ECONOMIC CRISIS AND THE QUALITY OF LIFE IN KOREA*

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It is argued that Korea's economic crisis since the late 1997 has had some serious effects on the people's life, specifically given the underdevelopment of its social welfare system. This study attempts to analyze both to what extent our current economic crisis has a serious effect on the people's quality of life and which social classes are more seriously suffering. In order to explore these objectives, this study analyzes the empirical research data collected from Chonbuk Province. According to its data analysis, Korea's economic crisis has considerably deteriorated the quality of life, such as the occupational, economic family, leisure, self-esteem, and community lives. In particular, the decline of the quality of life is considerably differential among social classes. For example, the industrial workers and farmers have experienced the most decline of the quality of life, while professionals, managers, and kindred workers have relatively experienced the least decline of it. These results imply that Korea's economic crisis functions to deepen the social inequality and that the latter may block the integration of the people indispensable for overcoming the current economic crisis. In this critical context, this study briefly suggests to build a long-term social welfare system for mitigating the social discontent of the alienated classes.

INTRODUCTION

Korean society achieved an unprecedentedly rapid economic development through its export-oriented industrialization from the 1960s to the 1980s, and its development brought about some great changes internally and internationally. For example, per capital income increased to about $10,000 in 1996 from just $87 in 1962, and Korea's education, life expectation, cultural level, and socio-labor circumstance all have greatly improved. With such great socio-economic developments, Korean society could move toward becoming a semi-peripheral society from a peripheral one (Park, 1996). On the bases of its rapid economic development and positive evaluation by international institutes, Korea entered the OECD, an economic club of the advanced industrial society, in 1996. However, when the Korean gov-
ernment decided to enter the OECD, it was widely criticized because it was too early, a product of political interests, and because Korea’s social, political, economic, and cultural conditions were still underdeveloped, compared with those of the advanced industrialized countries. This criticism could easily be approved by some studies on the quality of life. For example, Korea’s quality of life (health, welfare, culture, environment, etc.) remained at the lowest level, compared with that of 25 members of the OECD (National Statistics Office 1995). And according to a recent comparative study of Korea and the Western OECD countries, Korea was behind about 20-30 years from the OECD countries in the sectors of labor, health, culture, information, and equality (Lee, 1997).

It is natural that Korea’s quality of life is poorer than that of the Western OECD countries, because Korea’s economic development strategy since the 1960s has focused on the expansion of economic quantitative scale, rather than on the deepening of the quality of life. Nevertheless, the quantitative growth of Korean economy was praised from international societies as well as recognized as a “Korean development model” just until a few years ago. That positive figure also reflected on the existing developmental studies, which have emphasized the quantitative dimension of economic development rather than the quality of life. However, as a new recognition that the ultimate goal of economic development is to improve the people’s quality of life has been raised in recent years, the Korean government has started to shift its policy strategy toward qualitative development from quantitative, and the concerns and studies on the quality of life are also sharply increasing (Choo and Kim, 1984; Shin et al., 1983; Kim and Park, 1995).

As the quantity growth of Korean economy was often criticised in the 1980s, the people’s need on the quality of life has continuously increased. Given these changed conditions, the Korean government could not ignore the improvement of the quality of life, and thus included the qualitative development strategy in the 5th economic development plan (1982-1986). However, at that time the Korean government’s economic policy was just a temporary and demonstrating-effect one for overcoming the legitimacy crisis of the military regime and for mollifying the social discontent of the alienated class. Furthermore, in the early 1990s many internal and international scholars began to raise some critical issues on the quantitative growth of Korean economy (Bello and Rosenfeld, 1990; Krugman, 1994). Particularly, Krugman strongly warned of the decline of the Korean economy by indicating the exaggerated productivity and cumulative trade-deficit of the Korean economy, and its continuous dependence on foreign capital (1994). Despite these critical messages, Korean politicians, chaebols, work-
ers, and consumers all believed that the Korean economy could move into an advanced country. For example, the chaebols have exceedingly had the loans of internal and international banks. Korean government claimed to introduce the platform of liberalization and globalization. However, given the chaebols’ imprudent economic behavior and the state’s inconsistent policies, in late 1997 the Korean economy fell into the exchange crisis, financial crisis, and then total economic crisis (Lim, 1998; Park, 1998).

Through a series of negotiations with international institutions, Korea barely escaped from its critical situation (seriously speaking, moratorium). That is, Korea applied for and received bail-out funds from the IMF (International Monetary Funds) and Western countries, and converted the short-term loans into the long-term ones. After Korean society escaped the economic collapse, however, the efforts that Korean politicians and chaebols were showing in the process of overcoming the crisis could not disappointedly mitigate the critical phase of Korean economy. The negative effect of the Korean economic crisis is innumerably serious. For example, Korea’s per capital income declined to the level of the late 1980s, Korea’s GNP in 1998 declined to -5.8%, the unemployment rate has sharply increased with the companies’ bankruptcy and workers’ lay-off, and consequently the destruction of family, and social instability are spreading all over the country (Cho, 1998; Lee, 1998). Thus, some scholars already defined the crisis of Korean economy as the ‘crisis of life’ and ‘social crisis’ (Kang, 1998).

Korea’s economic crisis is seriously destroying the foundation of our life (Lim, 1998). The sudden change of individual life by the economic crisis, as Durkheim describes in Suicide (Durkheim, 1951), accelerated the individual’s de-regulation (or anomie) and isolation (egoism) from the society. The de-regulation and isolation accelerate the individual’s socio-psychological deviation behavior and the disorganization of the community, and consequently destabilize social orders. As an alternative for solving the social problems and rebuilding social normality, Durkheim suggests to create a new organization that leads to integrating individuals into society and regulating them within society. However, the purpose of this study is not to recreate a new society, but rather to analyze how serious an effect the current critical condition has on the quality of life.

The purposes of this study are as follows: first, this study examines how much an effect the IMF cold wave, the current economic crisis, has on the quality of life; it empirically explores to what extent the decline of the quality of life is serious; second, it examines which groups/classes are the most seriously suffering from the IMF cold wave if Korea’s economic crisis has a differential effects on social classes (or levels of education, age, sex, and
region, etc.); finally, this study briefly considers some general alternatives for the development and integration of Korean society.

THE THEORETICAL REVIEWS AND ANALYTICAL FRAMEWORK

Literature Review on the Quality of Life

It is still not clear how to define the concept of the quality of life because the studies on the quality of life have begun under the name of practical objectives and because the meaning of the quality of life is somewhat ambiguous (Lee, 1997). For example, the research on the quality of life in the Western countries were started to understand the life conditions of social constituents, to establish reasonable social policies, and to consider the desirable social development path. Furthermore, the concept of the quality of life has been differently used by many researchers. Nevertheless, the general content frequently found in the research on the quality of life is the ‘general level of individual life’, or ‘well-being’. More concretely, the quality of life includes objective and subjective conditions such as the economic life, educational achievement, psychological/subjective satisfaction, life satisfaction, happiness, and subjective well-being.

