test the impact of the independent variables on attitudes toward tax-increase for larger welfare budget. Number of observations in each model is different, with Model 6 and 7 that test the impact of employment insecurity having smaller size of samples since a large part of respondents are economically inactive. The VIF value ranged from 1.04 to 1.72 and correlation among variables was below 0.5, implying that these three models are less likely to have multi-collinearity problem. In the case of Model 8 that mainly tests the impact of debt insecurity, 6.98% of the causal relation can be explained by the explanatory variables included in the model.

According to the regression analysis results as summarized in [Table 19], social security contribution is the most significant determinant among other independent variables with beta value of -0.1354898. The next most decisive variable is debt insecurity which has beta value of 0.1110655 and is the only type of economic insecurity that is statistically significant. Debt insecurity has positive causal relation with the dependent variable in both samples, meaning that respondents whose burden of household debt increased showed to feel more need to increase tax to expand welfare. Findings regarding employment insecurity do not support the proposed hypotheses, as they are not statistically significant. Moreover, both Model 6 and 7 confirms a negative direction which is the opposite from that of the proposed hypotheses: insecure groups tend to be more supportive to the idea of a larger welfare state.

Previous experience of using welfare service is also shown to be a statistically relevant cause for advocating tax increase to expand welfare budget though the explanatory power is low. Particularly, previous experience of receiving benefits or welfare services is
regarded as crucial to draw support from middle-class citizens who are major tax-payers (Kim, H.J, 1998). In the general class sample, the impact of such variable is even greater.

Among demographic variables, gender is a highly significant determinant. This study reconfirms previous scholarship on gender that generally suggested that females are more supportive while male are less supportive towards a larger welfare state (Svalfors, 1997).

### 3.3. Results of government responsibility model

The following Models 9 to `12 examine the determinants of individual support for the idea that government is responsible for coping with income inequality issues. Among other types of economic insecurity, household employment insecurity showed to be the single type that secures statistical significance. Meanwhile, individual employment insecurity which has a smaller sample did not show any significant impact on the dependent variable. The results tell that those who have family members who experienced negative shock of change in employment status over the past year tend to be more supportive to such government interference. Hence, [Hypothesis 3-3] is accepted. However, no insecurity variable was found to have statistically significant impact in the general sample.

Meanwhile, value-oriented variables continue to be the key determinant of this dependent variable. Among middle class respondents, the causal relationship between political ideology and government responsibility for reducing income gap showed to be the greatest. Conservative middle-class respondents showed to be more supportive to the idea of government taking more responsibility for such causes. The direction was identical among all-class respondents, but satisfaction of government’s performance in
Table 19. Determinants of support for increasing tax\textsuperscript{23}

