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Political and Economic Propensities and Welfare Preferences in a Northeast Asian Country^{*}

Deokho Cho,^{**} Gil H. Park^{***}

I. Introduction

Social welfare policy has been an ongoing major issue in developed countries since World War II (Kim, I., 2012). Recently, it has also become a concern to newly developed countries. Korea is no exception. However, there is no social consensus on welfare policy building such as universal vs. selective debates (Kim, 2006). More specifically, during Korea's election years in 2010 and 2012, the conservative political party emphasized the selective welfare approach that provides social welfare (services) according to the level of income of beneficiaries. Meanwhile, the progressive party highlighted the universal welfare approach that would provide welfare benefits irrespective of the income level of beneficiaries. Sometimes, both parties (the conservative and the progressive) have insisted upon the populist universal welfare programs without considering the government's budget constraints and individual preferences (No and Jun, 2011). The social welfare policy debate was one of the most debatable issues in the last two election years, 2010 and 2012 (Kim, I. 2012).

The welfare policy debates can be broadly categorized into two conflicting positions: selective vs. universal welfare in the recent political circumstance in Korea. A major welfare dispute is whether welfare should be delivered 'selectively' to those in need or need to be regarded as 'universal' claims which individuals can collectively make as members of a community. Advocates for the former approach argue that selective benefits are targeted towards those in greatest need and therefore do their utmost to relieve suffering (No and Jun, 2011; Chun et al., 2013). The advantage of the latter approach obviates the need for means testing and

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proponents of universal welfare recognize welfare as a duty of the government or as a citizen's right. Examples of universal welfare in Korea include the national pension system and the national medical insurance (Payne, 1999; Kim, 2012). On the other hand, selective welfare is recognized as a complement to the weakness of capitalist society. In Korea, the Basic Living Security System and the Basic Elderly Pension are representative examples of selective welfare (Gong, 2008; You et al., 2011). There are so many studies on the welfare policy in Korea. Especially, elderly welfare policy has become a significant social issue. However, those studies did not consider the theoretical, practical, or statistical significance of the social consensus on selective vs. universal welfare.

During 2010 and 2012 election periods, there were eventually widespread social debates about a variety of welfare services including free lunch meals for school students, a 50% reduction in tuition fees for university students, and the elderly welfare pension. Despite intensive political debates on welfare policy, there are few studies regarding to the social consensus on welfare policy building at the nation-wide level (Chun, Kim, and Kim, 2013; Lee et al., 2011). Moreover, the survey canvassing individual perception on the economic and political attitudes for the welfare policy building was implemented in 2010 for the first time although the welfare panel survey began in 2006. Furthermore, because these data were released very recently, this study might be a new attempt to analyze the individual economic, financial, and political welfare perceptions on welfare policy using the Supplemental Welfare Perception Data (SWPD)[†] of 2010, in order to build the social consensus on welfare policy orientation.

This study aims at providing welfare policy directions to the universal or selective welfare by analyzing the individual economic, financial and political welfare perceptions using the 2010 SWPD and attempts to provide the theoretical and empirical basis of social consensus on universal or selective welfare policy. Chapter II reviews universal and selective welfare concepts in Korean welfare policy context. In order to examine the citizen's political and economic perceptions of welfare preferences, Chapter III establishes the model for conducting a probability analysis of the cross-sectional data from the 2010 SWPD. Chapter IV analyzes the citizen's perceptions of universal and selective welfare policies using the ordered logit model. Finally, the paper concludes by suggesting some policy alternatives to guide welfare policy at the watershed of universal or selective welfare in Korea.

[†]The Korean Welfare Panel Survey started in 2006 including households, the members of a household, and other welfare hard data. However, political perception variables are included in Supplemental Welfare Perception Data (SWPD) in 2010 for the first time. This data set is composed of categorical or ordered variables which include the individual perceptions on economic, financial, and political attitudes of the welfare policy.