The early studies on the quality of life were led by American social scientists in the 1920s who tried to develop social indicators as a means of measuring the quantitative growth. But they only emphasized the quantitative/objective dimension which is objectively measurable. Thereafter, many students adopted this kind of research methodology to measure social development. For example, international institutions (such as the United Nations) have widely adopted social indicators as a comparative means of economic development (Nan, 1991).

However, the studies on the quality of life had a new chance for further development, when it confronted with new challenges in the Western countries in the 1960s. As the sustained economic development after 1945 has hardly eliminated social problems such as poverty, crime, urban problems, and environmental destruction, many critics emphasized the need to develop a new indicator reflecting a general level of life (Bauer, 1966). This change eventually resulted from the increasingly skeptical viewpoint on modernization/evolutionary assumption that the quantitative economic growth naturally improves the life satisfaction of individuals. It also began from the increasingly practical concerns with the comfortable life of all people, which led to implementing social policies for the improvement of the quality of life (Baldwin et al., 1990; Nan, 1991).
Nevertheless, the existing research has separately focused either on the objective dimension of the quality of life or the subjective one (Inkeles, 1993). First, the studies emphasizing the objective dimension of the quality of life have adopted just the measurable indicators observed by the researchers without reference to the inner states of the persons affected by the conditions observed (Inkeles, 1993). The objective indicators include the definite physical or physically measurable indicators, such as monthly income, education years, infant mortality, medical doctors per patient, crime rate, and the frequency indicators reflecting socio-cultural and political conditions. The subjective indicators can be measured by asking people to express an evaluation, judgement, opinion, or belief about their own condition or the condition of others and the world around them (Inkeles, 1993). The content of subjective dimensional indicators includes the individuals’ life satisfaction with their work, marriage, family life, friendship, health, residence, leisure, and society. For instance, Zapf’s comparative study on Germans is an example dealing with the subjective dimension of quality of life. He investigated Germans’ satisfaction on 16 sectors such as life conditions, social structure, and socio-political structure (Zapf, 1987).

It is certainly most reasonable to deal with the subjective and objective dimensions of human-beings together in the study of the quality of life. However, it has hardly happened yet, because some research found that the objective and subjective dimensions of the quality of life are frequently inconsistent, and because it is hard to make up a uni-dimensional indicator on the quality of life. According to Davis and Fine-Davis’ research on the quality of life of urban residents, for example, there is no coherent relationship between urban’s objective conditions and the residents’ well-being recognition (Davis and Davis, 1991). Their research findings suggest that the improvement of the objective conditions does not inevitably accompany individuals’ subjective satisfaction, and that the quality of life is closely associated with individuals’ subjective feelings and evaluation.¹

In spite of the inconsistency between the objective and subjective dimensions of the quality of life, there have been continuous concerns with making up a uni-dimensional indicator. Evans, for example, after analyzing the existing researches on the quality of life, made up an indicator of the quality of life by using eight-sectoral combinations which are closely correlated with one another. Evans’ research is a conceptual and theoretical work that

¹Because individual’s subjective satisfaction tends to be determined by his/her surrounding socio-environmental conditions rather than by any absolute criteria, it is very hard to make up any universal-appropriate indicator measuring the subjective satisfaction of human-beings (Inkeles, 1993; Kim and Park, 1995).
connects the objective indicator with the subjective one.\textsuperscript{2} It also suggests a new methodological clue linking the objective and subjective dimensions together which had been separate in the study of the quality of life.

The early studies on the quality of life in Korean society are found in the 1970s’ research on social indicators implemented by the economists who were influenced from advanced countries. Since the researches mainly included the quantitatively measurable indicators of the social, political, and economic sectors, their findings were considerably different from the quality of life which our people are experiencing in everyday life. Moreover, their findings are doubtful because they were carried out under the name of political-economic purposes (Kim and Park, 1995).

Nevertheless, the existing research studies are very meaningful works for both sides of the reality and the theoretical world, because they provide an elementary basis for the measurement of the quality of life, macroscopically raised the question of the quality of life (health, security, housing, environment, education, equity) in Korean society, and led the people to become interested in the improvement of the quality of life. Moreover, as social recognition of the quality of life heightened, the Korean government became concerned with the quality of life, and the major emphasis of its development strategy has also moved toward the quality of life from the previous “growth-centered” policy.

However, there is still underdevelopment of the general index of the quality of life including both the objective social, economic, and cultural indicators and the subjective satisfaction of the people. And the existing research has not been driven in relation to the social inequality (Lee, 1996; Park et al., 1995; Song et al., 1995). Given these circumstances, this study rebuilds an index of the quality of life based on both Evans’ study (Evans, 1994) and Lim’s theoretical work (Evans, 1996). It also attempts to understand to what extent the Korean, specifically some classes, are suffering from the current economic crisis.

Social Change and the Quality of Life

The existing research on the quality of life has emphasized on what conditions the individuals or some groups are located, and that there are some differences in the quality of life among individuals or groups having different socio-economic conditions. They also focused on building an index of

\textsuperscript{2}Evans suggested an indicator of the quality of life consisting of eight-sectoral satisfactions such as marriage, job, finance, community, marriage adjustment, religion, family life, and family welfare (Evans, 1994).
the quality of life. Thus, there has not yet been any elaborated general model on the relationship between the social change and the quality of life. However, if we pay attention to Inkeles’ research (Inkeles, 1993), we can find a clue for the further development of that model. In his work, Inkeles does not remain in measuring the current quality of life, but rather extends to explore how much industrialization/modernization improves the individual’s quality of life. His findings show that industrialization has improved the individual’s quality of life to a large extent. In order to explain the causal relationship between industrialization and the quality of life, Inkeles cited the Gallup’s research findings that the people of the peripheral societies suffer much more from the deprivation feeling and life pressure than those of the advanced countries. Because Inkeles’ study shows the close relationship between social development and the level of the individual quality of life, it can provide some meaningful insights for establishing an analytical framework for the relationship between Korea’s economic crisis and the quality of life. In other words, Korea’s current economic depression, unlike the way of Inkeles’ research analysis, has a negative effect on the Korean’s quality of life. In this context, Inkeles’ research is an excellent example to what extent the change of socio-economic conditions has an effect on the quality of life. Contrary to Inkeles’ research model, this study needs to build a causal relationship between Korea’s economic crisis and the change of the quality of life. It draws some important clues form Brenner’s, Durkheim’s and Erikson’s works.

