

Universal versus Selective Welfare: A Significant Role of General Altruistic Welfare Perceptions^{*}

보편적 복지와 선별적 복지: 이타적 시민복지인식의 중요성

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국문초록

본 연구는 최근의 복지논의에 있어 보다 객관적 준거를 제공하기 위해, 일반시민의 복지인식이 보편복지에 대한 선호에 미치는 영향을 확률적으로 분석하였다. '한국복지패널자료'를 통해 2007년과 2010년의 자료를 패널 프로빗 모형으로 분석한 결과는 시민들의 최근 인식이 '수익자부담원칙'(the benefit principle)을 지지하고 있음을 보여주었다. 분석기간에 걸쳐 전체적으로 상대소득이 감소한 가운데, 보편복지에 대한 선호는 최근 소득이 (평균소득 보다) 높아질수록 감소하였다. 이들은 또한 중위소득(미만) 수준의 시민에게 세금을 더(덜) 부과하는 것을 선호하나 사회복지의 공급확대를 위한 전반적 증세를 선호하지 않는 것으로 나타났다. 반면 저소득일수록 보편복지를 선호하며, 오히려 이들은 사회복지의 공급확대를 위한 증세를 오히려 더 감당할 수 있다는 인식을 보이고 있다. 한편 고소득자에 대한 세금수준이 매우 낮다는 인식은 기술통계 상에는 시민간에 큰 차이를 보이지 않음에도, 확률분석에서는 보편복지에 대한 선호의 정확한 표출 및 반영에 통계적으로나 규범적으로나 가장 혼란을 주는 요인으로서 통계적으로는 전혀 유의하지 않게 나타났다. 이렇게 정부정책과 시민 간 논의에 있어서 '권리(나 의무)'로서의 사회복지(기여) 보다는 복지의 기준으로서 수익의 중요성이 증대된 가운데, 본 논문은 "복지이타성"(welfare altruism)이라는 개념이 특히 소득이 증대될수록 필요하게 됨을 논의하였다.

Keywords: welfare perception, welfare altruism, welfare preference, universal welfare

I. Introduction

Social welfare has been an ongoing and major policy issue in developed countries since World War II. Recently it has been perceived as a public concern in newly developed countries as well. Despite the expansion of welfare programs, however, there is little social consensus on whether to pursue a

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universal or selective welfare policy (Dostal, 2010; Kim, 2006; Payne, 1999; Hoshino, 1969; Titmuss, 1968a, 1968b). Moreover, amidst critical welfare debates, the public's perception of welfare preference has not been appropriately addressed despite such perception of welfare as a public concern (Oyelere and Oyolola, 2011; Svallfors, 2003). Regarding this kind of lack of considering the public's perception of welfare preference, Korean social welfare policy is no exception.

While the public's welfare perception has been disregarded in Korea, social welfare policy debates have become particularly critical in the 2010 general and 2012 presidential elections (I. Kim, 2012). Over these periods, the conservative political party often insisted on a selective welfare policy that provides benefits depending upon the income level of beneficiaries. Meanwhile, the progressive party used to argue for a more universal approach that provides benefits irrespective of beneficiaries' income level or socioeconomic circumstances. Ironically, at times, without full consideration of government budget constraints and the public's preferences both conservative and progressive parties have pushed for "populist" universal welfare programs.

If resources are not scarce and benefits do not decrease motivation for self-help or work, of course, universal welfare provision without crowding out effects is more desirable in an economic sense. Conceptually, the desirability of welfare provision depends on whether citizens perceive it as a duty or a right. If the public perceive it as a right, which is equal to every citizen, it will be regarded to be more universal. If citizens perceive it as a duty, which depends on individual ability, it will be considered to be more selective. Many state governments are struggling with the choice between universal or selective welfare since there will be no private right for welfare benefit without any public duty that is depending on individual ability.

In general, the universal welfare approach recognizes welfare as a citizen's right and eventually as the state's (not individuals') responsive duty. However, its provision, in turn, depends on the individual's willingness or ability to pay taxes, so it is highly probable that each individual wants to receive more welfare benefit than the tax that they are willing or able to contribute. Such "right rather than duty," as a social dilemma of the universal welfare state, can be solved only if citizens have a willingness to act out of self-interest (Rothstein, 2001). Therefore, if the altruistic tendency in this willingness can be measured in reference to "perceived" welfare preference, the possible solvability of the social dilemma of universal versus selective welfare can be analyzed and discussed.

Since it was not until recently that the data addressing the national public's welfare perception was released and analyzed by Baek and Kum (2012) regarding Seoul citizens' welfare preference only, the present study, which is to analyze the data constructed from nation-wide panel surveys, can be a pioneering attempt at empirically understanding the national public's welfare perceptions. This study aims to provide welfare policy directions by analyzing the public's perceptions in "welfare altruism" (i.e. in this article, regard, or willingness to contribute, for others' welfare as well as oneself) and "welfare preference" through an objective analysis of the Korean Welfare Panel Data (KWPD). The

rest of this article is set out as follows. In the first place it examines essential concepts and previous studies on universal or selective welfare in Western and Korean circumstances. This article then proceeds to a discussion of the adequacy of the KWPD in analyzing the probabilistic characteristics of the public's welfare perceptions in Korea. Based on this discussion, a probability analysis of the relationships of the public's altruistic welfare opinions with their perception of preference between universal and selective welfare is made. In conclusion, some suggestions are made in light of the analytical results to guide the welfare research and policy in Korea as a developmental welfare state.

