Welfare policy of Chosŏn Korea(1392-1910) under the Malthusian constraint

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Presented at Asia-Pacific Economic and Business History Conference, Seoul National University, 15 February 2013

Session 12: Inequality: policy, crisis and trends, Camellia room, 11:00–12:30

Abstract

Chosŏn Korea developed welfare system comparable to Qing China. The total welfare subsidies came close to 1% of GDP in the 1440s and the late eighteenth century Korea. The development and decline of the Chosŏn granary system suggest two cycle of activity. They were related to the dynasty cycle. If dynasties of China and Korea had better performance of promoting social welfare than other preindustrial dynasties, the reasons may be sought in their long history of central bureaucratic states and the strong Confucian culture.

1. Introduction

Chosŏn Korea developed institutions for welfare of the people and endeavored to promote the people’s welfare. In the Malthusian age when average income fluctuated around subsistence level and famine was ordinary way of lives, the most urgent need of people was not to starve and the main welfare policy was nourishing people against famine. Even in the Malthusian age, however, the welfare policy of Chosŏn Korea was not confined to famine relief.

Will(1990, p. 3) argues that Qing China “has made far-reaching efforts to develop and apply strategies against the whims of the natural environment and against the scourge of subsistence crises.” Will and Wong (1991, pp. 521, 523) argue that “European states failed to
promote granaries and other food supply policies found in China to ease subsistence anxieties,” and that “compared to efforts in other parts of Eurasia, Qing achievements may well be unique.” I argue that Chosŏn Korea developed welfare system comparable to Qing China. This paper explores welfare policy of Chosŏn Korea in comparison with that of Qing China.

There were several concepts of Chinese characters meaning welfare policy and institution used in Chosŏn Korea. Below are their frequency appeared in 朝鮮王朝實錄(Veritable Records of the Chosŏn dynasty).

荒政 308, 荒典 1; 賑政 373, 賑典 1; 恤政 2, 恤典 1484; 惠政 105 (about half of them meant benevolent policy), 惠典 1.

政 means policy, and 典 means code of institutionalized rules.
荒政 means policy for famine relief. 荒: bad harvest → famine.
恤典 means rules of compassionate relief, includes welfare policy other than famine relief.
賑, 恤: relief. 賑貸: loan for relief; 賑恤: free subsidy for relief.
Two main type of welfare policy were 荒政 and 恤典.
惠政 means benevolent policy.
惠 and 恤 reveal welfare policy from above royal compassion.

2. Structures of Welfare Institutions

The original idea and basic structure of welfare system was learned from China. And the welfare system evolved and developed during Chosŏn dynasty. The major welfare expenditure was famine relief. The welfare measures other than famine relief, the hyulchŏn 恤典 system had developed “from being a measure designed to honor the death of high officials to encompassing a variety of measures to help people struck by natural disaster, including material compensation and tax reduction. It was systemized in the late eighteenth century.”(Karlsson 2007, p. 97) This reflected in part development of welfare policy, and in part extension of the concept of hyulchŏn. The latter was subsidies to helpless persons such as widowers, widows, orphans and childless persons (鰥寡孤獨); Subsidies to families that had

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1 See famine relief in Kim(1993) and Mun(2000), welfare system other than famine relief in Karlsson (2007).
been deprived of member through calamity such as epidemics, starvation, drowning, fire etc (Karlsson, Table 1); Subsidies to the very poor people who could not marry, and who could not bury their dead family member. And the former was compensating loss of property such as collapsed house by fire or food (Karlsson, Table 2). Karlsson’s study shows that the hyulchŏn covered diverse welfare measures other than famine relief and this welfare institution evolved during Chosŏn dynasty.

There were two remarkable periods in the development of Chosŏn welfare institution; the middle 15th century, and the 18th century.

Like Chinese dynasties, Chosŏn dynasty made elaborate institutions for welfare of the people under Malthusian constraint, which was well displayed in Kyŏngguk taejŏn 經國大典 (Great Code for State Governing), the statutes of the early Chosŏn law code, compiled in 1469 and amended in 1474. These statutes were classified into six sections.

In the Code of Interior Minister 史典, there included two public offices that had to do with social welfare. Heaminsoe 惠民署 took charge of the task to keep people alive by medical care, and Whalinsoe 活民署 took charge of relief efforts for the sick in Seoul, capital of Chosŏn dynasty.

Code of public finance 戶典 included the main means to cope with famine. Item ‘government-run granaries’ stipulated grain loans and its repayment at original amount after harvest. This item explains the righteous granary institution in the 15th century. There was also an item stipulating the ever-normal granary system which was to cushion the impact of seasonal price fluctuations by buying up grain immediately after the harvest, when the price was low, and reselling it at a low price during the lean period before the new harvest came in.” The revised law code published in 1786 stipulated this ever-normal granary system had abolished. The clause of tax collection included institutions of tax reduction in case of disaster such as bad harvest. There was a clause, bihwang 備荒 to list what local offices should do to cope with bad harvest.

