

**Policy learning and transfer:
The experience of the developmental state in East Asia**

Huck-ju Kwon

Graduate School of Public Administration

Seoul National University

Acknowledgements

The earlier version of this paper was presented on 4 July 2008 at the Policy and Politics International Conference, University of Bristol, United Kingdom. Thanks are due to Misa Izuahara and Yang Chen for their comments. Usual caveats are applied.

Abstract

As late industrialisers, East Asia's developmental states — Japan, the Republic of Korea and Taiwan — assimilated the front runners' policy innovations and experience, taking advantage of lateness. This paper examines policy learning and transfer in these countries' developmental states and their characteristics in policy learning processes; explores the rationale for policy learning and transfer, focusing on Fukuzawa's paradox; investigates policy learning and transfer patterns, applying the 'flying geese' hypothesis to health insurance; and considers whether the three states will adapt future challenges to their own creative policy ideas, going beyond Fukuzawa's paradox. Although policy learning is effective for development, these states should now secure their own policy vision to meet challenges ahead.

Keywords: Developmental state, flying geese hypothesis, Fukuzawa paradox, policy learning.

Introduction

The developmental states in East Asia, notably Japan, the Republic of Korea and Taiwan, have been exceedingly successful in transforming their economies into modern, industrialised ones in a brief period of time. Considering the disappointing performance of a number of developing countries in economic and social development, there has been a good deal of attention by policymakers and students of development studies to the policy regime of the developmental state. The large body of literature has been much concerned with a relatively small range of issues: one strand of research has studied the role of the state in economic development at the macro level (Johnson, 1999; Woo-Cumings, 1999; Kohli, 2004) while others have shed light on decision making in the institutional structure of the developmental state (Lee, 1997; Kwon, 1999; Peng, 2005). Through the findings of this body of work has come a better understanding of the state-society nexus in the developmental state and its policymaking structure.

Nevertheless, there is one missing component crucial to the developmental state that has not yet been examined in a systematic manner, and that is policy learning and transfer. While existing studies have concerned themselves with the hardware of a developmental state, research into policy learning and transfer can provide more knowledge of its software side. Does this state show any particular characteristics in the process of policy learning and transfer? Considering that the efforts of policy transfer in a number of developing countries have been criticised, in that they have been implemented in a forced manner and not produced the intended result, this discussion will provide a case for comparison.

The paper will consider policy innovation vis-a-vis policy transfers to the developmental state in the future. It will show that the developmental state has taken advantage of learning from, and transfer of, policies developed elsewhere. This advantage, however, will no longer be at hand in the time ahead. As their societies have matured in terms of economic development and undergone post-modern social change, the three East Asian states increasingly face social challenges that require policy responses based on their own new ideas and innovations rather than policy tools borrowed from others. Are they able to graduate from their developmental state and navigate through the uncharted waters of future policy challenges?

The developmental state refers to a policy regime in which elite policymakers set economic development as an overarching goal and pursue a coherent strategy to achieve it, with the bureaucracy serving as an effective instrument (Johnson, 1999; Gough, 2001). At first glance, the role and uniqueness of policy learning and transfer in this regime seem unclear. Once it is

approached in the historical context of development, however, it becomes clear that policy learning and transfer are crucial to a developmental state. The developmental state is the policy regime of late industrialisers whose goal is to catch up with their front-running counterparts. As Gerschenkron points out, backwardness could be an advantage if used appropriately. The late industrialisers can “trace out the road of development” of more advanced countries (Gerschenkron, 1962: 6) and apply the lessons of this experience to their own efforts.

From this observation, there emerges a set of questions regarding policy learning and transfer that this paper will seek to address. First, what is the rationale that underpins policy learning and transfer in a developmental state? An immediate answer would be the goal of catching up with the front runners, although this seems tautological. It is necessary to go deeper to examine the political underpinning of a developmental state and to understand why policy learning and transfer become critical instruments for its growth. This paper will discuss the etatist theory of modernisation in relation to East Asia advanced by Fukuzawa.