<table>
<thead>
<tr>
<th></th>
<th>(1) Middle-class sample</th>
<th>(2) All-class sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 5</td>
<td>Model 6</td>
</tr>
<tr>
<td>Income insecurity</td>
<td>0.073</td>
<td>-0.364</td>
</tr>
<tr>
<td>(Middle-class sample)</td>
<td>(0.108)</td>
<td>(0.222)</td>
</tr>
<tr>
<td>Income insecurity</td>
<td>0.119</td>
<td>0.505</td>
</tr>
<tr>
<td>(All-class sample)</td>
<td>(0.181)</td>
<td>(0.393)</td>
</tr>
<tr>
<td>Debt insecurity</td>
<td>-0.021**</td>
<td>-0.022</td>
</tr>
<tr>
<td>(Middle-class sample)</td>
<td>(0.010)</td>
<td>(0.023)</td>
</tr>
<tr>
<td>Social security</td>
<td>0.134*</td>
<td>-0.162</td>
</tr>
<tr>
<td>contribution</td>
<td>(0.075)</td>
<td>(0.268)</td>
</tr>
<tr>
<td>Experience of welfare</td>
<td>-0.028</td>
<td>-0.016</td>
</tr>
<tr>
<td>service</td>
<td>(0.057)</td>
<td>(0.090)</td>
</tr>
<tr>
<td>Social insurance</td>
<td>0.059</td>
<td>0.024</td>
</tr>
<tr>
<td>coverage</td>
<td>(0.105)</td>
<td>(0.192)</td>
</tr>
<tr>
<td>Evaluation of government\textsuperscript{24}</td>
<td>0.070</td>
<td>0.180</td>
</tr>
<tr>
<td>performance</td>
<td>(0.065)</td>
<td>(0.129)</td>
</tr>
<tr>
<td>Political ideology</td>
<td>0.004</td>
<td>-0.001</td>
</tr>
<tr>
<td>Age</td>
<td>(0.004)</td>
<td>(0.009)</td>
</tr>
<tr>
<td>Gender</td>
<td>0.329***</td>
<td>0.140</td>
</tr>
<tr>
<td>(Middle-class sample)</td>
<td>(0.110)</td>
<td>(0.193)</td>
</tr>
<tr>
<td>Education</td>
<td>-0.038</td>
<td>-0.147</td>
</tr>
<tr>
<td>(Middle-class sample)</td>
<td>(0.045)</td>
<td>(0.089)</td>
</tr>
<tr>
<td>Marital</td>
<td>-0.100</td>
<td>0.001</td>
</tr>
<tr>
<td>(Middle-class sample)</td>
<td>(0.118)</td>
<td>(0.211)</td>
</tr>
<tr>
<td>Constant</td>
<td>2.535*</td>
<td>0.540</td>
</tr>
<tr>
<td>(Middle-class sample)</td>
<td>(1.437)</td>
<td>(3.155)</td>
</tr>
<tr>
<td>N</td>
<td>732</td>
<td>171</td>
</tr>
<tr>
<td>R-sq</td>
<td>0.0589</td>
<td>0.1095</td>
</tr>
</tbody>
</table>

\textsuperscript{23}*** p<0.01, ** p<0.05, * p<0.1

\textsuperscript{24} Income variable is excluded from Model5 using the all-class sample due to collinearity problem.
social policy sectors showed to be more statistically significant factor in the general sample.

Age was also found to be negatively related and statistically significant in the middle class sample, as in other previous models while less significant in the general sample. Meanwhile, gender was another significant factor in the general sample, in which males showed more support than females.
Determinants of Individual Support for the Welfare State