According to Brenner (Brenner, 1987a), economic depression has various negative effects on people’s lives. It tends to increase various social deviant behaviors, such as the suicide rate, crime rate, as well as social issues such as unemployment rate, infant mortality, corporations’ bankruptcy, and a decline in nutrition and medical care service utilization affecting infant mortality and various diseases occurrence. However, the more serious and important problems of the economic recession are that structural economic recession is damaging to particular subgroups of society, high unemployment rates and business failures, declines in labor force participation, significant loss of self-esteem and social relationships, and declining returns to investment. For example, the economic recessional demage to psychological and physical health and economic life is particularly higher in middle-class as well as lower socio-economic groups (Brenner, 1987b). It can be finally concluded that the blue-collar workers, the poor, and the unemployed are unusually vulnerable to the outside shocks such as our current economic depression.

According to Durkheim’s Suicide (Durkheim, 1951), the individual’s sui-
cide/social-disorganization is determined by the degree of his/her social integration and regulation. He introduces various examples such as religions, marriage, and economic conditions to explain this relationship. For example, those who experienced the decline of economic well-being under the economic crisis tend to disassociate themselves from social collectivity, and to have a great possibility of doing any deviative behaviors (suicide), because they lose moral constraints and collective beliefs which have supported their membership and belonging. In the similar context, divorced couples are more apt to commit suicide (Coser, 1971; Jones, 1986).

Another concrete explanation of this kind of example can be found in Erikson’s work of Buffalo Creek Flood. It contributes to establish a causal relationship between the decline of the quality of life and a negative social change. According to Erikson’s explanation, before the flood of 1972, the people of Buffalo Creek maintained the closeness of communal ties. Their close association is attributed to the social-environmental structure, such as their way of hard life in the mountains and the continuous intrusion from the outside world (Erikson, 1976). However, the unexpected dam collapse and flood destroyed a lot of spaces of the community as well as left many serious pains to the survivors. Erikson proposed that the trauma experienced by the survivors could be visualized as two closely related facets — individual trauma and collective trauma.

First, individual trauma means a blow to the psyche that breaks through one’s defense so suddenly and with such brutal force that one can not react to it effectively (Erikson, 1976: 153). Most of the survivors responded to the disaster with a deep sense of loss, a nameless feeling that something had gone awry in the order of things, and that their minds had been bruised beyond repair. Consequently, the Buffalo Creek survivors suffered deep shock as a result of their exposure to death and devastation.

Next, collective trauma means a blow to the basic tissues of social life that damages the bonds attaching people together and impairs the prevailing sense of community (Erikson, 1976: 154). Before the Buffalo Creek disaster, the people were “neighbor people”, shared bonds of intimacy and a feeling of mutual concern, which were a local way of referring to a style of relationship long familiar among social scientists. For example, Toennies called it “gemeinschaft,” Cooley “primary,” and Durkheim “mechanical”, etc.

However, the disaster destroyed their community, and it meant to the people that they lost an effective source of support and an important part of self, which could relieve the survivors’ pains, provide them with the existing familiar environment, and symbolize their morality. The survivors lost their own identity and confidence in society and the state, and felt a mental
disorder and severe loneliness. They were lonely in the sense that old and trusted neighbors had moved away (Erikson, 1976).

From the above literature reviews, we can draw a general statement; we always get some kinds of shocks deriving from a kind of social change, and consequently experience narrowly individual disorganization or broadly community one. Although the social change has a similar effect on all individuals to some extent, the depth of the shock can be greatly differentiated by the human and material resources which the individuals are mobilizing (Graves and Graves, 1974; Green, 1978; Wallace, 1956). Therefore, here we analyze how much Korea’s economic depression has a serious effect on the quality of life.

RESEARCH METHODOLOGY

The purposes of this study are to identify to what extent Korea’s current economic crisis devastates the quality of life, and to examine which social classes have suffered most. In order to explore these purposes, we define and measure the effect of Korea’s economic crisis, social class, and the quality of life as follows.

Measurement of the Effect of Korea’s Economic Crisis

Although the symptoms of Korea’s economic crisis were already disclosed in the mid-1990s, the serious damage of the economic crisis began to be visualized through Korean corporations’ bankruptcy and the employee’s mass lay-off in early 1998. According to Brenner (1987b), the economic recession has at least two peaks in its process. The first peak, usually occurring during the first year of the recession, reflects sharp psychological reactions to substantial economic loss and a decline in nutrition and medical care utilization. Therefore, this study compares the quality of life in 1997 with that in 1998 (the time of data collection), and defines the changing rate or degree as the effect of Korea’s economic crisis on the quality of life.

Measurement of Social Class

Social class refers to a category of people within a system of stratification who share a similar life style and socio-economic status. Today, occupations are regarded as the most appropriate resource representing social class, because they include characteristics, such as socio-economic and socio-cultural attributes. For example, some occupations have the power to directly control and mobilize the important resources in capitalist society (Titmuss,
1962; Featherman, Jones, and Hauser, 1975). Occupations also reflect income and education to a considerable extent (Sewell and Shah, 1968). Occupations also have the intermediary attributes connecting individuals with the society, and have a determinant effect on establishing a sub-culture (Pavalko, 1971).

This study, as the definition of social class, adopted the following occupational categories which have been so far developed in occupation studies; 1) agriculture and forestry, 2) sales, 3) service, 4) blue-collar, 5) white-collar, 6) professional-technique, 7) professionals, 8) managements, 9) others (housewife, unemployed). However, the nine occupation categories were collapsed in this analysis into five. The occupational categories used in this final analysis are as follows; 1) agriculture (farmers), 2) sales-service (self-employed, service workers), 3) blue-collar (skilled or semi-skilled workers), 4) white-collar (clerical, public servant), and 5) professional-management (professionals, technicians, managers).

Measurement of the Quality of Life

In order to construct a general index of the quality of life including the objective and subjective dimensions of human life, this study defines the quality of life as the subjectively recognitive evaluation on the objective conditions of life (Lim, 1996). More empirically, we define the quality of life in terms of the following sectors: 1) occupational life, 2) economical family life, 3) leisure life, 4) self-esteem, and 5) community life.

1) Occupational Life

As mentioned above, occupation is one of the most central sectors of the quality of life and closely associated with the cycle of economic conditions. Given a bright economic circumstance, for example, the occupational world continuously expands and provides workers with hopes, while when it shrinks, it increases the workers’ stress, such as at the time of economic depression or crisis.