Second, the paper will assess the pattern of policy learning and transfer to, and between, developmental states. Have policy learning and transfer reproduced policy programmes initiated by front-running countries or have they produced considerably different policy outcomes? Policy learning and transfer may not be enough for latecomers to catch up with the front runners because this would only create a perpetual relationship of leaders and followers. These states need to go beyond simple learning and transfer in order to catch up with the leaders. In other words, it is necessary to transform what they have learned to their policy demands. How will they be able to carry out this task? To respond to this question, the paper will look at the case of public healthcare programmes from the perspective of the ‘flying geese’ theory.

Third, this paper will reflect on future policy learning and transfer in the developmental state. It will question the potential of policy innovation in the developmental state when countries such as Japan and Korea confront policy challenges that call for innovation rather than transfer. Should these countries now look within themselves rather than outside, contrary to the paradigm of learning and transfer?

The paper will highlight the level of the policy regime of a developmental state, as well as the levels of individual programmes: public healthcare programmes. It will provide a broad picture of policy learning and transfer in the developmental state while discussing the process of policy learning and transfer based on specific cases (Dolowitz and Marsh, 2000). This paper is

exploratory in nature and its aim is to raise empirical questions for future research rather than provide definite answers.

The Fukuzawa Yukichi paradox

The developmental state is an outcome of a pragmatic adaptation to policy demands over a period of time rather than the result of any theoretical pursuit of a grand policy paradigm, such as liberalism or egalitarianism. The policy regime appears to be a patchwork of various programmes, often lacking in consistency, if not contradicting each other. The advantage of this approach is that it does not have a large number of self-imposed theoretical constraints and can respond to policy challenges in a pragmatic manner.

Nevertheless, there are a few core components that characterise the developmental state. On first consideration, the most prominent feature is the pursuit of economic development, with the state playing a central role which would enable it to catch up with the front runners. This would lead one to ask why it was important for a developmental state to catch up with the advanced nations and how was this aim pursued? To answer this, it is necessary to look briefly at Fukuzawa Yukichi (1835-1901) whose legacy has influenced the policy paradigm of governments in later years, not only in Japan, but in other East Asian developmental states as well, though in indirect ways. The paper will also discuss the ideas of Park Chung Hee who headed a quintessential developmental state in Korea and who reshaped and adopted the idea of 'catching up' in a modern developmental state setting.

Fukuzawa was one of the most influential intellectuals in the formative years of modern Japan, particularly during the Meiji Restoration of 1868. He wrote several books and articles on civilisation and the importance of learning and education. His main point, however, was not merely to emphasise the enlightenment of learning but to find a way for the survival of the Japanese nation. In the context of his time, it was clear that Japan could not maintain its independence unless it responded in an appropriate way to the threat of Western power. This was not just an academic question but required an urgent policy strategy. In 1853, for example, the United States (US) fleet led by Commodore Matthew Perry forced Japan to open its doors, which resulted in a profound sense of crisis among the Japanese people, especially its intellectuals such as Fukuzawa.

For Fukuzawa, the civilisation in East Asia, including China, Korea and Japan, lagged behind Western civilisation, and this gap constituted an underlying reason for the crisis of survival of

the Japanese nation. To maintain Japan's independence, Fukuzawa argued that Japan should become a Western nation and leave East Asia. He wished to learn from Japan's opponents and become like them:

Our immediate policy, therefore, should be to lose no time in waiting for the enlightenment of our neighbouring countries (Korea and China) in order to join them in developing Asia, but rather to depart from their ranks and cast our lot with the civilized countries of the West (Fukuzawa 1885, cited in Nishikawa, 1993: 502).

Instead of looking at the inner strength of the Japanese nation and East Asian civilisation, and developing it in order to defend against threats from the West, Japan — according to Fukuzawa — had to learn from Western nations and become one of them. It was the Japanese state that most needed to change by learning from the West, although Fukuzawa continued to emphasise that people, too, should strive to learn. The state was both the agency and object of change. Following this line of thinking, the Meiji government transferred a wide range of state institutions from the West to Japan, including taxation, policing and the postal system (Westney, 1987). It was perhaps one of the heaviest traffics in the history of policy transfer.¹

The downside of Fukuzawa's theory of civilisation was that it provided a justification for Japanese imperialism in East Asia. Instead of waiting for Korea to be civilized for herself, Fukuzawa argued that Japan should force Korea to learn civilisation.² With hindsight, the Japanese colonisation of Korea was a case in point in Fukuzawa's theory of national survival. While Fukuzawa Yukichi is not a favourite figure in Korea, views similar to his have been shared by a few Korean policymakers and commentators on the fundamental reason for Korea's failure to maintain its independence (Ahn and Lee, 2007). While Japan was busy transferring public institutions and policy innovations from the West, Korea insisted on closing its doors to the outside world in the late 19th century, which led to its eventual loss of independence in 1910.