Table 20. Determinants of attitudes toward government reducing income gap

<table>
<thead>
<tr>
<th></th>
<th>(1) Middle-class sample</th>
<th></th>
<th>(2) All-class sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 9</td>
<td>Model 10</td>
<td>Model 11</td>
</tr>
<tr>
<td>Income insecurity</td>
<td>0.329</td>
<td>0.594</td>
<td>0.672*</td>
</tr>
<tr>
<td>(0.206)</td>
<td>(0.376)</td>
<td>(0.359)</td>
<td>(0.235)</td>
</tr>
<tr>
<td>Employment insecurity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Individual)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment insecurity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Household)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt insecurity</td>
<td>0.011</td>
<td>0.034</td>
<td>-0.008</td>
</tr>
<tr>
<td>(0.347)</td>
<td>(0.807)</td>
<td>(0.725)</td>
<td>(0.344)</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social security</td>
<td>0.004</td>
<td>-0.025</td>
<td>-0.009</td>
</tr>
<tr>
<td>contribution</td>
<td>(0.015)</td>
<td>(0.048)</td>
<td>(0.036)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience of</td>
<td>0.092</td>
<td>0.177</td>
<td>0.072</td>
</tr>
<tr>
<td>welfare service</td>
<td>(0.153)</td>
<td>(0.476)</td>
<td>(0.368)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social insurance</td>
<td>-0.129</td>
<td>0.063</td>
<td>-0.052</td>
</tr>
<tr>
<td>coverage</td>
<td>(0.116)</td>
<td>(0.168)</td>
<td>(0.165)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluation of</td>
<td>0.055</td>
<td>0.359</td>
<td>0.341</td>
</tr>
<tr>
<td>govn’t performance</td>
<td>(0.208)</td>
<td>(0.367)</td>
<td>(0.323)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political ideology</td>
<td>0.199*</td>
<td>0.504**</td>
<td>0.437**</td>
</tr>
<tr>
<td></td>
<td>(0.108)</td>
<td>(0.199)</td>
<td>(0.177)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>-0.016*</td>
<td>-0.045**</td>
<td>-0.044**</td>
</tr>
<tr>
<td></td>
<td>(0.009)</td>
<td>(0.019)</td>
<td>(0.018)</td>
</tr>
<tr>
<td>Gender</td>
<td>0.297</td>
<td>0.260</td>
<td>0.384</td>
</tr>
<tr>
<td></td>
<td>(0.202)</td>
<td>(0.384)</td>
<td>(0.358)</td>
</tr>
<tr>
<td>Education</td>
<td>-0.006</td>
<td>-0.264*</td>
<td>-0.252*</td>
</tr>
<tr>
<td></td>
<td>(0.089)</td>
<td>(0.153)</td>
<td>(0.133)</td>
</tr>
<tr>
<td>Marital</td>
<td>0.112</td>
<td>0.031</td>
<td>0.068</td>
</tr>
<tr>
<td></td>
<td>(0.210)</td>
<td>(0.419)</td>
<td>(0.415)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>Cut points</td>
<td>Cut points</td>
<td>Cut points</td>
</tr>
<tr>
<td>N</td>
<td>725</td>
<td>169</td>
<td>224</td>
</tr>
<tr>
<td>Pseudo R-sq</td>
<td>0.0124</td>
<td>0.0485</td>
<td>0.041</td>
</tr>
<tr>
<td>Log pseudolikelihood</td>
<td>-1291104.30</td>
<td>-118815.76</td>
<td>-516092.47</td>
</tr>
</tbody>
</table>

25*** p<0.01, ** p<0.05, * p<0.1

26 In Model 9, income variable is omitted from analysis due to potential problems of multicollinearity.
VI. Conclusion

1. Summary of results and implications

Middle class citizens continue to be the principal stakeholders and contributors of a modern welfare state. However, while literature on public attitudes towards the welfare state is long, research on welfare perception of the middle-class is markedly short. This research was intended to fill the gap in the literature of middle class welfare as well as public support for the welfare state, in the Korean context. Previous scholarship has predominantly focused on variables such as income, ideology and various demographic characteristics. Nevertheless, this study follows an alternative line of thinking that underlines the role of risk and economic insecurity (Baldwin, 1992; Swenson, 2002; Iversen & Rehm, 2006). Particularly, this research draws attention to the role of economic insecurity in shaping individual attitude towards a larger welfare state. The explanatory strength of three types of economic insecurity (income insecurity, employment insecurity at individual and household level, debt insecurity) along with other variables discussed in previous literature were tested to draw conclusions on what determines support for welfare.

Firstly, this study confirms that insecurity does matter. Findings from this analysis suggest that income insecurity can be a determinant of support for increasing welfare expenditure. Individuals who have experienced drop in household income between 2008 and 2009 were more likely to be supportive towards expanding government expenditure in welfare sectors. Such tendency was found in both general and middle-class samples. Such result conflicts with results found in a study on public attitudes towards social welfare in Latin America that reported that income shock showed to have weakest impact
Determinants of Individual Support for the Welfare State

(Carnes & Mares, 2012). The effects of income insecurity appeared to be more critical among middle class individuals than respondents from general sample. With respect to the other two questions of welfare perception, however, income insecurity had no significant impact, though the direction was identical.

Meanwhile, income insecurity provides limited explanation on attitude towards raising tax. Debt insecurity, which may be related with income insecurity to some degree, is another key variable that provided considerable explanation to attitude towards increasing tax for more welfare. The impact of debt insecurity was particularly noticeable among middle class respondents, which implies that middle-class citizens as major taxpayers can be more sensitive to increasing burden of debt. Nevertheless, implications may be more complex. Greater burden of debt may imply that one has become more insecure that leads to more demand for protection against socioeconomic risks. On the other hand, one can oppose to the idea of levying higher tax to expand welfare budget, the benefits of which may be uncertain for them to receive. Thus support may vary depending on welfare domains and different social policies(Carnes & Mares, 2012; Rehm, Hacker & Schlesinger, 2012).