Korea’s current economic depression has already led to many corporations’ bankruptcy and mass lay-off of workers. The unemployed or laid-off workers are socio-economically and psychologically suffering (Kim, 1998; Moon, 1998). On the other hand, the workers who were spared from the corporation’s restructuring process are also suffering from the possibility of their lay-off in the near future and the change of their workplace conditions. This study has interest in the latter rather than the former. Therefore, this study mainly focuses upon the employees’ lay-off or the self-employed’s
stop business possibility and their stress, the deterioration of working conditions, and the change of the existing relationship among the employees.

2) Economic Family Life
The economic family life includes a series of activities, such as the families’ income, consumption activity, and saving for the future. Economic family life is seriously affected by economic depression because corporations, given their hard management, tend to reduce the employees’ wages. The reduction of the workers’ income also leads to shrinking various consumption activities in family life. Therefore, this study includes the change of respondent’s income, the change of various consumption activities (private education expenditure, wedding or consolatory expenditure), and his/her financial pressure by the tax and public fees.

3) Leisure Life
As the idea of the calling for the labor has continuously weakened, employees today tend to involve in work not only for economic means but for the leisure. In other words, the modern people unconsciously have a thought that they are working for the leisure rather than for some worth in the labor (Yoo, 1995). For them, the labor leads to the loss of self or alienation rather than self-realization. Therefore, the leisure life is more and more important and essential to the modern people. In this study, the leisure life is measured by the change of the average leisure time per week, the change of the average dinner and travel expenditure per year, and respondents’ satisfaction with leisure activities.

4) Self-esteem
The self-esteem or realization of human-beings is very important for the ultimate goal of life and for the subjective dimension of the quality of life. If one feels satisfied with his/her self-esteem, his/her quality of life will be relatively higher.

Given the current economic crisis, however, the level of self-esteem is likely to be lower than that during economic brightness. It is very difficult to expect spiritual or psychological satisfaction to be heightened under the economic depression. In this study, self-esteem is measured by the change of the importance of the people’s existence and the change of psychological satisfaction.

5) Community Life
While the rural community is generally divided by its physical boundary, the urban community is not clear by its physical one. According to studies on urban residents, residents tend to build up strong networks for the exchange of information, and mutual support among themselves (Lee, 1996). They also tend to regard their current living space as their belonging community. According to some research, the individuals’ attachment to or confidence in the community have some considerable effects on their community life (Choi, 1993).

Given these findings, this study extends the community life of the urban residents beyond those neighbors, relatives, friends, and workplace partners who are in geographical proximity within the urban area. It examines the migration of respondents’ acquaintances (friends, relatives, neighbors) and the change of their own confidence in or attachment to their community.

Data Collection and Analysis

The data of this study were collected from Chonju and Iksan, which are industrial and administrative centers of Chonbuk Province, and from their suburban agricultural communities from November 6, 1998 to November 15. The data were also collected by interviewing with a member of the selected household, with a closed-ended questionnaire. The total sample is 392 persons, and their occupational distribution is as follows: agriculture (50), sales-service (76), blue-collar (54), white-collar (116) professional-management (78), the unemployed (16), housewife (1), and the unclassified (1).

In order to measure the content of the quality of life, this study adopts the interval and ordinal (3 or 5-point) scales. In case of the ordinal scale, it is measured by the way of asking the respondents to answer questions about the change between their life conditions in late 1997 and those in late 1998. In case of the interval scale, it is measured by asking the respondents to answer questions about their life conditions in late 1997 and in late 1998, respectively, and then by calculating the change rate between the two points.

Finally, this study interprets the frequency of all variables of the quality of life in order to estimate the effect of Korea’s economic crisis on our quality of life. And it adopts one-way ANOVA to test the differential changes of the general quality of life among social classes.
DATA ANALYSIS

The Effects of Korea’s Economic Crisis

It is considerably hard to evaluate quantitatively to what extent Korea’s economic crisis has had an effect on the quality of life because of the underdevelopment of methodology and conceptualization in the sphere of the quality of life. Nevertheless, this study attempts to estimate this effect by analyzing selectively some important variables which are appropriately reflecting the change of the quality of life between the life before and after the economic crisis.

First, in order to estimate how much Korea’s economic crisis has an effect on our occupational life, this study examines some critical variables of occupational life, such as “respondent’s experience in his/her partners’ lay-off in workplace”, “his/her own lay-off possibility” in the restructuring process, and the “change of working-place conditions”.

Since Korea’s economic crisis at the end of 1997, rising unemployment has been the most serious economic and social dilemma with which Korean society has faced. In order to escape the IMF involvement regime as soon as possible, Korean government strongly forced the chaebols and public corporations to restructure their management and arrangements. This restructuring process unfortunately led about 24,600 companies to go bankrupt by 1998 and the latter also produced mass lay-offs of the employees. For example, the unemployment rate already at 8.4% in November of 1998, soared to 8.7% in early 1999. It is estimated that this higher unemployment rate had a serious effect on Korean society because our society had maintained a perfect employment with about 2-3% of unemployment rate until the IMF economic crisis at the end of 1997. It is also serious because our society has depended upon personalization of welfare rather than upon society or state. Thus, this study attempts to identify the serious effect of this highly soaring unemployment phenomenon by analyzing our empirical data. For example, the respondents experiencing their partners’ lay-offs in their workplace are

<table>
<thead>
<tr>
<th>Experience</th>
<th>Frequency</th>
<th>Percent</th>
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<tr>
<td>Yes</td>
<td>237</td>
<td>67.9</td>
</tr>
<tr>
<td>No</td>
<td>112</td>
<td>23.1</td>
</tr>
<tr>
<td>Total</td>
<td>349</td>
<td>100.0</td>
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Average number of Partner’s Lay-off = 35.7
32.1\%, and the average numbers of lay-offs are 36 persons. Specifically, the relatively small size of the worker’s lay-off is partially attributed to the fact that there are few large corporations or chaebols in this local area — Chonbuk Province (see Table 1-1).

However, the more serious problem is that an execution of corporation restructuring, encouraged and even forced by Kim Daejong government, is likely to generate a mass lay-off of workers. This unstable circumstance is directly reflected in the possibility of lay-off evaluated by the respondents. Among the total interviewees, those who are convinced of their safe employment in the current workplace were 57.1\%, while some respondents (18.8\%) predicted that the possibility of their own lay-off is considerably higher, and others (24.1\%) said that their lay-off or unemployment is more or less possible (see Table 1-2). As a result, many employees have an unstable feeling about their current employment, and are thus stressed by their own unstable employment. According to recent research, those who were suffering from their own unemployment possibility are 57.2\%, and they were afraid that they would be fired within 1-2 years (Weekly Chosun, 14 Oct 1998).