II. “Right Rather Than Duty” in Universal versus Selective Welfare

1. Welfare Altruism and Welfare Preference in Determining the Universality of Welfare

Altruism is often interchanged with (social) welfare, but the former is the prerequisite or necessary condition for viable realization of the latter, not vice versa. Therefore, the individual's collective welfare preferences are determined by the aggregate of “selfish or altruistic” perceptions of the personal duty to contribute for “social” welfare. The same aggregate determination logic also applies to the personal right to receive welfare benefit, as it is can be interpreted as a Wilmot's (1997: 202-218) collectivist matter of “right rather than duty” for most private selves with self-interest (or morally and normatively, self-love). In this context, an analysis of the “selfish or altruistic” individual's aggregate perception of welfare as a duty or a right and their own welfare preference is important in reflecting (on) the public's opinion in social welfare policy.

A welfare policy is to not just consider how to effectively deliver social services to whom (i.e. effectiveness and relevance) but also responsively reflect how welfare is perceived by the general public or the beneficiaries (i.e. responsiveness). The object of social welfare provisions, however, is often confused, so social service delivery is likely to be irresponsible or even irrelevant to the citizen's needs and preferences. Likewise, it is general that the object's opinion is hard to be appropriately reflected in such provisions (Svallfors, 2003). The public (aggregated) perception of welfare preference has often been disregarded while many states' most preferred provision criterion is simply needs basis and used to be made without considering individual differences in preference or altruistic properties (Oyelere and Oyolola, 2011; Hansen and Magnus, 2003; Kellstedt, 2003; Bitler et al., 2002; Gilens, 1999; Hunt, 1996; Davis and Hagen, 1996).

Despite many states' expanded welfare expenditure and the growing interest in social welfare since 1945, in particular, universal and selective welfare were not clearly distinguished from one another until the mid of the 1960s (Titmuss, 1968a, 1968b) and much of such confusion is due to a lack of identifying the aggregated perception of “welfare altruism” and “welfare preference,” which are likely

to contradict each other because of welfare perception as a “right rather than duty.” Therefore, the reflection of their collective altruistic welfare perceptions as a basis for revealed policy preferences is still more critical in effectively formulating and delivering social welfare programs. In this context, concurrent nominal and “majoritarian political” (Wilson, 1980) welfare debates need to be preceded by an understanding of the clear criterion on universal or selective welfare, which, in turn, is adjusted by the relationship of the public’s welfare altruism and welfare perception.

2. Perception of Altruism and Preference in the Developmental Welfare State

In the previous section it has been discussed that welfare altruism and preference are conceptually important in figuring out the universality of welfare provision. As Wethington and Kessler (1986) noted, however, perceived social support and received social support usually differ to each other. The identification of their welfare perception, thus, matters more in working out the realistic guideline to a right and appropriate level of universal or selective welfare provision. To discuss this importance clearly, the theoretical debate and concept of the universality of welfare (in the developmental welfare state) need to be elucidated first.

Since the widespread neoclassical economic and social security policies in the 1980s, the concept of universal welfare has recently been more contradicted with selective welfare in developed countries (Dostal, 2010; Yang, 2012; You et al., 2011). However, the universal-selective debate has a long tradition. Strictly speaking, selective welfare originated from universal welfare, which is represented by the well-known British Beverage Report in the period of World War II and is firstly distinguished by Titmuss (1968a, 1968b). Since Franklin Roosevelt implemented the Social Security Act in the United States (US) during the same period, the rise of the welfare state over Western societies in the mid of the twentieth century became a catalyzer for the longstanding debate.

In previous studies, the criteria which distinguish selective from universal welfare have been defined as follows. The first conceptual criterion is the proportion of the citizenry covered by welfare provision. If it covers the total population, it is considered universal. If it covers specific groups only, it is regarded to be selective. The second criterion is the standard which decides how to distribute the service and benefit in this question: is it distributed as a specified right (universal redistribution) or through discretionary redistribution by needs-testing and/or means-testing? (Tanner, 2012; Yoo et al., 2011; Dostal, 2010; Kim, 2003) In light of these criteria, this article defines universal welfare as the received benefit or support to a general citizen (as their right) without both needs-testing and means-testing. Following this definition, the benefit provided by selective welfare (as general citizens’ duty) is limited to the groups that are selectable by needs-testing or means-testing.

For most developed countries, the universality of provisions in state welfare provision as

redistribution is a much debated issue during the period of post-war development (Dostal, 2010). Therefore, the longstanding debate on universal versus selective social provisions in the welfare state (in Western society) is equally important for present and future policy formulating in the developmental states (particularly in East Asia), which have just entered a developed state. As a national policy arena, across nations, welfare affects millions of lives and often provides the needed groups with social security or service programs (Chai, 2012), so “right or duty” welfare issues in Korea are as important as those of any other developed country when considering the following circumstances.