II. Universal versus Selective Welfare in the Korean Policy Context

Korea has experienced the discussion on the paradigm shift of the welfare system recently. In Korea, the welfare system has been established during the last 20 years. At the beginning stage, welfare policy focused on low income people but recently there have been some assertions that welfare policy should be extended to middle or higher income groups. On the one hand, The Elderly Basic Pension, Free Health Care, Free Meals (for Children), and Free Nursing Program are extended to all persons. On the other hand, another group should be focused on the most needy group due to the budget constraint (Kim, Y.-M., 2011; Jun et al., 2013). However, there is little social consensus on social welfare policy orientation until now.

Welfare, which can be provided based on a universal or selective approach, was not properly understood until the end of the 1960s when Titmuss (1968) conceptualized their differences. The concept of universal welfare has clearly contradicted the selective welfare since 1990 (Yang, 2012; You et al., 2011). Selective welfare, basically, was originated from universal welfare. The specific guidelines which distinguish selective welfare from universal welfare can be defined as follows (Kim, Yeon-Myung, 2011; Chai, 2012). The first criterion is the proportion of the citizenry covered by the welfare policy. If it covers the total population, it is called universal welfare. If it covers only specific groups, it is selective welfare. The second criterion is the standard which decides how to distribute the service and benefit. It is distributed as a specified right (universal allocation) or through discretionary allocation by needs-testing (selective one) (Chun et al., 2013). This paper defines universal welfare as a benefit given to a general person without needs-testing. Selective welfare is limited to a selective group determined by needs-testing (Kim, 2003; You et al., 2011; Tanner, 2012; Kim, Oksoon, 2013).

In particular, state welfare policy is a much debated issue for most developed countries. It is very important because social welfare policies affect millions of lives, and often provide the groups in need with a social security system (Dostal, 2010; Chai, 2012). Welfare issues in Korea are also as important as that of any other developed country. The groups in need of welfare are dramatically increasing because of the low fertility and mortality rates. Especially the elderly population is dramatically increasing (Kim, 2011; Kim, 2003). Moreover, the number of female household heads, single parent household heads, and elderly household heads responsible for children are continuously increasing due to the high divorce rate and family disorganization. Welfare policy is also related with several different factors such as income, economic status, pension system, the health insurance system and so on. Therefore, welfare policy has rapidly become a major social issue in Korea.

Some scholars have argued that social services and their allowances should be changed from selective to universal considering the available government budget. However, the social insurance system has the fundamental problem of increasing deficit. In addition, the social insurance system was initially based on bigger industries providing better jobs (at least enabling people to cover insurance payments), and special government groups like civil servants and the military (You et al., 2011). This system gradually spreads to small companies and rural areas. Yet, blind spots still exist. However, the Korean welfare system generates social conflicts but there are few studies on resolving these conflicts because the Korean government did not survey the basic data on these conflicts until 2010.

Many scholars define the welfare perception as the preference for redistribution. This concept is utilized very comprehensively (No and Jun, 2011). The studies of the social consensus on the welfare policy were implemented in the 1980s (Park, 1986; Cho, 1988). Debates on the welfare provision in Korea have rapidly developed from selective to universal welfare, but there have been some problems in achieving social consensus because those studies did not consider the individual perception of welfare policy building (Cho and You, 2012; Joo and Baek, 2007).

Up to present there are several studies about the welfare policy alternatives or universal welfare policy using the welfare cross-sectional or panel data. However, previous studies focused on the descriptive analyses or individual survey on personal perception on the welfare policy. Eventually, the welfare panel data survey was officially implemented by the government in 2006. There have developed several studies on welfare policy using this series of data. The most surveys on the welfare policy perception without political perception variables, which are key variables of social consensus archiving, are implemented by the levels of individual or non-government organization. The previous arguments on universal vs. selective welfare can be summarized in Table 1.