As Korea’s economic depression forces the restructuration of corporations and government organizations, many employees are afraid of being fired. Furthermore, because the restructuring process primarily requires a tight financial management, it will likely worsen the conditions of workplace. According to Table 1-3, many respondents (71.6\%) reported that their workplace has gotten worse since late 1997. On the other hand, a few respon-

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### TABLE 1-2. THE POSSIBILITY OF RESPONDENTS’ LAY-OFF OR STOPPING BUSINESS

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<tr>
<th>Possibility</th>
<th>Frequency</th>
<th>Percent</th>
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<tr>
<td>Low</td>
<td>218</td>
<td>57.1</td>
</tr>
<tr>
<td>Middle</td>
<td>92</td>
<td>24.1</td>
</tr>
<tr>
<td>High</td>
<td>72</td>
<td>18.8</td>
</tr>
<tr>
<td>Total</td>
<td>382</td>
<td>100.0</td>
</tr>
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### TABLE 1-3. THE CHANGE OF WORKING-PLACE CONDITIONS

<table>
<thead>
<tr>
<th>Conditions</th>
<th>Frequency</th>
<th>Percent</th>
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<tbody>
<tr>
<td>Better</td>
<td>5</td>
<td>1.5</td>
</tr>
<tr>
<td>Same</td>
<td>99</td>
<td>26.9</td>
</tr>
<tr>
<td>Worse</td>
<td>262</td>
<td>71.6</td>
</tr>
<tr>
<td>Total</td>
<td>366</td>
<td>100.0</td>
</tr>
</tbody>
</table>
dents (1.5%) said that their workplace has become better, and about one-fourth of the respondents (26.9%) said that their workplace has not much changed.

Second, in order to estimate how much Korea’s economic crisis has an effect on our economic family life, this study examines some important variables of the economic family life such as “the change of respondent’s monthly income” and the “change of the household consumption behavior”.

According to Table 1-4, the respondents’ monthly income has considerably declined during the last one year (1997-1998). First of all, among the total interviewees, only 6.6% experienced an increase of their monthly income, while 67.1% experienced a decline of their monthly income. 26.3% maintained the same income level. This result is not much different from that of other research. According to the survey of Weekly Chosun, “most of our people have suffered from the decline of their income since late 1997. However, in 1998, a few people, specifically propertied or upper classes, relatively gained much more income than that of 1997” (Weekly Chosun, Nov 1998).

Next, the average reduction rate of the respondent’s monthly income is about 15.0%. It means that our people are currently losing about 15.0% of their monthly income, compared with that of 1997. Therefore, it is possible to conclude that this negative effect directly results from Korea’s current economic depression.

The reduction of the respondents’ monthly income also has a direct effect on their consumption behavior. For example, among the total respondents, 55.3% reduced their children’s private education investment in 1998, compared to 1997, while 9.0% increased the private education investment in 1998. The average reduction rate of children’s private education investment is about 15%, which is nearly similar to that of the respondents’ monthly income. On the other hand, the respondents reduced on the average about 18.0% of the wedding or consolatory expenditure. In more detail, among the

<table>
<thead>
<tr>
<th>Change</th>
<th>Frequency</th>
<th>Percent</th>
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<tbody>
<tr>
<td>Increase</td>
<td>23</td>
<td>6.6</td>
</tr>
<tr>
<td>Similar</td>
<td>92</td>
<td>26.3</td>
</tr>
<tr>
<td>Decrease</td>
<td>195</td>
<td>67.1</td>
</tr>
<tr>
<td>Total</td>
<td>350</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Average Change Rate = -14.8%
respondents, only 1.5% increased the wedding or consolatory expenditure between 1997 and 1998, while 54.4% reduced, and 44.1% maintained the same level (see Table 1-5 & Table 1-6).

Third, in order to estimate how much Korea’s economic crisis has an effect on leisure life, this study examines some essential variables of the leisure life such as the “change of leisure time” and the “change of leisure activity expenditure”.

Table 1-7 shows the change of respondents’ leisure time for 1997-1998. Among the total respondents, 17.0% experienced an increase of their leisure time, while 37.3% experienced a reduction of their leisure time. About half of the respondents (45.7%) had little change in leisure time. According to these figures, the rate of respondents experiencing a decrease of leisure time is much higher than that of the increase of leisure time. However, the
respondents’ average leisure time surprisingly increased during the same period. That is, the respondents’ leisure time in 1998 increased to 9.4%, compared with that of 1997. This increase is probably attributed to the following facts; First, Korea’s economic depression greatly shrunk productive activities in factories or small workplaces, and relatively brought about much spare time to employees. Next, all those who experienced an increase of leisure time are unemployed. As a result, the unemployed largely contribute to the increase in the average leisure time in this study.

Contrary to the average increase of the leisure time, the respondents considerably reduced leisure expenditure, travel and outside dinner one. For example, among the total respondents, only 2.2% increased their travel expenditure in 1998, compared with that of 1997, while 59.6% reduced it. And 38.2% of the respondents maintained the same travel expenditure as they spent in 1997 (see Table 1-8).

Fourth, in order to estimate how much Korea’s economic crisis has an effect on self-esteem, this study examines a few core variables of self-esteem, such as the “change of the importance of their own existence” and the “change of psychological satisfaction”.

Table 1-9 presents results for the change of the importance of their own existence. First, there is a considerable change in the evaluation of respondents’ own importance in society between 1997 and 1998. That is, most of the respondents (60.0%) evaluated that their current existence is as important as last year’s, while 40.0% did not evaluate their current existence positively, compared to 1997. This negative evaluation on their own self-esteem

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### TABLE 1-8. THE CHANGE OF TRAVEL EXPENDITURE

<table>
<thead>
<tr>
<th>Experience</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase</td>
<td>7</td>
<td>2.2</td>
</tr>
<tr>
<td>Same</td>
<td>129</td>
<td>38.2</td>
</tr>
<tr>
<td>Decrease</td>
<td>195</td>
<td>59.6</td>
</tr>
<tr>
<td>Total</td>
<td>327</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### TABLE 1-9. THE CHANGE OF RESPONDENTS’ OWN EXISTENCE EVALUATION

<table>
<thead>
<tr>
<th>Experience</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Important</td>
<td>227</td>
<td>60.0</td>
</tr>
<tr>
<td>More or less</td>
<td>141</td>
<td>37.0</td>
</tr>
<tr>
<td>Unimportant</td>
<td>11</td>
<td>3.0</td>
</tr>
<tr>
<td>Total</td>
<td>379</td>
<td>100.0</td>
</tr>
</tbody>
</table>
can be interpreted to be caused by the deterioration of material and physical conditions, as suggested by Maslow (Maslow, 1962). It also leads to the negative evaluation of the respondents’ psychological satisfaction. According to Table 1-10, the respondent’s psychological health has gotten worse since late 1997. That is, 46.6% of the respondents answered that their current psychological health is worse, compared with that of last year, while only 7.1% positively evaluated their current psychological health. And 46.6% maintained the same psychological health as they had in 1997.