As a “developmental welfare state” (Dostal, 2010), whose welfare provision is still selective (or not yet universal) after the rapid development of economy, concurrent examples of universal welfare in Korea (at least nominally) include the national pension system for the citizens who are aged above 65 without public service or education pensions and the national medical insurance for all citizens (I. Kim, 2012). On the other hand, proponents of selective welfare as a “complement” to capitalist economy have criticized for the (economic) substitutability of universal welfare provisions in Korea. In the selective welfare approach, the government provides benefits to specific groups based on “assessed” needs. The Basic Living Security System (BLSS) and the Basic Old-age Pension (BOP) are the representative contemporary examples of selective welfare programs in Korea (You et al., 2011; Gong, 2008). During the 2010 and 2012 elections there was a widespread social debate on a variety of welfare services including free lunch meals for public school students, a 50% reduction in tuition fees for university students, and the BOP.

Previous debates on welfare as a right or duty in Korea have rapidly developed from selective to universal welfare, but there have been chronic problems in reaching social consensus (Cho and You, 2012; Joo and Baek, 2007). As much as such debates are critical, however, social consensus is required for successful welfare policy implementation. There are several limitations to implementing welfare policy that cannot be overcome without social consensus, and these limitations are particularly conditioned by the tradeoff between income redistribution and government budget, which used to be prescriptively adjusted rather than the objective identification of the public’s perception of welfare altruism and welfare preference.

Despite critical debates on welfare policy, however, there are few studies on empirical verification for figuring out the public’s welfare perception in inducing nation-wide social consensus on welfare policy orientations in Korea (Chun et al., 2013; Lee et al., 2011). The universal-selective debates without this verification will be imprecise or even irrelevant in steering the right policy direction. In order to measure the adequate level of universal (selective) welfare provision in response to the public’s welfare perception, therefore, the following sections will discuss the adequacy of the analytic data and examine the (probabilistic) relationships of the public’s welfare opinions with their preference for universal welfare through a mathematical model.

III. Data and Analysis

1. The Data

For the analysis of the relationships of the public's "altruistic welfare opinions" with their "perception of preference" between universal and selective welfare as a "right or duty," this study utilized the KWPD. This data has been constructed jointly by the Korea Institute for Health and Social Affairs (KIHASA) and the Social Welfare Research Center (SWRC) at Seoul National University annually since 2006. Specifically this study uses the supplemental data to the 2007 and 2010 surveys, whose questionnaires measure the public's welfare perception based on stratified and population-proportionate cluster-sampling. Since 2006 these panel surveys have traced 7,000 individuals, whose 3,500 general household and 3,500 low income household began to be surveyed according to the entry level of equalized median household income in 2006.

The major elements of the KWPD dataset are composed of two parts. The first part focuses on the public's perception of and attitude toward Korea's welfare policy in which social stratification, income distribution, and the roles of government have been conventionally determined. The second part asks for the public's perception of which level of taxation (from whom) is appropriate for benefiting whom in a certain field or circumstance. In order to understand the recent configuration of the public's welfare perception, this study integrated the data from the 2007 and 2010 supplemental surveys for the same observations only. If the control for unobserved variable and its changes is possible over the study periods, this sort of panel data, i.e. "perfectly balanced" panel data, has strong points in capturing the independents' time-invariant relationships with an interested dependent.

In general, panel data has methodological advantages compared to time series and cross-sectional datasets. First, cross-sectional data only measures the static relation among variables at a specific time. Panel data, however, can control or measure the dynamic relationship because the objective is surveyed repeatedly tracing the temporal change. Second, panel data can consider or control the factors of the unobserved heterogeneity of objects, which can reduce errors in model building. Third, panel data can be a base for providing "integrated" time series and cross-sectional data analysis with more realistic information on the variability of variables. Finally, panel data analysis results in efficient estimators and mitigates multi-collinearity (Kim et al., 2012; Mo and Kim, 2009). However, panel data also has some weaknesses. It is difficult to obtain suitable data due to the missing information caused by the difficulty of tracing key variables over the time change. The panel analysis in this study could also have had limitations such as data collection and computational costs longitudinally.

The KWPD dataset, however, is very suitable for longitudinal analysis as well because it contains

the traced characteristics of each variable on the same person surveyed by the interviewers funded by the state government. In terms of analytical methods, this paper will conduct a probability analysis through ordered probit analyses because the dependent variable is a set of ordered data. The structure of this ordered choice panel dataset can be presented as in Table 1.

Based upon the characteristics of this data structure, this study merges these 2-year datasets longitudinally using the person merge key (*pid*). The merged dataset has 2,890 observations, excluding ones with any missing and changing information. To handle this merged dataset with an interested dependent variable whose scale is ordinal, ordered panel analysis methods should be adopted. Table 1 depicts the structure of this selected panel dataset.

Table 1. Structure of the Korean Welfare Panel Data

$j(hij)$	t (time)	y_{jt}	x_{jt1}	x_{jt2}
1	1	y_{11}	x_{111}	x_{112}
1	2	y_{12}	x_{121}	x_{122}
1	3	y_{13}	x_{131}	x_{132}
2	1	y_{21}	x_{211}	x_{212}
2	2	y_{22}	x_{221}	x_{222}
2	3	y_{23}	x_{231}	x_{232}
3	1	y_{31}	x_{311}	x_{312}
3	2	y_{32}	x_{321}	x_{322}
3	3	y_{33}	x_{331}	x_{332}
4	1	y_{41}	x_{411}	x_{412}
4	2	y_{42}	x_{421}	x_{422}

*Notes: $j = 1, \dots, m$ (unit of sample: e.g. personal characteristics), $i = 1, \dots, n$ (household: e.g. household characteristics), $h =$ (survey area: e.g. region), $t = 1, \dots, T$ (wave), y_{jt} = the value of response variable in time t , x_{jt} = the value of explanatory variables in time t .