Based upon the above reviews, social consensus of welfare policy in a political aspect is required for a successful welfare policy because it is very difficult to build a consensus on the welfare policy among citizens or the political parties. In an economic aspect, the budgets of welfare policy and income levels of beneficiaries are also key factors for successful welfare policy. Therefore, individual political and economic perceptions might be key factors for welfare policy building. In summary, in implementing welfare policy, there are some key variables such as perceptions by the income levels, growth or redistribution groups, and on tax justice, and the citizen political consensus. However, there was no data on the economic, financial and political perceptions, especially political perceptions, on welfare policy until 2010. Fortunately the personal political perception on the welfare policy (SWPD) was separately surveyed in 2010 for the first time. This data set, which is composed of categorical or ordered variables, mainly

focused on the individual political perceptions on the selective vs. universal welfare alternatives.

Table 1. Selective vs. Universal Welfare: Comparative Benefits

Selective Welfare Benefits	Universal Welfare Benefits
Agreement	
Focused on the needy groups only	All persons who are qualified for the benefit
More benefit to the low income groups	Minimizing the processing cost (efficiency)
Reducing the welfare demand or public expenditures	Increasing the citizen rights and social integration
Opposition	
Complicated survey to figure out the beneficiaries	Deficit equity: high income group gets too many benefits
Damaging the dignity of beneficiaries through the survey of income and assets	Welfare dependence
Decreasing the willingness to work by beneficiaries	Budget waste due to the universal benefits

*Following Kim's (2010) categorization; with some revision by authors.

Therefore, there are few studies on the individual economic and political perceptions by income levels, tax justice, and individual political attitude for welfare policy because the official perception data was only released recently (Lee et. al., 2011). In order to provide policy alternatives regarding selective or universal welfare policy, then, this study focused on examining the individual perception analysis on the welfare policy preferences using the ordered logit model. It provides a basis for solving the social conflicts and reaching social consensus on welfare policy development, utilizing systematically the SWPD in 2010. In two aspects, this paper differs from the previous studies. Firstly, this study focuses on the individual economic, financial and especially political perception on the welfare policy alternatives in order to get social consensus on the selective vs. universal policy. Secondly, in the methodological aspect, SWPD is composed of the categorical or ordinal data in which case the ordinary regression analysis cannot be used. Therefore, this study adopts the ordered logit model, using the Stata program.

III. Data and Methods in the Analysis of Welfare Preferences

1. Data

The Korea Welfare Panel Data (KWPD) survey was started in 2006 and this data set is constructed by the Korean Institute for Health and Social Affairs (KIHASA) and the Social Welfare Research Center at Seoul National University (SWRC SNU). This data set is surveyed on yearly bases and includes the hard data on the Korean Welfare Panel data. But it does not include the personal political recognition data on the welfare policy. Later, the Supplemental Welfare Perception Data (SWPD) on the welfare perceptions was separately surveyed in 2010 for the first time. It includes welfare survey data on the individual perceptions of universal vs. selective welfare programs and their policy alternatives. In a broad sense, this survey data is composed of the welfare policy perceptions by the income levels, tax justice, political participation and economic burden except the characteristics of general households. More specifically, until 2009, KWPD did not survey the welfare perception data such as personal political participation, propensity and attitude which are some key variables for building the welfare policy and social consensus of political debates in real society (Nam et al., 2012; Roh, 2012).

2. Research Methods

We often have to analyze several responses on the social phenomenon in social science research. A total of 2094 observations and nine variables are used in this study. All variables are composed of categorical or ordered variables as in the description below. The dependent variable (*selective universal*) is a variable which presents selective or universal welfare policy choice. Responses were measured on five points ranging from strong agreement to strong disagreement orderly. Eight independent variables are composed of three income level related variables, growth or distribution, tax justice for welfare policy, and three political attitude related variables. These variables can be defined as follows.

Dependent variable:

Selectiveuniversal: ordered variable whose points vary from 1 to 5 (strong agreement (1) for selective welfare to strong disagreement (5) for selective welfare).