Employment insecurity was measured in two ways to analyze welfare perception of the middle-class: one at individual and the other at household level. In contrast to findings by Carnes and Mares (2012), negative shock in an individual’s employment status showed to have no significant impact on all three questions of welfare support. However, when expanding the middle-class sample size to include individuals that have not experienced such shock in person but have family members that have such experience, result suggests otherwise. Employment insecurity at household level was shown to have significant impact on attitude towards the government being more responsible for reducing income disparity among middle-class respondents.
Table 21. Hypotheses, coefficient and statistical significance (middle-class sample)

<table>
<thead>
<tr>
<th>Determinant</th>
<th>Dependent variable</th>
<th>Direction of relation</th>
<th>Statistical significance</th>
<th>Rejection of hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income insecurity</td>
<td>Welfare-expenditure</td>
<td>+</td>
<td>S</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>Tax increase</td>
<td>+</td>
<td>I</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>Govn’t responsibility for reducing income gap</td>
<td>+</td>
<td>I</td>
<td>R</td>
</tr>
<tr>
<td>Employment insecurity</td>
<td>Welfare-expenditure</td>
<td>-</td>
<td>I</td>
<td>R</td>
</tr>
<tr>
<td>(individual)</td>
<td>Tax increase</td>
<td>-</td>
<td>I</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>Govn’t responsibility for reducing income gap</td>
<td>+</td>
<td>I</td>
<td>R</td>
</tr>
<tr>
<td>Employment insecurity</td>
<td>Welfare-expenditure</td>
<td>-</td>
<td>I</td>
<td>R</td>
</tr>
<tr>
<td>(household)</td>
<td>Tax increase</td>
<td>-</td>
<td>I</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>Govn’t responsibility for reducing income gap</td>
<td>+</td>
<td>S</td>
<td>A</td>
</tr>
<tr>
<td>Debt insecurity</td>
<td>Welfare-expenditure</td>
<td>+</td>
<td>I</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>Tax increase</td>
<td>+</td>
<td>S</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>Govn’t responsibility for reducing income gap</td>
<td>-</td>
<td>I</td>
<td>R</td>
</tr>
</tbody>
</table>

Note: S(Significant), I(Insignificant), A(Accept), R(Reject)

The second purpose of this research was to see how insecurity rivals with other explanatory variables that were mainly discussed in previous literature. In terms of attitude towards larger welfare expenditure, the impact of income insecurity clearly outperforms other key independent variables with one exception. Satisfaction of the current administration’s performance in welfare sectors showed to be on a par with income insecurity. Previous studies have indicated that subjective factors such as evaluation of the economy or satisfaction of government performance may be the determinants of support for social policies (Kim, S.Y, 2010; Kang, 2011). The role of belief system underlying individual interests was also emphasized to be critical for shaping attitudes toward demanding a larger role of the government (Cook & Barret, 1992; Lynch & Gollust, 2010). In such line of thinking, this study confirms that political ideology is another key determinant of demand for government interference. Middle-
Determinants of Individual Support for the Welfare State

class citizens who are politically conservatives were found to be more supportive to the idea that government should be more responsible for reducing income inequality. This contradicts to the conventional wisdom that generally concurs that liberals tend to be more supportive to social policies and particularly redistributive policies. Either way, value oriented factors such as evaluation of government performance or political ideology were found to have considerable explanatory strength to construe support for welfare expenditure.

Nevertheless, it is unsafe to conclude that value-oriented variables are the single key determinants that override the effects of interest-oriented variables. Social security contribution was found to be another variable that has significant impact on support for tax increase. This follows the conventional expectations that follow the idea that individuals act on the basis of their self-interest: that citizens who pay more amount of social security contribution are inclined to be less supportive towards raising tax and expanding the welfare state (Ahn, 2000).