2. Null Hypothesis

The null hypothesis of this study to test “whether average altruistic citizens prefer selective welfare for people in relative poverty and greater perceived inequality despite unfair taxation” is stated as follows (*variable labels in parentheses*):

“If the ‘average’ (e.g. defined by equalized median household income *lowgen*) people, who support for the government’s stronger redistribution (*growredis*) or redistribution duty (*nogovduty*) to reduce existing income and asset inequality (*inequal*) through their perceived current state of fairer taxation (*fairtax*), are ‘altruistic’ (in reference to comparing *notaxbudget* and *notaxsocial*) as they become better off, they will not show a perception of preference for the state’s ‘universal’ welfare provision (*universal*) or they will not perceive that middle income people should pay more taxes (*low-midtax*) and low income people should pay less taxes (*low-lowtax*) for enhancing welfare provision.”

If universal welfare is likely to be more preferred when people are likely to be in lower income (rather than in higher income) and to prefer the state's increasing taxation for welfare provision (not just for redistribution) in the welfare state as they perceived themselves as being more unfairly taxed despite fairer redistribution, the welfare altruism of high income people can ironically be a simple answer to ensure a consistency among expected coefficient signs of the probability analysis in this study.

3. Dependent Variable

The dependent variable (*universal*) defines the public's perception of preference between universal and selective welfare, as it is taken per se from the response on the survey to the following question:

“Social welfare provision should be limited to the poor. Do you perceive how agreeable this opinion is to you?”

The dependent expresses five choices such as strong agreement (with the government's selective welfare provision) (1), agreement (2), neutral (3), objection (4), and strong objection (5). Choice 1 or 2 indicates preference for selective welfare. Choice 3 expresses neutrality. On the other hand, choice 4 or 5 indicates preference for universal welfare on the 5-point ordinal scale.

4. Comparable Altruistic Welfare Perceptions and Five Control Questions

From the KWPD survey, the two “seemingly similar” questions below (*labels in parentheses*) are employed per se in order to compare the individual agreement for perceived collective (i.e. solidary) responsibility to enhance welfare budget through more taxation. Since the first question (*notaxbudget*) postulates that more taxation for state welfare budget increase is made to the people who can sufficiently include not only others but also private self, its response can be an indirect indicator of “altruistic (i.e. disinterested) perception on the welfare by the trustable state” and/or “stronger perception on the ineffectiveness welfare by the mistrusted government despite fair taxation (or vice versa in the unfair taxation condition that will be tested by *fairtax*).” Since this individual question does not precisely distinguish these two perceptions, one comparative question and five follow-up control questions are analyzed together.

To double-check the construct validity of altruistic welfare perceptions and their internal validity among the their coefficients of the probability analytic model (in comparison to stronger perception

on the ineffectiveness of welfare provision through the welfare state's implementation of the budget), the selected comparative question (*notaxsocial*) repeatedly measures the same perception in reference to welfare provision enhancement, not the state's welfare budget increase itself. The first control question (*fairtax*) is then to more accurately control the primary question on altruistic welfare perception for non-altruistic or self-interested inclination. Although even without mentioning the explicit condition of progressive rating within the first question it is the very common sense that "same and equal benefit by same and equal contribution" is not "social" welfare, this control question (together) re-confirms whether they are still willing to pay more taxes despite their perceived less fair taxation. Preference for increasing taxation as the "altruistic or selfish" individual's agreement to the state's "solidary and prescriptive" duty of "social" welfare provision is to (together) evaluate the internal consistency or validity of responses from the average citizenry as well.

The second control question (*nogovduty*) is to measure how firmly the average citizens regard redistribution through welfare provision as the welfare state's duty. Through comparing the two altruistic welfare perceptions in control for perceptions on the possibly less effective and less fair welfare state's solidary duty to redistribute, thus, the average citizenry's self-contradiction between the individual's welfare concern, which can be either altruistic or selfish, and collective welfare concern can be validated. In other words, this validation is made in reference to their perceived social and solidary "duty" to ensure welfare benefit as a personalized "right" that they take for granted. The last three control questions are to be the criteria by which income level differences will be discussed.

Comparable Altruistic Welfare Perceptions

In Control for the State's Less Effective Implementation of Welfare Provision and Taxation

"Do you agree with the statement that more taxes should be collected in order to increase welfare budget?" (*notaxbudget*: strong agreement (1); agreement (2); overall agreement (3); neutrality (4); overall objection (5); objection (6); strong objection (7))

"Do you agree with the statement that more taxes should be collected in order to enhance social welfare?" (*notaxsocial*: strong agreement (1); agreement (2); neutrality (3); objection (4); strong objection (5))

Control Questions

"Do you agree with the statement that more people pay less tax despite their higher income?" (*fairtax*: strong agreement (1); agreement (2); overall agreement (3); neutrality (4); overall objection (5); objection (6); strong objection (7))