Finally, in order to estimate how much Korea’s economic crisis has an effect on our community life, this study examines some important variables of community life, such as the “migration of respondents’ relatives, friends, and neighbors” and the “change of their own confidence in or attachment to the community”.

As mentioned above, Korea’s critical economic depression has produced mass unemployment and ruptured many families. The latter also resulted in destroying physically and mentally the existing strong relationship among families, relatives, friends, and neighbors. According to Table 1-11, for

**TABLE 1-10. THE CHANGE OF RESPONDENTS’ PSYCHOLOGICAL HEALTH**

<table>
<thead>
<tr>
<th>Change</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better</td>
<td>27</td>
<td>7.1</td>
</tr>
<tr>
<td>Similar</td>
<td>177</td>
<td>46.3</td>
</tr>
<tr>
<td>Worse</td>
<td>178</td>
<td>46.6</td>
</tr>
<tr>
<td>Total</td>
<td>382</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**TABLE 1-11. THE MIGRATION OF THE RESPONDENTS’ ACQUAINTANCE**

<table>
<thead>
<tr>
<th>Experience</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>86</td>
<td>23.2</td>
</tr>
<tr>
<td>No</td>
<td>289</td>
<td>76.8</td>
</tr>
<tr>
<td>Total</td>
<td>379</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**TABLE 1-12. THE CHANGE OF THE RESPONDENTS’ CONFIDENCE IN COMMUNITY**

<table>
<thead>
<tr>
<th>Change</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase</td>
<td>58</td>
<td>15.2</td>
</tr>
<tr>
<td>Similar</td>
<td>250</td>
<td>65.4</td>
</tr>
<tr>
<td>Decrease</td>
<td>48</td>
<td>19.4</td>
</tr>
<tr>
<td>Total</td>
<td>382</td>
<td>100.0</td>
</tr>
</tbody>
</table>
example, 23.2% of the total respondents answered that at least one of their families, relatives, friends, or neighbors has moved out of the community because of economic hardship after Korea’s economic depression in late 1997. This migration rate is much higher than in ordinary times. It cannot be denied that this mass migration results to a large extent from the current economic crisis.

The mass migration also seems to have a negative effect on the respondents. First of all, most of the respondents losing their acquaintances felt ‘lonely’ after their friends or relatives left. Furthermore, many respondents answered that they lost their confidence in their community and society. According to Table 1-12, 19.4% of the total respondents experienced the decline of their confidence in the community between 1997 and 1998, while 15.2% had an increase of their confidence in the community. And 65.4% of the respondents had little change in their confidence in the community for 1997-1998.

The Change of the Quality of Life and Social Classes.

From the above analysis, it is found that Korean’s IMF economic crisis is considerably influencing the Koreans’ quality of life. For example, they experienced shrinkage of their occupational world, pressure of losing their jobs, and deterioration of workplace circumstances. They also experienced reduction of their income and leisure activity. These negative changes of occupational conditions resulted in reducing the respondents’ psychological satisfaction and confidence in their community and society.

However, several important questions remain to be answered. That is, are all the Koreans suffering equivalently from the current economic depression, or are there some people who are suffering more seriously? Therefore, the core question of this study is: Do the effects of the economic depression vary by social class? In order to find some tips to this question, this study attempts to analyze differential levels of the quality of life among social classes.

First, in order to analyze whether social classes are experiencing suffering from the economic crisis differentially, this study examines two critical changes of occupational life: the “possibility of the respondents’ lay-off or stop business” and the “change of the respondents’ workplace environment”.

According to Table 2-1, the possibility of the respondent’s lay-off or stop business among social classes is very significantly different ($F = 7.88, p < .001$). First, the blue-collar workers are the highest in the possibility of lay-
off among five occupational categories. The next higher class is white-collar workers. Why are these two groups the highest in the lay-off possibility? They are generally skilled or semi-skilled workers, clerical and kindred workers, or lower-level public servants. They have been actually firing in the restructuring process of Korean corporations and government. This fact seemed to make the blue-collar and white-collar workers afraid of being fired in future.

On the other hand, farmers, self-employed, service employees, professionals, technicians, managers, and kindred workers recognize that the possibility of their lay-off or stop business is lower to a considerable extent. Their lower lay-off possibility seems to result from their self-employed position and relatively stable employment and workplace environment.

When we analyze the change of occupational environment among five occupational groups, their differences are also significant (F=2.81, p<.05). Because our current economic crisis is specially worsening the labor conditions among several social classes, the blue-collar workers are expected to experience the most critical changes of the workplace environment. Self-employed, service employees, farmers, and kindred workers will experience less problems, and clerical, public servants, professionals, managers, and kindred workers will experience the least.

Second, in order to analyze variation in social classes in terms of econom-
ic family life, this study examines two important variables: the “change of monthly income” and the “change of the household consumption behavior”.

The change of the monthly income for 1997-1998, as shown in Table 2-2, is significantly different among five occupational groups (F=2.67, p<.05). Among the occupational groups, farmers and blue-collar (skilled or semi-skilled) workers experienced the most reduction of monthly income. Their current monthly incomes declined 23.0% and 20.0%, respectively, compared to 1997. The higher decline of their income results from the vulnerability of agricultural and manufacturing industries in society. For example, the rural community is very fragile because most of the farmers are deeply in debt. Given the hard economic depression, such as the bankruptcy of many corporations and mass unemployment, corporations are reducing the worker’s income. The monthly incomes of self-employed, service employees, professionals, managers, and kindred workers similarly declined about 13.0%, and that of white-collar workers declined the least, 9.0%.

From these findings, we can conclude that the current economic crisis brought about the reduction of Koreans’ incomes, and further the differential reduction of the monthly income among the social classes. In other words, given the current economic depression, all social classes are experiencing the loss of wealth. However, the more serious problem is that the income difference between social classes is widening. As we examined above, for example, while the lower strata of society is losing much wealth, the higher ones are losing less. This differential income reduction is ultimately deepening social inequality between the wealthy and the poor, and the latter will prevent Korean society from achieving social integration of all people.