Previous experience of using welfare service programmes was found to have some explanatory role; however the impact was not particularly strong and much weaker than the effect of debt insecurity and social security contribution. The result implies that middle-class citizen’s attitudes toward welfare finance are primarily shaped by self-interest related variables.

With regard to other socio-demographic variables such as education and age, this study reconfirms conclusions from previous scholarship that the youth and less educated are more supportive towards welfare expansion and redistributive measures. Meanwhile, it is also worthwhile to raise issue of gender particularly considering the fact that Korean Welfare Panel Study data consist heavily of female respondents and housewives. In this
Determinants of Individual Support for the Welfare State

analysis, gender was found to have significant impact only on support towards tax increase, with male respondents appearing to be more positive than females. This is aligned with several previous works that challenged the gender-based orthodox, suggesting that males tend to be more supportive to welfare state (H. Kim, 1999; Cho, D.M, 2001). Cho(2001) had found that females are particularly less supportive towards increase of welfare tax, which partly reflects the role of females as finance managers of household economy. Such reluctance of females is commonly found in other classes as well. In the general sample, females also turned out to be less supportive to the idea of government being responsible to reduce income inequality. Kim (2010) had critically assessed that the Korean gender model as ‘stratified male-bread winner model’ mostly applies to middle class households where female spouses share their husband’s income and benefits from social insurance. This study supports the concern that such trend may erode the female’s potential support for development of welfare in Korea which is deemed to be crucial in modern welfare states (Kim, 2010).

Finally, this study shows that the middle-class is a highly complex mix of various groups. Nevertheless, various types of economic insecurity appears to be commonly found among middle class respondents who may be the potential members of a pro-welfare alliance. Thus while previous scholarships have proposed that quick and effective expansion of welfare benefits to the middle class would be conducive to nurturing support for a larger welfare states, this study suggests otherwise. Before blindly expanding welfare expenditure and provision of benefits, it is necessary to secure sufficient support from the middle-class contributors. Support for welfare should be measured in multiple ways and ways to finance a larger welfare state shall be deemed as a primary question when surveying demand for welfare. Thus policy makers should consider the key determinants of middle class citizen’s attitude towards welfare finance and tax and seek for solutions to cope with problems of rising economic- insecurity.
2. Limits of Research and Future Expectations

There are several limits of this research. First, in this research, an individual was categorized as insecure based on various standards, but commonly with reference to recent experience of negative economic shock or change in economic status. However, the concept of insecurity per se may contain a connotation of feelings of anxiety due to the uncertainty of circumstances or possibility of loss that have not yet occurred and hence cannot be measured objectively. Therefore while this study employed only objective measures of economic insecurity, both subjective and objective measures can be referred to better capture the degree of insecurity one suffers from. Also, there are limitations of dichotomously grouping respondents to two groups: insecure and secure. For the sake of effectiveness of analysis, insecurity variables were all operated as binary variables, and those who did not experience any shock and remain in the same status were categorized as secure. This can be a problem particularly when considering employment security, since individuals who continue to be irregular worker are categorized in the same category with individuals who continue to be unemployed. Such dichotomous grouping may obscure such subtle differences between individuals.

Furthermore, in this analysis only economic insecurity was considered since no survey that contains both items of social risk and welfare perception is currently available in Korea. Yet, social risks or other types of insecurity may be conducive to understand the determinants of support for welfare. Previous works on risk and welfare support have examined the effects of worries in various social sectors such as health and old-age pension and found that such social risks can provide prospects for pro-welfare alliance that cuts across class (Rehm et al., 2011; Hacker et al., 2012). Currently, little surveys
Determinants of Individual Support for the Welfare State

Also, in terms of using the employment insecurity variable, there were limits of using KWPS welfare perception data, since the sample size was limited. Also since a large portion of the KWPS respondents are self employed, or are economically nonactive, being spouses of household heads or senior citizens there are stark limitations to generalize the outcome of the findings.