“Do you agree with the statement that it is the government’s duty to reduce the income disparity between high-income and low-income people?” (*nogovduty*: 6-point ordinal scale of strong agreement to strong objection)

“Do you perceive which level of taxation high income people pay taxes at?” (*low-hightax*: at a very high level (1); high (2); adequate (3); low (4); very low (5))

“Do you perceive which level of taxation middle income people pay taxes at?” (*low-midtax*: at a very high level (1); high (2); adequate (3); low (4); very low (5))

“Do you perceive which level of taxation low income people pay taxes at?” (*low-lowtax*: at a very high level (1); high (2); adequate (3); low (4); very low (5))

5. Covariates

In order to control the above variables of interest, two additional variables operationally defined by ordered responses to the questions below are employed as independents, together with the criterion of relative poverty as the ninth independent. For defining public preference for welfare provision as a redistribution policy, Finseraas (2008) operationalized the response to “the government should reduce the income disparity between high-income and low-income people” in the European Social Survey. For measuring the same preference, Lubker (2007) used the response to “it is the government’s responsibility to reduce the income disparity between high-income and low-income people?” in the International Social Survey Programmes. In order to define the public perception of preference for welfare provision as the government’s responsible redistribution policy, the present study also used the same question in the form of interrogative question beginning with “do you agree with the statement that...” Roller (1994) also supported that these questions are more appropriate to measure the attitude or perception toward the redistributive duty of the welfare state, whereas they are not appropriate to define a preferred level of welfare spending.

Responses were collected in reference to the 4- to 7-point scale ranging from strong agreement to strong disagreement. Based upon the theoretical background and panel data availability which were discussed in the previous sections, the three independent variables below which are related to welfare perception were selected to control the main variable of interest. In this study, the control variable of relative poverty is defined as the low-income state where household head’s income level falls under 60% of the equalized median household income (EMHI). For instance, the income level variable is given 1 when its observation is the household whose head’s income is more than 60% of the EMHI

and 0 (i.e. in relatively poverty or low income) when the household head's income is less than 60% of the EMHI.

“Do you think how much fair the distribution of income and asset is in Korea?” (*inequal*: 7-point ordinal scale of strong equality to strong inequality)

“Which do you think is more important between growth and redistribution?” (*growredis*: 4-point ordinal scale of strong growth orientation to strong redistribution orientation)

6. Scaling of the Variables

In formulating the hypotheses, the following nine independents from the KWPD that are directly related with the response variable and are key determinant variables for welfare policy have been discussed in this section and is scaled as in the list below: “altruistic” perception on increasing taxation for increasing welfare budget (*notaxbudget*) and “altruistic” perception on increasing taxation for enhancing welfare provision through implementing welfare budget (*notaxsocial*) in control for less fair welfare taxation (*fairtax*) and perception on the state's duty to reduce income disparity (*nogovduty*); perception on income and asset inequality (*inequal*); perception on the priority between growth and redistribution (*growredis*); and simple stratification by the income level (*lowgen*) as the control variable in the following list.

Dependent

universal: 5-point ordinal variable from 1 to 5

Comparable Altruistic Welfare Perceptions

notaxbudget: 7-point ordinal variable on favored more taxation to increase welfare budget

notaxsocial: 5-point ordinal variable on favored more taxation to enhance social welfare

Variables as Responses to the Control Questions

fairtax: 7-point ordinal variable on the perceived fairness of current taxation

nogovduty: 5-point ordinal on perceived governmental duty to reduce income disparity

low-hightax: 5-point ordinal on the perceived adequacy of tax level on high income people

low-midtax: 5-point ordinal on the perceived adequacy of tax level on middle income people

low-lowtax: 5-point ordinal on the perceived adequacy of tax level on low income people

Covariates

inequal: 7-point ordinal variable on the perceived state of inequality

growredis: 4-point ordinal on the perceived priority between growth and redistribution

lowgen: binary variable on the surveyed level of general or low income households

7. Research Methods

In understanding the relationships of the public's welfare opinions with their perception of preference between universal and selective welfare, how a different level of their welfare preference will differently respond to their opinions needs to be figured out. This difference can, of course, be appropriately addressed by examining the coefficients of well-defined regressors and/or the standardized or probabilistic effects of them are more desirable. In order to understand the differential effects objectively, this study adopts the panel probit model to examine the probability effects of welfare opinions on the perception of welfare preference, which is operationally defined on an ordinal scale.

When the response variable represents an ordered choice, the latent variable y^*_{it} in equation (1) expresses the choice of response variable which is unrevealed. The basic model can be expressed as a linear function as in equation (1).

$$y^*_{it} = \beta x_{it} + \varepsilon_{it}, \quad i = 1, \dots, n, t = 1, \dots, T \quad (1)$$

Here this study assumes that the error term (ε_{it}) is a normal distribution of $\varepsilon_{it} \sim N(0, \sigma_\varepsilon^2)$. y^*_{it} is not observed whereas y_{it} is an observed variable. The observed response variable y_{it} can then be defined as follows:

$y_{it}=1$	$y^*_{it} \leq \delta_1$	(strong agreement with selective provision)
$y_{it}=2$	$\delta_1 < y^*_{it} \leq \delta_2$	(agreement)
$y_{it}=3$	$\delta_2 < y^*_{it} \leq \delta_3$	(neutral)
$y_{it}=4$	$\delta_3 < y^*_{it} \leq \delta_4$	(objection)
$y_{it}=5$	$\delta_4 < y^*_{it}$	(strong objection)