During the colonial period, Japan transferred to Korea public institutions and policy programmes brought from the West, which culminated in the form of a colonial government. Institutions for property ownership, banking and the postal system were transferred, among others. This was an imposed policy transfer, intended to serve Japanese colonial interests rather than those of the people of Korea. In contrast, Ahn and Lee (2007) and Kohli (2004) argue that these institutions laid the ground for economic development during the colonial and subsequent periods. But because of their colonial legacy, these public institutions and programmes brought over by the Japanese government were seen by the Korean public — in the

wake of Korea's liberation at the end of World War II — as something to be “wiped out”. However, the US military government (1945-48) in South Korea decided to maintain these institutions and use them for its own convenience.

Because of its original guilt in being set up as a colonial machine for Japanese imperialism, Korea's well-organised, if not overdeveloped, bureaucracy had lost its sense of purpose in the years between the inauguration of the Republic of Korea in 1948 and the early 1960s. It was Park Chung Hee who brought a clear direction to the policy paradigm: national renaissance through modernisation (Park, 1963). He took power in a coup d'état in 1961, while Korea was still searching for a clear policy orientation for the future. While in power in the 1960s and 1970s, Park Chung Hee, as President of the Republic of Korea, was probably one of the most typical leaders of the developmental state.

The idea of a national renaissance evokes Fukuzawa Yukichi's theory of national survival, and it is likely that President Park — because of his educational background in a Manchukuo military institute during the colonial period — may have been influenced by Fukuzawa in his thinking (Chun, 2006). The notion of a national renaissance presupposes the loss of independence, a colonial experience under Japanese imperialism. Because of this experience of the failure of national survival and the presence of a constant threat from North Korea, a sense of urgency was felt not only among political leaders but also by the general public in Korea. Nevertheless, Park Chung Hee's stance was more pragmatic than Fukuzawa's, and the former's theory of modernisation was concerned less with the progress of civilisation than with economic development through industrialisation.

I want to emphasise and reemphasise that the key factor of the May 16 Military Revolution was in effect an industrial revolution in Korea. Since the primary objective of the revolution was to achieve a national renaissance, the revolution envisaged political, social and cultural reforms as well. My chief concern, however, was economic revolution (Park, 1963: 177).

In order to industrialise, one of the cross-cutting strategies adopted by President Park's developmental state was to acquire advanced industrial technologies from the West. His government, and subsequent Korean governments, attempted to ensure the smooth flow of technological transfers from abroad to Korea and, over the years, a system of learning and diffusion was established within the government (Kim, 1997).

While Fukuzawa and President Park — two notable figures in Japan and Korea — did not represent the entire body of thought on policy learning and transfer, they did set its basic tone

due to their considerable influence in later years on policy discourse in their countries. What should be clear in this brief discussion is that the policy learning and transfer that took place in the period of the developmental state in Japan and Korea were motivated by a serious concern for national survival and driven strongly by the desire to put the two nations on par with other developed countries in the West. In other words, statist modernisation was the rationale behind policy learning and transfer.

With respect to Taiwan, it is not clear whether Taiwanese modernisation was guided by intellectual thinking similar to Fukuzawa's thesis. In the late 1880s, Chinese intellectuals and policymakers did float the idea of exploiting advanced skills while staying firmly rooted in their way of life.³ For Taiwan, however, it was not intellectual or policy ideas that showed the importance of policy learning and transfer but the actual improvement in economic and social conditions under the Japanese colonial government. While Japan transferred administrative and other public infrastructure for its colonial purposes to Taiwan, it also transformed the "backward and neglected land" into a thriving place (Wade, 1990). After the Kuomintang established a government in Taiwan in 1950, the administrative structure that the Japanese had brought in was largely retained, making it easier to transfer policy instruments from Japan during the phase of economic development.