Independent ones:

highincome: perception on the level of taxation on the high income group (5-point ordinal variable: Very high (1) to very low (5))

middleincome: perception on the level of taxation on the middle income group (5-point ordinal variable: Very high (1) to very low (5))

lowincome: perception on the level of taxation on the low income group (5-point ordinal variable: Very high (1) to very low (5))

growthdis: 4-point ordinal variable on perception of growth or distribution in growth only (1) to distribution only (4).

taxjustice: 7-point ordinal variable on perception of overall fairness (7) in taxation (strong agreement(1) to strong disagreement (7))

polconcern: 5-point ordinal variable on perception of his or her own disinterest (5) in politics (very concerned (1) to no concern (5))

pol satisfy: 5-point ordinal variable on perception of dissatisfaction (5) on Korean political circumstances (strong satisfaction (1) to strong dissatisfaction (5))

polattitude: 6-point ordinal variable on perception of his or her own progressiveness (1) to conservativeness (6)

This welfare data set has ordered (and categorical) variables like the above description. Therefore, ordered logit can be utilized when the dependent variable is (categorical or) ordinal, depending upon the assumption of cumulative standard logistic distribution. Logit coefficients are in log-odds units and cannot be read as regular OLS coefficients (Choi and Park, 2009; Song et al., 2009; Kim, Migon et al., 2012). To interpret it there is a need to estimate the predicted probabilities of $Y = 1$. The representative example of ordered choice is satisfaction evaluation. Especially, a Likert-type scale study through a questionnaire survey cannot be analyzed by ordinary regression analysis. Multinomial logit can also be used in the case that the order of variables itself is not important (Lee et al., 2005; Min and Choi, 2012). This paper implements the cross-sectional ordered logit to analyze the probability effects on the welfare perceptions of persons in terms of income level, financial and economic, and political aspects. When the response variable is an ordered choice type, the latent variable y^*_i , which the choice of response variable decides, exists and can be presented as a linear function as in Eq. (1).

$$y^*_i = a + x_i\beta + e_i \quad i = 1, \dots, n, \quad \text{Eq. (1)}$$

Here, this paper assumes that the error term (e_i) is logistic distribution, y_i^* is not observed and y_i , which is defined below, is an observed variable. The dependent variable has five ordered categories. The strong selective welfare preferred individual chooses strong agreement (1) and the strong universal welfare preferred individual chooses strong disagreement (5). The observed response variable (y_i) can then be defined as follows.

$$\begin{aligned}
y_{i=1}, & \quad y_i^* < \delta_1 & \text{(strong agreement)} \\
y_{i=2}, & \quad \delta_1 < y_i^* \leq \delta_2 & \text{(agreement)} \\
y_{i=3}, & \quad \delta_2 < y_i^* \leq \delta_3 & \text{(neutral)} \\
y_{i=4}, & \quad \delta_3 < y_i^* \leq \delta_4 & \text{(disagreement)} \\
y_{i=5}, & \quad \delta_4 < y_i^* & \text{(strong disagreement)}
\end{aligned}$$

Here $\delta_1, \delta_2, \delta_3, \delta_4$ are the cutoff points and parameters should be estimated in the model. If the dependent variable has five choices, four cutoff points should be estimated. The probability which individual I chooses J can be estimated as follows (Min and Choi, 2012).

$$\begin{aligned}
\Pr y_i = j &= \Pr(\delta_{j-1} < y_i^* \leq \delta_j) \\
&= \Pr(\delta_{j-1} < a + x_i\beta + e_i \leq \delta_j) \\
&= \Pr(\delta_{j-1} - (a + x_i\beta) < e_i \leq (\delta_j - (a + x_i\beta))) \\
&= F(\delta_j - (a + x_i\beta)) - F(\delta_{j-1} - a + x_i\beta)
\end{aligned} \tag{Eq. (2)}$$

Here $F(\cdot)$ is the cumulative distribution function (CDF) of error term e_i . Another issue is the constant variable a . The cutting point δ_j and α cannot be estimated individually because $\delta_j - \alpha$ is estimated in the above equation. In general, the ordered model assumes $\alpha = 0$ and only estimates δ_j . Therefore, there is no estimator of the constant variable in the ordered logit model (Lee et. al., 2005; Min and Choi, 2012; Choi and Park, 2009).