In the above constraints, $\delta_1, \delta_2, \delta_3$, and δ_4 are the cutoff points and are the parameters which can also be estimated in the model. The error term ε_{it} is composed of u_i , a, as the heterogeneity between groups, and the error term e_{it} , as a change according time and group.

$$\varepsilon_{it} = u_i + e_{it} \quad (2)$$

If u_i as the random variable to define an unobserved individual effect, follows the normal distribution together with the normally distributed error term e_{it} , equation (1) defines a random effects ordered probit model (Rodríguez and Elo, 2003). When e_{it} follows the logistic distribution in the same model, equation (1) defines a random effects ordered logit model. This article utilizes the probit one because the random variable (u_i), which represents the unobserved variability of public's realized preferences, is assumed to have the normal distribution.

Because the dependent variable represents ordered choices, a random effects ordered probit model is used as described above. In this dataset, the group variable is *pid* and the time variable is *time*. The response variable (*universal*) ranges on the 5-point ordinal scale. Four cutoff points should be estimated because the dependent variable is scaled on ordinal 5 points as described above. A random effects ordered probit model for estimating the each welfare opinion's differential (marginal) effect on welfare preference is implemented through the Stata program. A comparison of altruistic welfare perceptions on *universal* through two models with *notaxbudget* and *notaxsocial* as variables of primary interest is to be also made by double-checking their internal consistency of a model where *notaxsocial* as a dependent and *notaxbudget* is an independent, as a supplemental model to control for the perceived ineffectiveness or mistrust in the state's ability to implement the welfare budget,.

IV. Analysis and Results

As described in the preceding section, the dependent (*universal*) on the perception of preference for selective welfare provision (i.e. the perceived preference for whether welfare should be provided to all citizens) was measured on the 5-point ordinal scale. There were 2,890 observations in total. Strong agreement and agreement to selective welfare turns out 6.63% and 35.07%, respectively. The proportion in favor of selective welfare, thus, will be 41.70%. 13.55% of the responses shows neutral opinion. On the other hand, disagreement and strong disagreement to selective welfare are 38.77% and 5.98%, respectively. The similar level of agreement and disagreement, hence, suggests that there can be little consensus among many proponents of universal versus selective welfare.

Table 2. The Proportion of Each Response in the Dependent Variable

<i>Preference</i>	<i>Number</i>	<i>Relative Frequency</i>	<i>Cumulative Frequency</i>
<i>Strong Selective</i>	183	6.63	6.63
<i>Selective</i>	968	35.07	41.70
<i>Neutral</i>	374	13.55	55.25
<i>Universal</i>	1,070	38.77	94.02
<i>Strong Universal</i>	165	5.98	100

Prior to probability analysis, this article provides the descriptive characteristics of the five independent variables from the KWPD which are employed to measure or control the relations between altruistic welfare perception and preference for selective welfare. The descriptive statistics of these independent variables are shown in Table 3. The mean value of the household income level which is measured by is 0.37. Since the panel data has traced the same individuals as the entry observations of 3,500 general and 3,500 low income households in 2006 over the period 2007 to 2010, this result suggests an overall decrease in equalized median household income. The mean value of income and asset inequality (*inequal*), which ranges on the 7-point ordinal scale, is 5.32. This indicates that the public think income and asset are unfairly distributed. The government's duty to reduce income disparity (*nogovduty*) is 2.27 on the 5-point scale and shows the average citizens' agreement that the government should make a responsible effort to reduce income disparity.

With the above perceptions, citizens tend to think that high income people pay much less tax than middle or low income people as average 4.21 on the 5-point scale for *low-hightax* indicates. The *fairtax* variable, which measures the perception that there are more people who earn more but pay less tax than the respondent, shows 2.20 on the 7-point scale and this suggests that the average citizens perceive that the number of such less-tax-paying people far exceed the others (like the respondent). All these results are consistent with the mean value of the *inequal* variable. In the case of *growredis*, it shows 2.45 on the 4-point scale. This suggests that there is little consensus on growth or redistributive orientation among people. Above all, the mean of *universal* turns out to be 3.02 on the 5-point scale, which suggests there is also little consensus on the universality of welfare provision among the citizens. This result is consistent with the frequency analysis in Table 2. A comparison of the means of *notaxbudget* (3.64) and *notaxsocial* (2.92) shows that people prefer taxation for enhancing social welfare provision itself to taxation for increasing welfare budget.