Theory of the flying geese: The case of National Health Insurance

The flying geese theory was first introduced by the Japanese scholar Kaname Akamatsu in the late 1930s to explain the changing product cycle among East Asian states (Bernard and Ravenhill, 1995). The theory argues that there is a pattern of transfer in which a leading country (Japan) transfers technology, which is no longer competitive in this country due to a rise in cost, to follower countries, which then do the same to their respective followers in due course. If these transfers take place a number of times, the production formation among the followers comes to resemble that of flying geese. While the metaphor of the flying geese was subsequently adopted by Bruce Cumings in order to explain the process of product cycles and technology transfers within East Asia, Bernard and Ravenhill disputed the hypothesis, saying that other East Asian states were able to innovate their own technologies and that, therefore, the flying geese formation would not be maintained (Bernard and Ravenhill, 1995).

In such a case, would the flying geese hypothesis be valid in the area of social policy transfer? The developmental state is itself an outcome of a series of policy transfers. These transfers would have been easier between developmental states because of similarities in their overall

policy paradigms and institutional settings. It could also be assumed that there is some formation of the flying geese in social policy among developmental states. Nevertheless, Bernard and Ravenhill (1995) argue that, with respect to technology, the followers could carry out policy innovations once they had instituted the transferred programmes. As a consequence, the formation of the flying geese could not be maintained for much longer after these transfers. How did the innovations occur and did they, in fact, dismantle the flying geese formation?

The National Health Insurance programmes in Japan, Korea and Taiwan provide a case for the discussion of this issue. The health insurance programmes in these countries possess a similar structure. They have a social insurance scheme in which citizens and their employers pay premiums, while the government provides subsidies to health funds, and insurance agencies pay hospitals and clinics on a fee-for-service basis. In Japan, this programme was first introduced in 1922 by a Health Insurance Law, which was implemented only in 1927. The law was based on a Bismarkian social insurance programme and, toward World War II, was rapidly extended and improved in an effort to strengthen the country's labour force (Goodman and Peng, 1996; Fukawa, 2002). The same structure was maintained after the war and achieved universal healthcare coverage in 1961. National Health Insurance is, essentially, a fragmented system in which a large number of insurance funds and mutual aid associations operate for their respective members.

The advantage of this structure is that the government can begin a programme for a small section of people who are crucial for industrialisation, such as workers in large industrial firms and the public sector. The government can also extend health insurance coverage in an incremental manner without disturbing the existing structure. To cover those outside the programme, it is necessary to establish a new health insurance fund, while existing funds continue to operate as before. In brief, this fits in well with the policy paradigm of a developmental state. However, this structure makes risk pooling narrower, and the financial condition of health funds can vary greatly. Funds for middle class wage-earners show a surplus while funds that are region-based and cover informal sector workers, the self-employed and the elderly can easily become financially vulnerable.

In Korea, the introduction of a programme of public health insurance was first considered in the early 1960s by a group of bureaucrats, academics and medical professionals⁴ who studied the feasibility of various options for public health insurance. They believed that this insurance was an essential part of modernisation and that, therefore, the country would need to institute it. They were proud of their work, which contributed to the introduction of social welfare, and

studied social insurance programmes in Germany, France and Japan (Choi, 1991: 17). After the military coup in 1961, this group was transformed into a governmental committee, following Park Chung Hee's intention to introduce social welfare programmes (Kwon, 1999). In the end, the group was able to present to the military government a proposal for a public health insurance programme in which employees and employers in workplaces with over 500 workers would contribute to an insurance fund which, in turn, would pay hospitals and clinics for health services. Because of policy learning, the proposed programme had several obvious similarities to the one in Japan.

However, the group's proposal was not accepted by the Park government because it was viewed as too 'idealistic' (Kwon, 1999). Instead, the government opted to introduce an Industrial Accident Insurance in 1963. In 1977, public health insurance was eventually introduced, with the same structure that was proposed by the policy study group. This time, the public health insurance programme was seen as instrumental to Korea's strategy of economic development as the economy had witnessed rapid industrial growth in the 1960s and 1970s. National Health Insurance began, in 1977, to cover employees in workplaces with more than 500 workers and, a year later, covered civil servants and school teachers as well.