The odds are defined like Eq.(3) in the ordered model.

$$\Omega(x)_j = \frac{\Pr(y > j | x)}{\Pr(y \leq j | x)}, \quad j = 1, 2, 3, 4, 5 \tag{Eq. (3)}$$

In the case of $j=2$, Eq. (3) can be described as follows.

$$\Omega(x)_2 = \frac{\Pr(y > 2)}{\Pr(y \leq 2)} = \frac{\Pr y=3 + \Pr y=4 + \Pr y=5}{\Pr y=1 + \Pr y=2} = \frac{1 - F(\delta_2 - x_i\beta)}{F(\delta_2 - x_i\beta)} \tag{Eq. (4)}$$

The odds ratio of the ordered logit model is as follows because of $F(x)=1/[1+\exp(-x)]$ in logistic distribution.

$$\Omega(x)_2 = \frac{1}{\exp(\delta_2 - x_i\beta)} \quad \text{Eq. (5)}$$

Therefore, $\ln\Omega(x)_2 = -\delta_2 + x_i\beta$. The odds ratio presents the level of odds increase when explanatory variable x_i increases 1 unit. It is measured like Eq.(6).

$$\frac{\Omega(x+\Delta x)_2}{\Omega(x)_2} = \frac{\exp(\delta_2 - x_i\beta)}{\exp(\delta_2 - (x_i+\Delta x)\beta)} = \exp(\beta) \quad \text{Eq. (6)}$$

IV. Analysis of Political and Economic Perceptions of Welfare Preferences

This study used a total 2,094 observations of SWPD except missing data. As in the above description, the dependent variable is composed of five categories (see Table 2). Strong agreement and agreement for selective welfare provision are revealed by 876 observations (41.86%). Medium response is 259 (12.36%). Strong disagreement and disagreement (universal welfare) are revealed by 959 observations (45.77%). The mean value of this dependent variable is 3.04. It means that the response on the universal welfare is a little higher than that of the selective one.

Table 2. The Frequency of Dependent Variable Responses

Dependent	Frequency	Percent	Cum.
Strong Agreement (1)	117	5.58	5.58
Agreement (2)	759	36.28	41.86
Medium (3)	259	12.36	54.22
Disagreement (4)	832	39.71	93.94
Strong Disagreement (5)	127	6.06	100.00
Total	2,094	100	

This paper also notes the summary statistics on eight independent variables. The summary of variables is shown in Table 3. In terms of income level, high income group responded that their

tax payments are considerably low (4.27), but middle and low income groups responded that their tax payments are relatively high (2.94 and 2.84 respectively). Other variables can be explained in the same way as follows; the high income group has the willingness to pay more tax payments for universal welfare but low and middle income groups do not share the same willingness. Perceptions of growth-oriented groups are almost the same with that of distribution-oriented groups on the welfare policy perception. The individual person responded that tax justice is not fair and it might generate social conflicts for building welfare policy. They also have negative views on Korean political circumstances. Based upon these descriptions, the government should establish tax justice according to income levels and increase the concerns on the politics related variables in order to draw out the social consensus on the welfare policy.

Table 3. Statistical Summary of Independent Variables

Variable	Obs	Mean	Std. Dev.	Min	Max
highincome	2094	4.274117	.9499307	1	6
middleincome	2094	2.940306	1.104985	1	6
lowincome	2094	2.842884	1.179396	1	6
growthdis	2094	2.494269	.7769466	1	4
taxjustice	2094	2.226839	1.110961	1	7
polconcern	2094	3.723496	1.002363	1	6
polsatisfy	2094	4.111270	1.005259	1	6
polattitude	2094	3.337631	1.234226	1	6

In order to figure out the perception effects on universal vs. selective welfare policy by the income levels, growth or distribution, tax justice, political and financial preferences, this paper uses the cross-sectional ordered logit model because SWPD (2010) is cross-sectional data and the dependent variable is the five ordered choices. Logit coefficients are in log-odds units and cannot be read as regular OLS coefficients, and needs to estimate the predicted probability of $Y = 1$ to interpret (Lee et. al., 2005; Choi and Park, 2009).