In addition, while this research has covered only two years from 2008 to 2009, it would be interesting to see the dynamics of insecurity over longer periods. Also, considering the fact that support for social welfare can vary each year, time is another significant factor to consider when drawing implications from research findings

Finally, perception may vary depending on domains of social policy or programme. However, this analysis lacks detailed views of welfare perceptions in different welfare sectors, as support for increasing welfare expenditure was analyzed as an aggregated value of nine different welfare domains. This analysis used a mean value for the sake of simplicity, however for accurate comprehension of welfare perception there is the need to analyze how support varies in each different domain.

After solving such limitations and further understanding how insecurity and other key determinants shape public attitude towards the state, more research will be required to see how such perception become actual demand and political inputs that affects social policies in a modern welfare state which still remains an unresolved question.

27 Mean opposition against ‘increase in welfare expenditure’ has increased greatly from 2.428 in 2006 to 3.696 in 2009, while mean opposition against ‘the government being responsible for reducing income’ gap has also grown from 2.18 in 2006 to 3.718 in 2009.
Determinants of Individual Support for the Welfare State

VII. References


Cutright, Phillips. (1965). Political structure, economic development, and national social
Determinants of Individual Support for the Welfare State


http://politicalscience.osu.edu/faculty/rehm/The_Insecure_American.pdf


Determinants of Individual Support for the Welfare State

Autumn, 54-74.


Kang, Haejin. (2011). *Self-interest, value or evaluation orientation-public Attitudes toward government role in welfare (in Korean)*. (MA), Seoul National University


Determinants of Individual Support for the Welfare State

Korean Statistical Information Service Portal, National Statistical Office
http://www.kosis.kr (Searched on April 24, 2013)


Determinants of Individual Support for the Welfare State

Paskov, M., & Koster, F. (2012). Workers and Their Support for Unemployment Insurance under Different Institutional Settings: When do the Secure and Insecure Agree or Disagree?
국문 초록
복지국가 지지의 결정요인 : 한국의 중산층과 경제적 불안정성

김유선
행정학과
서울대학교 행정대학원

이 연구는 복지국가에 대한 시민들의 지지가 사회계층이나 소득과 같은 정적인 경제여건이나 정치지형을 따르지 않는다는 문제의식에서 출발한다. 그러하여 사회경제적 위험 또는 불안정성이 정책 지지에 영향을 미칠 수 있다는 접근에서 우리나라 시민들, 특히 중산층의 복지국가에 대한 선호를 분석하였다. 복지국가에 대한 선호는 복지지출 확대, 복지확대를 위한 중세 그리고 불평등 완화를 위한 정부 책임에 대한 응답으로 보았다. 또한, 이러한 선호가 소득, 개인 및 가구 수준의 고용 불안정성, 채무 불안정성 등 크게 세가지 종류의 불안정성으로 얼마나 설명될 수 있는지를 알아보았다.

첫째, 본 논문에서는 통상적인 주요 변수, 가구 소득으로 설명되지 못하는 복지국가 지지가 다양한 종류의 경제적 불안정성으로 설명될 수 있음을 확인하였다. 또한 가구 소득 외에 선행연구에서 거론되었던 정치 성향 및 정부의 정책성과에 대한 평가와 같은 가치변수, 과거의 복지 경험, 사회보장 기여 정도와 그 외의 인구사회학적 변수 등 여타 설명변수의 설명력도 함께 살펴보았다.

둘째, 본 연구의 또 다른 주요 목적은 주된 남세자로서 우리 사회에 기여하는 중산층의 복지 인식을 살펴보는 것이다. 연구 결과, 중산층은 매우 다양한 그룹들로 구성되어 있는 복잡한 계층임을 알 수 있다. 한편, 중산층 가정에
속하는 다양한 개인들은 여러 형태의 경제적 불안정성을 공유하고 있음이 확인되었다. 분석결과, 소득 불안정성은 복지 지출확대에 대한 지지율에 영향을 미치는 결정요인 중 하나인 것으로 나타났다. 2008년과 2009년 사이에 가구 소득 감소를 경험한 개인은 복지지출확대에 찬성할 확률이 높다고 나왔다. 이러한 경향은 중산층 표본과 전 계층 표본 모두에서 발견되었다. 반면, 소득 불안정성은 복지확대를 위한 증세와 불평등완화를 위한 정부의 책임에 관한 선호에 유의미한 영향을 미치지 않는 대신, 그 상관관계의 방향은 동일하게 나타났다.