The case of healthcare shows one of the key characteristics of policy learning and transfer in a developmental state. Rather than respond to social demand, a social policy programme was introduced from the top as part of an effort to modernise in general and industrialise in particular. Instead of devising new programmes, policy experts and bureaucrats chose to study the policy experiences of advanced nations and transfer the programmes to their own countries. As Hort and Kuhnle point out (Hort and Kuhnle, 2000), this enabled the introduction of social policy programmes at an earlier stage, within the time frame of industrialisation, than those in Europe. The followers were able, in other words, to reduce the development gap through policy learning and transfer.

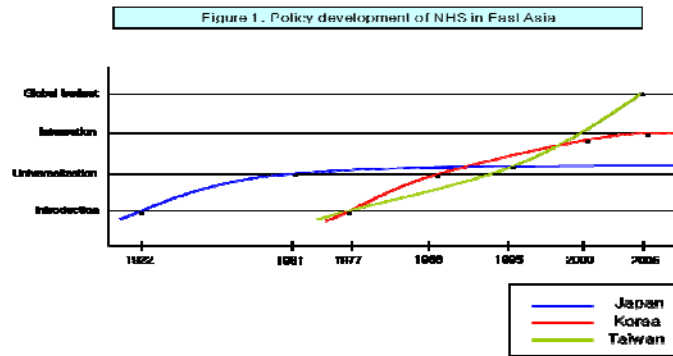
National Health Insurance in Korea became a universal programme in 1988, covering the entire population. It had basically the same structure as its Japanese counterpart until 2000, when a crucial transformation took place. The Korean National Health Insurance integrated the country's fragmented insurance funds, numbering over 350, into a single national agency known as the National Health Insurance Corporation. This consolidation meant that the National Health Insurance pooled the health risks of the entire population into one group, increasing administrative efficiency as well as the financial capacity for redistribution. This is an instance of policy innovation that the National Health Insurance in Japan has not been able to carry out

so far (see Figure 1).

This policy transformation was not brought about by top decision makers. The process of policy evolution of National Health Insurance in terms of advocacy coalition has been documented elsewhere by the author (Kwon, 2007). In a nutshell, policy transformation took place in tandem with the process of democratisation in which social equity and solidarity became policy goals. The debate continued for almost 20 years, since the early 1980s until its eventual integration.

In regard to National Health Insurance in Taiwan, President Lee Teng-hui's government had introduced it in 1995, five years earlier than planned. It was a pre-emptive move by the authoritarian government to shake off pressure from the opposition party (Wong, 2004; Kwon and Chen, 2007). National Health Insurance in Taiwan was based on an extensive study of existing programmes in other countries, including Japan and Korea. Although it had the same structure as National Health Insurance in the latter two countries, it jumped across certain important difficulties which Japan and Korea had not yet solved at that time (see Figure 1). First, it covered the entire population from the beginning, whereas in Japan it had taken more than 40 years, and in Korea 12, to achieve universal National Health Insurance. Second, the Taiwanese National Health Insurance was operated by a single national insurer, that is, the Bureau of National Health Insurance (BNHI). This was well ahead of the single administration established in 2000 for Korea's National Health Insurance and the fragmented system in Japan that continues until now.

Further, the Taiwanese government also introduced a Global Budget System in order to take control of the rising cost of National Health Insurance. Under this system, the BNHI and five national associations of health sectors — comprising dental clinics, traditional Chinese medicine, primary clinics, hospitals and community and institutional care centres — agree on an annual national budget against which the resource-based points of value are floated or inversed (Lee, 2005). For example, if the total number of claims made by primary clinics increases, given the global budget set for this particular sector, the value of the resource-based point is proportionally reduced. In short, it is a mechanism to contain the rising cost of National Health Insurance.



Source: Kwon (1999); Fukawa (2002); Wong (2004); Kwon and Chen (2007).