As examined above, the respondents’ monthly income reduction also changes their consumption behavior. According to Table 2-2, the reductions of both children’s private education investment and wedding or consolatory expenditure are significantly different among five occupational groups (F = 2.87, p < .05; F = 2.77, p < .05, respectively). The blue-collar workers reduced the most expenditure in both variables, their children’s private education and wedding or consolatory ceremony, in proportion to the reduction rate of their income. Self-employed, service employees and kindred workers reduced their children’s private education and wedding or consolatory expenditures at a higher rate than the reduction of their monthly income as well. On the other hand, the white-collar workers reduced the least expenditures in both variables, as it experienced the least reduction of the monthly income.
However, professionals, managers, farmers, and kindred workers experienced a reverse consumption behavior. First, the professionals, managers, and kindred workers reduced their expenditures in wedding or consolatory events to a large extent, while they reduced the least expenditure in their children’s private education investment. Next, the farmers and kindred workers reduced much expenditure in their children’s private learning, but did not reduce their donation to the others’ wedding or consolatory events.  

From these different spending reductions among social classes, we can draw some important implications. First of all, given our current economic crisis, the upper classes are still investing a lot of money in their children’s education which is considerably related to occupational achievement later. However, they largely reduced their spending in the other’s wedding or consolatory ceremony. The lower classes are reducing a lot of money in both their children’s education investment and the other’s wedding or consolatory ceremony. This different spending reduction among social classes is considerably related to the different income decline among social classes under the current economic crisis as examined above. That is, the lower classes who experienced the most reduction of monthly income have no choice but to change their existing consumption behavior. Therefore, they had to reduce their children’s education investment to a large extent, although it is crucial for their children’s social mobility.

Third, this study also examines some changes of the leisure life among five social classes, that is, the “changes of leisure time”, “leisure activity expenditure”, and “leisure satisfaction”.

Table 2-3 presents the change of leisure activities of social classes for 1997-1998. First of all, there is no significant relationship between the social classes and the change of their leisure time (F = 1.64, p > .05). For example, the

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**TABLE 2-3. THE CHANGE OF LEISURE LIFE BY SOCIAL CLASSES**

<table>
<thead>
<tr>
<th>Class Variables</th>
<th>Agriculture</th>
<th>Sales-Service</th>
<th>Blue-Collar</th>
<th>White-Collar</th>
<th>Professional-Management</th>
<th>F</th>
<th>Samples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure time</td>
<td>.06</td>
<td>-.03</td>
<td>.06</td>
<td>.01</td>
<td>-.11</td>
<td>1.64</td>
<td>335</td>
</tr>
<tr>
<td>Dinner spending</td>
<td>2.50</td>
<td>2.60</td>
<td>2.71</td>
<td>2.51</td>
<td>2.52</td>
<td>1.39</td>
<td>337</td>
</tr>
<tr>
<td>Travel spending</td>
<td>2.58</td>
<td>2.56</td>
<td>2.69</td>
<td>2.50</td>
<td>2.64</td>
<td>1.32</td>
<td>317</td>
</tr>
<tr>
<td>Leisure sat.</td>
<td>2.04</td>
<td>1.85</td>
<td>1.65</td>
<td>1.75</td>
<td>2.08</td>
<td>2.29*</td>
<td>363</td>
</tr>
</tbody>
</table>

* p<.05

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3According to our data, because the farmers and kindred workers have originally donated only a little money to the other’s wedding or consolatory ceremony, it seems to be very difficult for them to reduce much expenditure.
leisure time of both the professional-management and sales-service groups decreased to 11.0% and 0.3% for 1997-1998, respectively. On the other hand, that of the other three groups increased to 0.1-0.6%. However, the difference between the increase and decrease in leisure time is not much greater.

This consequence also produces a similar relationship between social classes and the leisure expenditure on travel and outside dinner \( (F = 1.32, p > .05; F = 1.39, p > .05, \text{ respectively}) \). For 1997-1998, those who reduced the most in outside dinner are the blue-collar workers, self-employed, and service employees. On the other hand, clerical, professionals, managers and kindred workers reduced the least in outside dinner spending. Next, in travel spending the blue-collar workers also reduced the most. The next is professionals, technicians, and kindred workers. On the other hand, clerical, public servants and kindred workers reduced the least in travel spending. However, there is no significant difference between the increase and decrease in outside dinner and travel spendings. These non-differential results among social classes seem to be caused by the serious impact of our economic depression. That is, given the current economic crisis, everyone tries to reduce its material spendings and it finally leads to no difference in leisure spendings among social classes.

However, there is a significant relationship between social classes and satisfaction with the leisure activities \( (F = 2.29, p < .05) \). For example, while professionals, technicians, farmers, and kindred workers show the highest satisfaction with the leisure activities, skilled or semi-skilled workers, clerical, and kindred workers show the lowest in satisfaction with the leisure activities. This differential result is relatively consistent with that of the existing studies that leisure activity is significantly different among social classes in Korea (Kim and Park, 1997). From the above findings, we can conclude that, although the current economic crisis shrank the leisure activity of the people to a similar extent, their satisfaction with the leisure activities is considerably differential by social classes.

Fourth, in order to analyze differentiation in social classes in terms of self-esteem this study examines the “changes of the importance of their own existence” and “psychological satisfaction”.

Table 2-4 presents the change of self-esteem evaluated by the respondents. As we examined above, there is a considerable change in the evaluation of their own existence between 1997 and 1998 (see Table 1-9). In the same context, there is a significant relationship between social class and the change of respondents’ own self-esteem evaluation \( (F = 3.92, p < .01) \). For example, professionals, technicians, managers, self-employed and kindred workers have maintained the highest self-esteem for 1997-1998. However, skilled or
semi-skilled workers and farmers have the lowest. Furthermore, there is a significant relationship between social class and the psychological health of the respondent ($F = 3.01$, $p < .05$). That is, professionals, technicians, managers, self-employed and kindred workers have the most satisfaction with their psychological health. On the other hand, blue-collar workers report the worst psychological health. The lower rating of the blue-collar workers’ psychological health, as mentioned above, seems to be caused by their higher lay-off possibilities and their increasing tensions caused by the restructuring process of corporations.

Finally, this study also examines some changes of the community life among five occupational groups, that is, the “migration of respondents’ acquaintance (relatives, friends, and neighbors)” and the “change of their confidence in the community”.