There are also four cutting points because the dependent variable has 5 choices. This paper notes the coefficients and odds ratio of each independent variable. Coefficients of three independent variables show the minus signs, and those of five variables are the plus signs in Table 4. This ordered logit model is well fitted for this study and its analysis results are presented in Table 4. Table 5 notes the results of the ordered logit and odds ratios analyses. Five estimated coefficients of independent variables (*highincome*, *low income*, *growthdis*, *polsatisfy*, and *polattitude*) have positive values. Three variables (*middleincome*, *taxjustice*, and *polconcern*)

have minus signs. The coefficients of three variables (*middleincome*, *growthdis*, and *polconcern*) are significant statistically. Moreover, if the coefficients of explanatory variables are smaller, choice probability ($\Pr(y_i=1)$) is increased and choice probability ($\Pr(y_i=5)$) is decreased. More specifically, it is noticeable that the positive effects on the more conservative people, in terms of the personal political attitude variable, prefer the universal welfare ($\Pr(y_i=5)$) to the selective one ($\Pr(y_i=1)$).

The politician concern (*polconcern*) variable has a minus coefficient. It can be interpreted that the less politician concerned are more likely to fall into the range of $\Pr(y_i = 1)$ than $\Pr(y_i = 5)$. In other words, the people with less politician concern (or interest) prefer the selective welfare ($y_i = 1$) to the universal welfare ($y_i = 5$). Among the peoples perception of the fairness of taxation by income levels, taxation on middle income people only turns out minus coefficients and is significant statistically but high and low income groups show the plus coefficients. Other minus coefficients can be explained as in the same way. In summary, the Korean people relatively prefer universal welfare to selective welfare irrespective of the current political debates in the national assembly and central government levels. These results give some policy implications for building the universal welfare policy irrespective of income levels of beneficiaries.

Table 4. Estimation of the Probability Effects of the Ordered Logit Model

selectiveuniversal	Coef.	Std. Err.	z	P> z
highincome	.0443356	.0443184	1.00	0.317
middleincome***	-.1673743	.0392621	-4.26	0.000
lowincome	.0086398	.0347763	0.25	0.804
growthdis**	.1337053	.0528886	2.53	0.011
taxjustice	-.0512321	.0374807	-1.37	0.172
polconcern***	-.1258113	.0425667	-2.96	0.003
polsatisfy	.0011868	.0414001	0.03	0.977
polattitude	.007587	.0344161	0.22	0.826

Log likelihood = -2750.8966

Number of observations = 2,094 LR = 44.09 Significance of chi square = 0.0000

*** p < 0.01, ** p < 0.05.

Odds of an event means that the probability which the event occurs is divided by the probability by which the event does not occur. This odds ratio (OR) is where the odds of an event for groups 1 is divided by the odds of an event for group 2. Table 5 notes the OR of

logistic regression. ORs represent the odds of $Y = 1$ when X increases by 1 unit. These are the $\exp(\log \text{coeff.})$. If the $OR > 1$ then the odds of $Y = 1$ increases. If the $OR < 1$ then the odds of $Y = 1$ decreases.

According to the income groups, the OR of the high income group is 1.045 in Table 5 and the estimated coefficient (0.044) has a plus value in table 4. It can be interpreted that high income groups have the willingness to pay more tax for universal welfare. However, middle income groups choose different results (see Table 4 and 5). The OR of the middle income group is 0.845 in Table 5 and the estimated coefficient (-0.167) has a minus value in table 4. It can be interpreted that the middle income group has the willingness to pay more tax for the selective welfare instead of universal welfare. The OR of the low income group is 1.008 in Table 5 and the estimated coefficient (0.008) has a plus value in table 4. It can be interpreted that the low income group has the willingness to pay more tax for universal welfare.

The OR of the growth or distribution variable is 1.143 and the estimated coefficient is (0.134). Under the proportional odds assumption, the odds that the distribution-oriented group chooses universal welfare is 1.143 times higher than the growth-oriented group's choice. The OR of tax justice is 0.950 and the estimated coefficient is -0.051. It is notable that the respondent of poor tax justice is more likely to choose selective welfare.