As Figure 1 illustrates, the development of National Health Insurance among East Asian states shows that the followers modified and innovated what they brought in through policy learning and transfer. Did this, therefore, confirm or disprove the hypothesis of the flying geese? In the sense of the leader being in front while transferring obsolete technology, Akamatsu's hypothesis of the flying geese may be rejected. However, this would seem to understand the hypothesis only in a narrow sense. Despite policy innovation and modification that the followers have made, the overall process seems to conform to the pattern of the flying geese. The policy innovation and modification made by Korea and Taiwan did not put them ahead of Japan in taking up new challenges.

In considering the case of long-term care insurance for the elderly, it will be much clearer that the hypothesis of the flying geese still holds. In 2000, after a lengthy policy debate, Japan introduced a Long-term Care Insurance for the Elderly, in response to the care needs of its older population. This is a policy programme that seeks to provide home and institutional care services by professionals, primarily for those over 65 years of age with long-term care needs. It is an insurance programme established within the existing health insurance schemes. When Japan introduced this programme, the proportion of those over 65 was 17.3 per cent, making Japan one of the most aged societies.

Table 1. Speed of demographic ageing

Year reaching the proportion of the elderly	Time span (in years)
---	----------------------

	7 %	14 %	20 %	7 to 14 %	14 to 20 %
Korea	2000	2019	2026	19	7
Taiwan	1993	2020	2031	27	11
Japan	1970	1994	2006	24	12
France	1864	1979	2020	115	41
US	1942	2013	2028	71	15

Source: National Statistical Office (2001)

Once this new programme was introduced in Japan, a policy proposal for long-term care insurance was placed on the agenda by the government in Korea. The Korean Ministry for Health and Welfare set up a task force to study long-term care insurance in 2000, and the prime minister's office launched a policy unit on long-term care in 2002. It is worth noting that this was prior to any serious social pressure calling for the provision of long-term care. The proportion of the ageing population in Korea reached just seven per cent in 2000, and it will take the country another 20 years to reach the same level of ageing as in Japan in 2000. In 2003, Roh Moo-hyun, as the presidential candidate, included the introduction of a programme of long-term care insurance in his election manifesto and, after the election, his government initiated the programme in 2005. Its nationwide implementation began in July 2008, after three years of pilot projects. The structure of the programme was, by and large, similar to its Japanese counterpart, except for the cash benefits to family caregivers, the idea of which was rejected in Japan. The case of long-term care shows that Korea still has a keen eye on Japan in terms of policy transfer and learning. Korea also takes advantage of Japan's policy experience in order to prepare for an ageing society, well before the country is actually faced with this challenge (Kwon, 2001).

In contrast to Korea, there has not been any serious policy discussion in Taiwan, either by the government or the public, in regard to long-term care insurance. This indifference is consistent with the pattern of the previous case of policy transfer in which Taiwan took more time than Korea before adopting anything new. It remains to be seen whether Taiwan will design a better programme, based on the trial and error method used in Japan and Korea. Nonetheless, the pattern of policy learning and transfer in long-term care is largely consistent with the hypothesis of the flying geese: Japan introduces a policy programme first, Korea follows, while Taiwan takes time to consider.

Graduating from the developmental state?

The introduction of long-term care insurance is a major sign of departure from the social policy system of a developmental state (Campbell, 2002), which the author refers to as a developmental welfare state (Kwon, 2005). It provides social protection for the elderly, who may contribute the least to economic development, since the new programme is based on the principle of social protection rather than developmentalism.⁵ Peng also argues that the role of the state in policymaking has been eroded so much in Japan that the notion of a developmental state cannot capture the essential dynamics of policymaking (Peng, 2005). Although this contention is still subject to debate, the same argument can also be put forward with respect to policy making in Korea and Taiwan, as democracy has further matured in these countries.

Nevertheless, there is one more crucial test to see whether these countries have graduated from their developmental state: a departure from Fukuzawa's paradox. Policy learning and transfer assist follower countries to catch up with the leaders. They also help prepare the nation for the future without the effort to look ahead for themselves. There is, however, an intrinsic logic in learning. A good student cannot remain in school and carry on learning forever. At a certain point in time, the student needs to graduate and take on challenges in the field. There is a need, too, to be creative for oneself in order to go — and stay — in front.