The revised law code published in 1746 續大典 (Supplemented Great Code) extended the clause, bihwang. It added a detailed stipulation of hwangok institution, namely government’s grain-loan system. The righteous granary institution in the 15th century was a kind of hwangok institution. The crucial difference was 10% interest on grain loans in the hwangok institution. This reflected the consideration of state finance.
It is interesting that Code of Rite 禮典 included several policies to promote social welfare. It included an item that magistrates should render assistance to the very poor people who could not marry, and who could not bury their dead family member. It was because Confucianism regarded marriage and burial indispensible to human beings. The item of benevolent relief, *hyulchŏn*, had stipulations that included measures about abandoned child and poor lonely olds, and remedy assistance for the poor sick, and burial of all the dead whole family by infectious diseases. It also stipulated that local magistrates who did not conduct relief measures should be dismissed. We can say that the welfare policy stipulated under the section of Rite was for human dignity of the people, because Confucianism regarded its rite as reflection of human dignity.

The Great Code proclaimed that welfare institutions were not only matters of internal affairs and public finance but also that of human dignity.

Around 1800 welfare policy had already been systematically classified. Welfare institutions reflecting the achievement until the middle 18th century were well arranged in *Mangiyoram* 萬機要覽 (Handbook of government affairs) published in 1808, which summarized state finance of Chosŏn dynasty systematically. This book had three categories relating to welfare policy, namely *jojeak* 糧穀, *hwangjeong* and *hyulchŏn*. *Jojeak* was grain loan, and part of the purpose was state finance. The policy to cope with famine in the year of bad harvest had a Chinese character name, *hwangjeong*, which was one of the main policies of Chinese and Korean dynasties. The item *hwangjeong* included detailed codes of grain sales at lower price than market price to the poor in the year of bad harvest, and *jinje* which distributed food and salts freely to those starved people. The *hyulchŏn* item comprised welfare institutions other than famine relief. It included the welfare policy proposed in section of Rite of *Kyŏngguk taejŏn*. *Mangiyoram* also included government transfer to those who suffered floods or fires which *Kyŏngguk taejŏn* did not include. However, there were no public pensions for the elderly or public education until the end of Chosŏn dynasty.

There was also a concept of Chinese character, *haejeoung* which means benevolent policy and has a long history than Chosŏn dynasty. Two kinds of books on chronological table of *haejeoung*, namely 惠政年表 and 惠政要覽 were published in 1790s. It included welfare activities in detailed classification. The main part of the book was deferment, reduction or exemption of collection of *hwangok* or various taxes. This book also included *jinje* 賑濟. These books showed careful concern of the Chosŏn government for the distressed people in the years of bad harvest. And they signaled the local governors to endeavor these sorts of policies.
It was natural that the main welfare policy was aids to those who were starving or could not farm in the year of bad harvest in the Malthusian age. Chosŏn dynasty’s main means to cope with famine was grain loan called as hwangok. King Yeongjo said that hwangok became food in time of agricultural works, made starved people live in time of bad harvest, and could be used as provisions in time of war.

At first no interest was charged on repayment. However, there appeared practices to levy 20% interest rates illegally in the middle 15th century. One of the advantages of grain loan institution was that old grain was lent and new grain was got back. The serious problem of grain loan institution was that part of grain loans were not able to be repaid. Therefore government already suffered decrease of reserves for grain loan in the late 15th century.

In the 16th century 10% interest rate on grain loan was made formal under the pretext of spoilage. Interest charge on state sponsored grain loans was called as mogok. Could this grain loan be regarded as public subsidy or welfare institution? If grain loan was not forced, this policy was a great benefit, because the value of grain during the lean period before the new harvest came in was much higher than that after the harvest. In the year of normal harvest the price gap between the times was about 50%, and the private interest rate during the time interval was usually 50%. And we should consider that peasants had transportation problems and might deal with corrupted officers, so incurred some costs to get grain loans from office. So we may say that public subsidy was about 40% of the original loans, if no interest was levied.

Another important measure to cope with famine was jinje which distributed food and salts freely to those starved people. The government policy was to provide free food and salts to those who did not have means of living and to provide grain loans to those who had means of living. The amount of jinje was not big compared to grain loan, even though it was implemented frequently.

Like Chinese government, Chosŏn government regarded village community granary system as a good alternative to government-run granary system, because they thought the former could avoid official corruptions and decrease in government reserves. Therefore there were experiments of community granary system, which revealed serious managerial problems. In sum, it could not be a stable institution like ever-normal granary system.

Facing decrease in grain reserves of government-run granaries, the government implemented reduced-price sales of ever-normal granary system. However, the reduced-price sales also had flaws such as decrease of reserves and official corruption. What Chosŏn government regarded serious was that there were poor who could not buy grain even at reduced
price. The late Chosŏn dynasty implemented reduced-price sales only at Seoul which had the most developed market.

3. Trends in Welfare Activities

Grains loans and free transfer of food to the starved people were already done by Koguryŏ in the second century. However, the last Korean dynasty was the only one which made elaborate welfare institution and released grain for famine relief steadily. There were two cycles in famine relief during Chosŏn dynasty, though the late Chosŏn Korea had more active release of grain for famine relief than the early Chosŏn Korea. The welfare system other than famine relief developed gradually.