소득불안정성과 연관되는 채무 불안정성은 복지확대를 위한 세금 인상에 대한 태도에 상당한 영향을 미치는 것으로 나타났고 그 영향은 특히 중산층 표본을 이용한 분석에서 강하게 나타났다. 이와 반대로 개인수준에서 겪는 고용불안정성은 세 가지 종속변수 어느 것에도 유의미한 영향을 미치지 않았다. 다만, 가족 중 고용 불안정성을 경험한 개인이 있는 경우에는 이러한 불안정성 변수가 사회 불평등 완화를 위한 정부 책임성에 대한 인식에 영향을 미치는 것으로 나타났다.

셋째, 더 나아가 본 연구에서는 경제적 불안정성의 설명력을 기존 선행연구에서 논의되었던 여타 설명변수들과 비교해보았다. 복지지출 확대에 대한 찬성도를 묻는 종속변수를 제외하고, 다른 두 종속변수의 결정요인을 분석한 결과, 소득 불안정성은 다른 주요 독립변수에 비해 더 유력한 결정요인으로 드러났다. 한편, 복지 분야에 있어 현 정부의 대응에 대한 만족도, 그리고 개인의 정치성향과 같은 가치 변수는 복지지출 확대와 정부개입에 대한 인식에 영향을 미친다는 결과가 나왔다. 정치성향과
관련하여서는, 정치적으로 보수적인 입장을 띠는 중산층 응답자가 소득 불평등완화에 대한 정부 책임을 더욱 요구하는 것으로 나타났다. 이는 일반적으로 진보적 성향의 개인이 사회정책, 특히 재분배 관련 정책을 지지한다는 통념과 반대되는 결과이다.

넷째, 본 분석에서는 이러한 가치 변수만큼이나 자기 이해관련 변수 역시 중요하다는 결과가 나왔다. 특히 사회 보장부담 기여 정도는 중세에 대한 인식에 유의미한 영향을 끼치는 것으로 나타났다. 또한, 과거의 복지 서비스 프로그램을 이용한 경험은 복지 국가의 확대에 대한 찬성도에 어느 정도 영향을 미치기는 하나, 재무불안정성이나 사회보장부담 기여 정도에 비해 그 설명력이 크지 않다. 이는 중산층의 복지인식, 특히 복지 재정과 관련되는 부분에서는 가치변수보다 자기 이해 관련 변수가 중요하게 작용하는 것을 의미한다고 볼 수 있다. 이 외에 교육수준 및 연령 등의 인구사회학적 변수들의 경우, 선행연구와 유사한 결과를 보였으며 응답자의 나이가 어릴수록, 그리고 교육수준이 낮은수록 복지국가 확대와 정부의 재분배 역할에 큰 지지를 보이는 것으로 나타났다. 또한, 성별은 중세에 대한 태도에만 유의미한 영향을 미치며 여성응답자에 비해 남성응답자가 더 긍정적인 태도를 보이는 것으로 나타났다.

이러한 연구 결과에 기인하여 본 논문에서는 보다 장기적으로 지속가능한 복지국가의 이루기 위해서는 우리 사회의 중산층으로부터 충분한 지지가 필요함을 강조한다. 복지인식은 여러 각도에서 다방면으로 측정되어야 하며,
복지 수요를 조사할 때 단순히 복지 지출 확대 외에도 이를 실현하기 위한 재정과 세금에 관련된 부분에 대한 심층적 조사가 필요할 것이다.

주요어: 복지국가, 중산층, 경제적 불안정성, 정책 지지, 사회 정책
학번: 2011-22124