Table 3. Descriptive Statistics of the Variables

<i>Variable</i>	<i>Mean</i>	<i>Std. Dev.</i>	<i>Min</i>	<i>Max</i>
<i>universal</i>	3.024	1.115	1	5
<i>notaxbudget</i>	3.641	1.585	1	7
<i>notaxsocial</i>	2.917	0.918	1	5
<i>fairtax</i>	2.198	1.223	1	7
<i>nogovduty</i>	2.266	1.061	1	5
<i>inequal</i>	5.317	1.285	1	7
<i>low-hightax</i>	4.212	1.032	1	5
<i>low-midtax</i>	2.949	1.218	1	5
<i>low-lowtax</i>	2.738	1.300	1	5
<i>growredis</i>	2.454	0.757	1	4
<i>lowgen</i>	0.369	0.482	0	1

The results of the probit model estimation by the random effects ordered probit model under the assumption of the normal distribution are shown in Table 4. When the “average” people at lower 0.37 on the 1-point scale of equalized median household income become worse off, more preference for “universal” welfare is found as they are likely to support more for increasing taxation for enhancing social welfare provision (*notaxsocial*), to be more aware of unfairness in taxation across income levels (*fairtax*), to support less for governmental intervention in reducing income disparity (*nogovduty*), to be less aware of income and asset inequality (*inequal*), to be more aware of currently heavier taxation on middle income people (*low-midtax*: $p = .000$ and $.000$; on high income people *low-hightax*, $p = .741$ and $.728$), to be less aware of currently heavier taxation on low income people (*low-lowtax*), to more positively perceive the orientation that redistribution is more important than growth (*growredis*), and to be in lower (not absolutely low) income (*lowgen*).

In other words, the average people, who potentially prefer “no more” taxation for welfare provision by the currently unfairly-taxing government whose normative role is perceived as responsibly reducing the existing greater income disparity by more heavily taxing middle income people (and less heavily taxing low income people) in sustained economic growth, are more likely to prefer “no more universal” welfare when they become better off. If they are (still) in middle income, this welfare perception, which appears to be based on the “benefit” principle, is still altruistic. If these gradually better-off people are no longer in middle income, i.e. in high income, this welfare perception is more self-interested because they more prefer no more tax on themselves for universal welfare. On heavier taxation on high income people, there is hardly any consensus among people although the direction of

heavier taxation is toward them. Here the most critical problem in the logic of “(potentially) better-off” people’s self-interested perceptions is that they become less willing to pay more taxes for enhancing “universal” social welfare provision whereas, with contending views on heavier taxation on high income people, the (originally) average (income) people prefer more taxation on middle income people only as they become better off.

Based on the results, it is can also be known that universal welfare is likely to be more preferred by the lower income or worse-off people who prefer “more” taxation for welfare provision (not just for redistribution) in the welfare state where they perceived themselves as being more unfairly taxed despite overall fairer redistribution with less problematic inequality. It is very interesting that an outstanding improvement in the internal consistency or validity among the tendencies that each perception variable represents can be easily made by the more “altruistic” perception of (potentially) higher income people (especially high income people, whose taxation level is hardly adjusted by people with different income levels). In other words, it is more possible particularly when higher income people try to made fairer taxation and better welfare provision systems, where economic growth goes with welfare enhancement by the effective (not merely big) state, together with more citizens regardless of income levels, as they become more aware of income and asset inequality and heavier taxation on low income people.

The current “tendency,” in particular, is not normatively desirable because it suggests that people are more likely to be willing to pay more taxes for enhancing social welfare provision as they are more likely to be in lower income, which supports the “benefit” principle only. Moreover, it is also inconsistent with the average perceptions in the descriptive statistics of each variable in Table 3, because the average citizens are the lower income people (at lower 0.37 on the 1-point scale) with “strong” preferences for the state’s redistributive duty (2.27 on the 5-point scale with 1 as most responsible) to reduce perceived greater income disparity in the overall unfairly taxed society (2.20 on the 7-point scale with 7 as most fair). They also have a neutral opinion on the priority between growth and redistribution.

Therefore, the revealed overall tendency in the probability analysis should be interpreted in control for the income-level difference. This difference can be compared by *low-hightax*, *low-midtax*, and *low-lowtax* in Table 4. In both cases with *universal* as the dependent in Table 4, the perceived adequacy of tax level on high income people (*low-hightax*), which is not statistically significant at all, is 4.21 (on the 5-point scale with 5 as “very low”) whereas it is 2.95 and 2.74 for middle and low income people, respectively, and is statistically significant at the .01 level ($p = .000$ and .008 in the *notaxbudget* model; $p = .000$ and .009 in the *notaxsocial* model).

Considering all these marginal probability results in Table 4 and their inconsistency with the averages in Table 3, the “overall” marginal perceiving tendencies in Table 4 are suggestive of a need for welfare policy innovation with normative directions, rather than with current perceptions per se,

according to which the “developmental welfare state” could develop itself into a welfare state after its previous developmental stage. In particular, the marginal results’ inconsistency with the average citizens’ perceptions needs to be more precisely and thoroughly analyzed and understood in follow-up studies. It can be an obstacle toward the desirable welfare state that people are more likely to be willing to pay more taxes for enhancing social welfare provision as they are more likely to be in lower income.

Under the condition of fair taxation and improved welfare altruism based on social consensus, thus, the “welfare state’s” capability to effectively provide more qualitative welfare programs and services are more important than gap reducing itself, and governmental duty should not limited to the mere redistribution of existing wealth that often makes it harder to engage the beneficiaries in self-helping or self-supporting to the extent where they can find themselves able and contributive to society. Most importantly, *low-hightax*, which is not statistically significant at all despite the highly significant *low-midtax* and *low-lowtax*, suggests that high income people’s subjective perception and the others’ objective perception can differ to each other. In enhancing universal welfare, which can be realized by universally solidary perceptions on welfare orientation, the consistency in coefficients between the *notaxbudget-notaxsocial* model (as a supplemental model to control for the perceived ineffectiveness or mistrust in the state’s ability to implement the welfare budget) and the other two models can in turn be ensured by the constancy between state’s systematic welfare provisions and the public’s (especially high income people’s) more “altruistic” welfare perception.