Political concern, Korean politics, and personal political attitudes are also key variables of the policy debates regarding building the welfare policy. The OR of *political concern* is 0.882 and the estimated coefficient is -0.125. Under the proportional odds assumption, it can be interpreted that the odds that the less politically concerned choose universal welfare is 0.882 times higher than the more concerned. However, the satisfaction on the Korean politics (*pol satisfy*) and personal political attitude (*pol attitude*) show the results, which are different to each other.

Table 5. Estimation of the Odds Ratios

selectiveuniversal	Odds Ratio	Std. Err.	Z	P> z
highincome	1.045333	.0463275	1.00	0.317
middleincome***	.8458829	.0332111	-4.26	0.000
lowincome	1.008677	.0350781	0.25	0.804
growthdis**	1.143056	.0604546	2.53	0.011
taxjustice	.95005581	.0356088	-1.37	0.172
polconcern***	.8817813	.0375345	-2.96	0.003
pol satisfy	1.001187	.414492	0.03	.0977
pol attitude	1.007616	.0346782	0.22	0.826

V. Conclusions

This study analyzed the SWPD (2010) to determine personal perceptions for universal vs. selective welfare policy using the ordered logit model. It notes the descriptive statistics and estimates the probability effect model on the welfare policy issues. A total 2,094 observations were used in this study and the mean value of the dependent value is 3.04. It means that the response on universal welfare is a little higher than that of selective one. In other words, the results show that generally people prefer universal welfare to selective one. In a broad sense, it is difficult to get a social consensus on the welfare policy building because the two groups' perceptions on the welfare policy are very similar to each other.

However, specific variables show the different or contradicting results. More specifically, in terms of an economic aspect, the odds that the respondent who perceives that the high income people are more taxed is likely to choose universal welfare is 1.045 times higher than the respondent who perceives that they are less taxed, under the proportional odds assumption. The mean value of growthdis variable is 2.50 and it means that the government should focus on the distribution-oriented policy more than the growth-oriented one. Under the proportional odds assumption, it was interpreted that the odds that the distribution-oriented group chooses universal welfare is 1.143 times higher than the growth-oriented group's choice. In the financial and political aspects, the individual perception on tax justice is negative, and the probability that the poor choose the universal welfare is higher than the probability that they select the universal one. In the political aspect, political concern, Korean politics, and personal political attitudes are the key variables of the policy debates for building welfare policy. The probability that the politically concerned choose the universal welfare is higher than the probability that they choose selective welfare. Moreover, the Korean government should improve the perceptions on the income distribution, improvement of tax justice, and increase of political reliances before choosing the welfare policy alternatives such as universal vs. selective for the future.

Consequently, this study suggests the universal welfare policy instead of the selective one in terms of perception by income levels. Moreover, the government's development policy is more focused on the distribution-oriented policy instead of growth policy. Tax justice should be established for building the welfare policy consensus. Political concern in Korean politics is also an important factor for building the welfare policy. The political parties should recover political trust to acquire social consensus for welfare policy building.

These findings offer important insights for welfare policy choices with the recent debates among political parties. The study clearly shows the public's priority for welfare policy development in Korea. Based upon the results of the data analysis, this paper suggests the following policy directions. Political parties should consider the results of perceptions of the individual preferences, based upon the statistical data before making public promises. More specifically, in establishing welfare policy the government should reflect on the public's opinions on income distribution, growth or distribution, tax justice, and political attitude rather than political populism in order to establish the social consensus on welfare policy building. Doing so will narrow the gap between the citizen and the government on welfare policy, and reduce social conflicts among the citizens.

However, this paper also exposes some limitations. There are not enough theoretical and empirical debates on welfare policy building in Korea using the official perception data because the perception data (2010) of individual preference on universal vs. selective welfare was only recently released. However, if the welfare perception data (2013) will be released, panel ordered logit analysis will be possible. In that case, a more realistic analysis can be implemented using two different years in the data set in the future study. It can provide the government with more realistic policy guidelines on universal vs. selective welfare and a criterion for more feasible policy alternatives.

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