According to Table 2-5, there is a significant relationship between the respondents’ social classes and the migration of their friends, relatives, and neighbors ($F = 2.36$, $p < .05$). That is, the blue-collar workers, clerical, public servants, and kindred workers lost the most relatives, friends, and neighbors for 1997-1998. It might result from the following socio-economic structure of our society; Given our critical economic depression, many corporations already went bankrupt and many workers, clerical, and kindred workers were fired in the restructuring process of corporations. In particular, given the personalization of welfare in Korea, the unemployment some-

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### TABLE 2-4. THE CHANGE OF SELF-ESTEEM BY SOCIAL CLASSE

<table>
<thead>
<tr>
<th>Class Variables</th>
<th>Agriculture</th>
<th>Sale-Service</th>
<th>Blue-Collar</th>
<th>White-Collar</th>
<th>Professional-Management</th>
<th>F</th>
<th>Samples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-evaluation</td>
<td>1.48</td>
<td>1.37</td>
<td>1.74</td>
<td>1.43</td>
<td>1.29</td>
<td>3.92**</td>
<td>368</td>
</tr>
<tr>
<td>Psychological satisfaction</td>
<td>3.48</td>
<td>3.37</td>
<td>3.76</td>
<td>3.43</td>
<td>3.29</td>
<td>3.01*</td>
<td>371</td>
</tr>
</tbody>
</table>

* p<.05, ** p<.01

### TABLE 2-5. THE CHANGE OF COMMUNITY LIFE BY SOCIAL CLASSES

<table>
<thead>
<tr>
<th>Class Variables</th>
<th>Agriculture</th>
<th>Sale-Service</th>
<th>Blue-Collar</th>
<th>White-Collar</th>
<th>Professional-Management</th>
<th>F</th>
<th>Samples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Migration of acquaintance</td>
<td>1.08</td>
<td>1.20</td>
<td>1.32</td>
<td>1.29</td>
<td>1.17</td>
<td>2.36*</td>
<td>371</td>
</tr>
<tr>
<td>Confidence in community</td>
<td>2.90</td>
<td>3.09</td>
<td>3.22</td>
<td>3.10</td>
<td>2.95</td>
<td>1.95</td>
<td>370</td>
</tr>
</tbody>
</table>

* p<.05
times leads to destroying family structure and further the existing strong relationship among families, relatives, friends, and neighbors (see Table 1-11). On the other hand, farmers, professionals, managers and kindred workers lost the least relatives, friends, and neighbors. In the case of the farmers, it is due to the geographical characteristics and relative stability of the rural community. In the case of professionals and managers, it is due to their stable occupational and residential characteristics.

However, there is no significant relationship between social classes and confidence in the current community (and society) of the respondents ($F = 1.95$, $p > .05$). Although there is no significant relationship between social class and confidence in the community, there is a slight difference among the social classes. The farmers, professionals, managers, and kindred workers have stronger confidence in their community than all others, while the blue-collar workers, clerical, public servants, self-employed and kindred workers have the lowest confidence in their community. The latter’s low confidence in community might be related to their losing of relatives, friends, and neighbors during the past economic depression period.

SUMMARIES AND IMPLICATIONS

Since the late 1997 economic crisis, the souring unemployment has been the most serious social dilemma which Korean society has to solve. This dark image of Korean society was already predicted by many research studies and was also identified by this study. According to our research, many people are unstable in the occupational life because many of their partners have been fired, and because they think that the possibility of their own lay-off or stopping business is higher. Furthermore, they consider that the conditions of their workplace have worsened since late 1997.

This unstability of the occupational world directly brought about the shrinking of our economic family life. That is, most people experienced to a large extent the reduction of their monthly income, which has a negative effect on the respondents’ consumption behaviors, such as children’s private education investment and wedding or consolatory donation expenditure. The respondents’ income reduction also has a negative effect on their leisure activities. Although the respondents answered that they have much more leisure time than before the economic crisis, their spending on leisure activities was considerably reduced. With the worsening social-economic conditions, some respondents experienced dissatisfaction with their psychological health, and lost their confidence in their community and society. From these findings, it can be concluded that the current economic crisis has had
some serious effects on the quality of life in Korea.

The more important purpose of this study is to identify some relationships between the decline of the quality of life and social classes. The basic assumption of this study is that the impact of Korea’s economic crisis is differential among social classes. From the above data analyses, we find first of all, that the blue-collar workers and farmers have experienced the most decline of the quality of life, while professionals, managers, and kindred workers experienced the least decline of the quality of life. The blue-collar workers, white-collar workers, and sales-service groups report the highest possibility of their lay-off or stopping business in their occupational life. The farmers and blue-collar workers experienced most reduction of monthly income and their consumption expenditures, such as the children’s private education and wedding or consolatory donation money. These results also led the blue-collar workers to be dissatisfied with their leisure activities.

Furthermore, the blue-collar workers and farmers have the worst psychological health and self-esteem. Blue-collar workers, clerical, public servants, and kindred workers lost the most neighbors, relatives, and friends because of the mass lay-off by the restructuring process of corporations. Nevertheless, white-collar employees with professionals, managers, and kindred workers experienced the least decline in all sectors of the quality of life, with the exception of a few variables. The sales-service group is less suffered in one area of the quality of life, but relatively more suffered in the other one of the quality of life.

From the above findings, it can be concluded that the Korean are all seriously suffering from the current economic crisis, and that among the respondents skilled or semi-skilled workers, farmers, and kindred workers are more seriously affected. Their more serious conditions are mainly attributed to the mass employee lay-off by the restructuring process of corporations, and to the farmers’ increased debt and life impoverishment. Given these devastating contexts of the blue-collar workers and farmers, it is very important to suggest some specific alternatives to improve their impoverished living conditions. This study briefly suggests some general alternatives for improving the quality of life and for overcoming the current economic depression.

As already mentioned, many employees were fired in the restructuring process of corporations and government organizations. After they were fired from their posts, most of them lost material and spiritual supports from their past occupational world. Moreover, Korean society has not yet elaborated its welfare system in proportion to its rapid economic growth. In other words, Korean society had not seriously considered the mass unem-
ployment problem before the IMF economic depression because our society had maintained perfect employment with 2-3% unemployment rate. Unemployment was not a social problem, but a personal one until the economic crisis of late 1997.

The unemployed, if they are non-propertied classes, are very vulnerable. Given these unstable contexts, much research already warned that Korea’s IMF economic crisis would lead to the ‘collapse of the middle-class’, the solid cornerstone of our society and total ‘social disorder’. Therefore, the most important work of Korean society is to construct a long-term social network and welfare system, which is essential for preventing the unemployed and alienated from becoming a social deviant group and for building an integrated and harmonious society.

Next, as the history of those countries under the IMF involvement regime showed, Korean society has to restore its economic autonomy from the IMF intervention and involvement as soon as possible. In order to cope with our current economic depression and to improve our quality of life, Korean social actors (state, companies, industrial workers, and consumer) have to do their best in implementing their assigned duties. For example, the state is requested to accomplish quickly and exhaustively its reformative programs throughout our society. And the chaebols have to introduce the economic democratization and expert managers in their management.

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