Table 4. Probability Analysis Results of the Ordered Probit Model

<i>universal as Dependent</i>	<i>Odds Ratio</i>	<i>Coefficient</i>	<i>t</i>	<i>p</i>
<i>notaxbudget</i>	.991	-.010	-.680	.496
<i>fairtax</i>	.969	-.031	-1.680	.094
<i>nogovduty***</i>	1.069	.067	3.120	.002
<i>inequal***</i>	.938	-.065	-3.680	.000
<i>low-hightax</i>	.993	-.007	-.330	.741
<i>low-midtax***</i>	.916	-.088	-4.610	.000
<i>low-lowtax***</i>	1.047	.046	2.640	.008
<i>growredis***</i>	1.087	.083	2.840	.004
<i>lowgen***</i>	.761	-.274	-5.690	.000
<i>universal as Dependent</i>	<i>Odds Ratio</i>	<i>Coefficient</i>	<i>t</i>	<i>p</i>
<i>notaxsocial**</i>	.953	-.048	-1.990	.046
<i>fairtax</i>	.969	-.032	-1.710	.087
<i>nogovduty***</i>	1.069	.067	3.130	.002

<i>inequal***</i>	.937	-.065	-3.730	.000
<i>low-hightax</i>	.992	-.008	-.350	.728
<i>low-midtax***</i>	.915	-.089	-4.660	.000
<i>low-lowtax***</i>	1.046	.045	2.600	.009
<i>growredis***</i>	1.086	.082	2.810	.005
<i>lowgen***</i>	.758	-.276	-5.760	.000

<i>notaxsocial as Dependent</i>	<i>Odds Ratio</i>	<i>Coefficient</i>	<i>t</i>	<i>p</i>
<i>notaxbudget***</i>	1.441	.365	23.870	.000
<i>fairtax</i>	.975	-.025	-1.370	.171
<i>nogovduty</i>	1.007	.007	.330	.738
<i>inequal</i>	.976	-.024	-1.430	.153
<i>low-hightax</i>	.990	-.010	-.450	.651
<i>low-midtax</i>	.978	-.022	-1.210	.227
<i>low-lowtax</i>	.977	-.023	-1.390	.163
<i>growredis</i>	.970	-.030	-1.080	.281
<i>lowgen</i>	.946	-.055	-1.210	.226

** $p < .05$; *** $p < .01$

V. Conclusion

The present study has analyzed a different income level of citizens' average and differential welfare perceptions utilising the KWPD over the period 2007 to 2010. Social welfare as a "right or duty" is a major public issue in both developing and developed countries, including Korea. Many state governments are struggling with the choice between universal or selective welfare since there is no private right for welfare benefit without any public duty depending on individual ability. However, no clear guidelines to the choice in response to the public's perception on welfare altruism and preference exist. This paper reviewed universal versus selective welfare concepts and evaluated how probable the public is to be altruistic in reference to their own perception of preference between universal and selective welfare. To understand this relationship of welfare altruism and preference, the probabilistic relationships of the public's altruistic welfare perception with their preference for universal welfare was analyzed through a panel probit model.

Probability analysis results show the citizens' "benefit" principle that universal welfare is more preferred in favor of the state's increasing taxation for welfare provision as average income people become worse off with a perception that the state need not to heavily tax on a middle level of income,

which contradicts gradually better-off citizens' tendency to prefer no more tax and want no more universal welfare in reducing existing greater income disparity. It should be noted that a (statistically) significant improvement in the internal consistency or validity among the perceiving tendencies can be made costly by social consensus or simply by the more "altruistic" perception of high income people. In other words, it is more likely especially when high income people are more aware of income and asset inequality and heavier taxation on low income people and try to make fairer taxation and better welfare provision systems, where economic growth goes with welfare enhancement by the effective (not merely big) state, together with more citizens regardless of income levels.

The inconsistency of the marginal tendency with the mean values suggests a rationale for innovation in welfare policy with the normative directions based on the analytics of current citizens' welfare perceptions in this study. The marginal results' inconsistency with the average citizens' perceptions needs to be more precisely and thoroughly analyzed and understood in follow-up studies. It is not a desirable state where people are more likely to be willing to pay more taxes for enhancing social welfare provision as they are more likely to be in low income.

If fairer taxation and improved welfare altruism is possible with social consensus, therefore, the welfare state's capacity to effectively provide better welfare programs and services are more important than reducing disparities itself, and the state's duty should not be limited to the mere redistribution of existing wealth which can make more difficult to engage the beneficiaries in self-helping or self-supporting to the extent where they can find themselves able and contributive to the state.

Despite meaningful findings for analytics and welfare policy, however, this paper also reveals some limitations through its discussion and analysis. A more thorough discussion and conceptualization of "welfare altruism" might be needed considering theoretical debates on the welfare society in the academic world. Moreover, this study cannot account for the political propensities of the public because the data in 2007 does not include the political affiliation of the respondents, although it has become a more critical policy issue among the central and local governments and political parties in Korea. Therefore, if political affiliation data is established and accumulated, more realistic policy guidelines are expected to be formulated as well.

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