For Japan and Korea, it is necessary to break away from Fukuzawa's thesis in order to graduate from the developmental state. They need to go beyond learning from Western nations and be creative to set their own policy paradigm for the future. Fukuzawa's paradoxical thesis was put forward to maintain national independence from an external threat that was not only military but also political and economic. Historical experience shows that this has been very effective. But it does not indicate the way in which followers can be in front, nor does it show how the uncharted waters of future policy challenges can be navigated without someone in the lead.

There have been a number of attempts in Japan and Korea to be creative in tackling policy challenges.⁶ For example, the government of Masayoshi Ohira began an initiative to create a 'Japanese style of the welfare society' in 1978. It was a policy response to the rising cost of the welfare state since the launching by Prime Minister Kakuei Tanaka of his policy programme for "year one of the welfare era" that sought to match welfare states in the West (Shinkawa, 1990). In the 1980s and 1990s, there were also a series of policy initiatives that explored unique visions for an ageing society with fewer children in Japan. On close inspection, however, there were few unique or creative innovations in the Japanese-style welfare society (Campbell, 2002). One of the policy outcomes of this effort was the long-term healthcare insurance which, after all, originated from a German programme.

With respect to Korea, Kim Dae-jung's government launched a policy paradigm of the 'productive' welfare state after the economic crisis of 1997-98. This initiative was a clear break from the selective nature of the developmental welfare state, while the productivist principle remained as the core of this state (Kwon, 2005). Notwithstanding such an important shift, this policy reform was not based on programmes created by policy innovation inside the Korean policy community but on programmes transferred from the West.

This contention is likely to invite criticism and needs to be tested more rigorously in future research. It does not suggest that the welfare states in Japan and Korea are the same as those in the West. In the end, the mixture of programmes transferred from different countries makes the welfare states in East Asia unique. There is, however, something lacking in this mix: a creative policy response of their own to policy challenges. Where is the need for these countries to respond in their own way if they can continue to learn from others' experience? They can carry on borrowing policy experiences from others. This may be true, but there is a certain vulnerability in the policy regime that depends heavily on learning and transfer. At times, societies may face policy challenges that they tackle themselves, without the experience of any precedent from other countries. Moreover, East Asian nations need to project their own vision of the future and define their role in a globalising world as their share of influence increases.

Andre Gunder Frank's popular book, *ReOrient: Global economy in the Asian age*, implies that history is now reorienting itself toward Asia (Frank, 1998). Several keen observers of Asia also seem to think that Asians will take a driving seat in the globalising world. While this is a speculative argument, it enables one to ask whether East Asia would have its own vision of the future when it becomes as responsible for world affairs as its counterparts. In searching for this vision, Fukuzawa's thesis will no longer be useful, since there would be no front runners for East Asia to learn from. It is at this time that the flying geese would need to find a way, based on their own ability to orient themselves.

Notes

¹ This does not mean that Fukuzawa Yukichi personally persuaded political leaders of the Meiji government, nor does it suggest that his ideas convinced the Japanese audience at that time. Instead, his articulated ideas and eloquent articles reflected the discourse of Japanese society during the time of the Meijis.

² Fukuzawa supported indigenous political efforts of reform in Korea, in particular the failed coup d'état in 1884. Once China tried to assert the dominance in Korea, Fukuzawa began to emphasize Japan's role in Korea (Chung, 2001)

³ For example, Kang Youwei and Li Hongzhang, among others.

⁴ Because this group had a meeting every Wednesday, the members called themselves the Wednesday Group.

⁵ This contention is subject to debate, since some commentators argue that the introduction of long-term care insurance was considered a job creation programme because it would create a significant number of jobs for women care workers.

⁶ Other efforts include the Brain Korea 21 (BK21) programme in Korea and the 21st Century Center of Excellence programme in Japan in the policy areas of education and research. These programmes aim to train a new generation of academics and researchers within the respective countries, enabling them to compete with those trained in the West.

