

## **Globalization, Democratization and Social Investment State: Post-Crisis Korea's Choice of Inclusive Liberalist Solution**

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Contemporary Korea finds itself in the midst of two grand transformations, democratization and globalization. Despite many obstacles, Korea has been successful in democratic consolidation since the June 29 Declaration of 1987, turning point of Korea's drive towards democracy. 2007 also marks the 10<sup>th</sup> anniversary of Asian Economic Crisis of 1997. It was a rude wake-up call awakening the whole country in the astonishingly increased interconnectedness of global market. It signaled the end of the authoritarian developmental state model, ushering in a decade of progressive governments' rule, searching for the new model of national strategy. To be noted is that the two trends, globalization and democratization are not necessarily congenial to each other. One tends to emphasize competitiveness and growth, while the other, solidarity and redistribution.

It is in this context of apparent contention between globalization and democratization, that progressive governments of post-crisis Korea have expanded social expenditure from about 4% of GDP(1996) to about 9% of GDP(2005). The provision of in-kind personal social services have been prioritized: the national health care services expanded, so did the day care services for the children, the elderly, and the handicapped, after school care services, employment services, the long term care services expanded, or planned to expand rapidly. More importantly these social services are planned from a social investment perspective, integrating social and economic policy into human resource development, job creation, gender strategy, and social capital formation. And they are defined as a coherent long term national strategy to realize the vision of social development of Korean society.

At the moment, however, by the end of 10 year rule of progressive governments of sluggish economic growth, the divide is getting sharper between neo-liberal globalists and non-neo-liberal democrats, particularly with regard to social policies. This paper will identify the characteristics of social investment state strategy as a variant of "inclusive liberalist" approach, as contrasted to the "neo-liberalist" approach, and analyze the formation of discourses that made specific policies and programs legitimized in the context of contending trends, globalization and democratization as

well as population ageing and changing gender relations, and social and economic polarization in Korea. It will be followed by the examination of feasibility of “inclusive liberalism” and the social investment state model to hold the firm ground in Korean society and make a legacy for the years to come.