Bibliography

- Ahn, B. J. and Lee, Y. H. (2007) *Korea at the crossroads of history*, Seoul: Kiparang (in Korean).
- Bernard, M. and Ravenhill, J. (1995) 'Beyond product cycles and flying geese: Regionalization, hierarchy, and the industrialization of East Asia', *World Politics*, vol 47, no 2 (January), pp 171-209.
- Campbell, J. (2002) *Japanese social policy in comparative perspective*, Washington, DC: World Bank Institute.
- Choi, C. (1991) *The history of Korean social policy research*, Seoul: Institute of Korean Social Security.
- Chun, I. (2006) *Park Chung-hee: A commentary*, Seoul: Ihaksa (in Korean).
- Chun, I. (2001) *Fukuzawa Yukichi*, Seoul: Knowledge Industry (in Korean).
- Dolowitz, D. P. and Marsh, D. (2000) 'Learning from abroad: The role of policy transfer in contemporary policy-making', *Governance*, vol 13, no 1, pp 5-23.
- Frank, A. G. (1998) *Reorient: Global economy in the Asian Age*, Berkeley, CA: University of California Press.
- Fukawa, T. (2002) *Public health insurance in Japan*, Washington, DC: World Bank Institute.
- Gerschenkron, A. (1962) *Economic backwardness in historical perspective: A book of essays*, Cambridge, MA: Belknap Press of Harvard University Press.
- Goodman, R. and Peng, I. (1996) 'The East Asian welfare states: Peripatetic learning, adaptive change and nation-building', in G. Esping-Andersen (ed) *Welfare states in transition: National adaptations in global economies*, London: Sage.
- Gough, I. (2001) 'Globalization and regional welfare regimes: The East Asian case', *Global Social Policy*, vol 1, no 2, pp 163-189.
- Hort, S. O. and Kuhnle, S. (2000) 'The coming of East and South-East Asian welfare states', *Journal of European Social Policy*, vol 10, no 2, pp 162-184.
- Johnson, C. (1999) 'The developmental state: Odyssey of a concept' in Woo-Cumings, M. (ed) *The developmental state*, Ithaca: Cornell University Press.
- Kim, L. (1997) *Imitation to innovation: The dynamics of Korea's technological learning*, Boston: Harvard Business School Press.

- Kohli, A. (2004) *State-directed development: Political power and industrialization in the global periphery*, New York: Cambridge University Press.
- Kwon, H. J. (1999) *The welfare state in Korea: The politics of legitimation*, London: Macmillan.
- Kwon, H. J. (2007) 'Advocacy coalitions and health politics in Korea', *Social Policy & Administration*, vol 41, no 2, pp 148-161.
- Kwon, H. J. (ed) (2005) *Transforming the developmental welfare state in East Asia*, London: Palgrave / Macmillan.
- Kwon, H. J. and Chen, F-L. (2007) 'Governing universal health insurance in Korea and Taiwan', *International Journal of Social Welfare*, vol 17, no 4, pp 335-364.
- Kwon, S. (2001) 'The cost of elderly care and policy responses in Japan', *Trends in Public Health Insurance*, vol 28, pp 15-36.
- Lee, K. (1997) 'The legitimacy of the Third Republic and the Park government', *Korean Political Studies Review*, vol 31, no 4, pp 89-108 (in Korean).
- Lee, Y. C. (2005) *Financial sustainability of National Health Insurance in Taiwan*, paper presented at the international conference on Improving financial sustainability and achieving a rational drug policy for the future, Seoul.
- Nishikawa, S. (1993) 'Fukuzawa Yukichi', *Prospects: The quarterly review of comparative education*, vol 23, nos 3/4, pp 493-506.
- Park, C. H. (1963) *The country, the revolution and I*, Seoul: Hollym Corporation.
- Peng, I. (2005) 'The new politics of the welfare state in a developmental context: Explaining the 1990s social care expansion in Japan', in H. J. Kwon (ed) *Transforming the developmental welfare state in East Asia*, London: Palgrave / Macmillan.
- Shinkawa, T. (1990) *The political economy of social welfare in Japan*, PhD dissertation, University of Toronto.
- Wade, R. (1990) *Governing the market: Economic theory and the role of government in East Asian industrialization*, Princeton: Princeton University Press.
- Westney, D. E. (1987) *Imitation and innovation: The transfer of Western organizational patterns to Meiji Japan*, Cambridge, MA: Harvard University Press.
- Wong, J. (2004) *Healthy democracies: Welfare politics in Taiwan and South Korea*, Ithaca: Cornell University Press.
- Woo-Cumings, M. (ed) (1999) *The developmental state*, Ithaca: Cornell University Press.