There were two periods of impressive rises in grain release for famine relief during Chosŏn dynasty. The first one was the early 15th century, and the peak years were under the reign of king Sejong(世宗 1418-1450). There was a rapid downturn in the late 15th century Korea. The second period of impressive rise was the early and middle 18th century, and the peak years were under the reign of king Jeonjo(正朝 1776-1800). There was also a rapid downturn in the early 18th century Korea.

The fourth king Taejong(太宗 1400-1418) saw grain reserves of government granaries accumulate to a considerable amount and became earnestly interested in the hwangjeong policy. In 1417, rice reserves of 5 provinces were more than 4 million seok 石, and distributed as hwangok 還穀 hulled rice 19,330 seok and unhulled rice 808,148 seok.²

The fifth king Sejong(世宗 1418-1450) endeavored to do for the starved people enthusiastically more than any other king of Korea, maybe in the world. His enthronement message proclaimed that any local magistrate shall be punished severely if under his jurisdiction a person starved to death. Of course Sejong heard many people starve to death under his reign. Under his reign grain loans with no interest and freely distributed occupied more than 90%. During 1444-1448 annual average one million and 700 thousands seok of grain was distributed.

The grain was composed of hulled rice, unhulled rice and bean. Unhulled rice 1 seok 石 became about 0.4 hulled rice seok, and 1 seok bean was valued as about 0.5 seok hulled rice. Therefore one million and 700 thousands seok of grain was about the same value of one ²

1 Japanese seok=180 liters=about 0.6 Korean seok.
million hulled rice seok. As mentioned before, 40% of voluntary grain loan with no interest could be regarded as public subsidy. Therefore annual average subsidy during 1444-1448 was about 400 thousands seok of hulled rice, which definitely occupied about 1% of GDP. In the late 18th century one million seok of hulled rice was estimated as 1.2% of GDP (Lee 2010, pp. 443, 447) and the population of the late 18th century was more than double of the middle 15th century. There were other welfare measures such as deferment, reduction or exemption of collection of taxes, and other welfare expenditure of hyulchŏn.

Will and Wong (1991, p. 10) presume that the Ming had “a smaller overall effort than would take place in the first half of the Qing.” Therefore I argue that the fifteen century Korea had the most advanced welfare state in the world, judging from the welfare institution in Kyŏngguk taejŏn, the welfare activity of the king Sejong, and the high ratio of welfare expenditure to GDP.

As a result of massive grain loan, Sejong already saw grain reserves decrease. One major source of grain loan, gunjagok 軍資穀, was more than 500 thousand seok in the early Sejong reign, and decreased to more than 300 thousand seok in the late Sejong reign. And from around 1438 the shortage of uichanggok 義倉穀, the other major source of grain loan became serious problem. Reduced-price sale of rice was implemented in 1445 and 1446. It was abolished in 1447 for the reason that people did not like it.

Facing decrease in grain loan reserves, community granary system was implemented in 1461, which interest rate was 20%. It was abolished in 1470 owing to managerial problems.

In 1448 a bureaucrat told that 20% interest rate was levied on grain loan illegally. This illegal interest charge became practice to be a local financial resource in the late 15th century. In the 16th century government made 10% interest rate formal, and 10% of the 10% interest rate on grain loan was institutionalized to be transferred to central government finance. In the middle 17th century 30% of the interest on part of hwangok was institutionalized to be transferred to public finance, which paved the way to increase state revenue by grain loan. Since then the proportion of transferred hwangok to public finance and that of hwangok more than 30% of which was transferred to public finance became bigger. As a result, the role of hwangok on public finance became stronger, which provided a strong incentive to increase hwangok by government, and became an important factor to corrupt hwangok institution.

Situation of public finance became worse in the 16th century and improved in the late 17th century. With the improvement of public finance social spending increased to meet peak period the late 18th century. During the 52 years under the reign of king Yeongjo(1724-76) there were 41 years of jinje. During the 24 years under the reign of king Jeongjo(1776-1800) there were 18
years of jinje. The distributed jinje grain annual average of the 18 years during the reign of king Jeongjo was 122 thousand seok, and the annual average distributed people in the 18 years was 1 million 583 thousand, which occupied about 10% of population. One person per average received about 8 liters or a little more than 1 tu jinje grain. The total amount of jinje during 1809-1815 of bad harvests amounted to 1 million and 417 thousands seok (Mun 2000, pp. 86-93, 225).

Not only free grain of jinje but also grain loan of hwangok increased in the 18th century, as shown in Table 1. Hwangok could be classified into that mainly for famine relief and that mainly for state finance. The former type had relatively low proportion of loan of grain reserve and high proportion to write off loan debt and could be distributed freely. Whereas the former type of hwangok increased more rapidly than the latter in the early 18th century, in the late 18th century the reserve of this type decreased and that mainly for public finance of hwangok increased. The role of hwangok as supplementing public finance became strengthened in the 19th century. From around 1840 the role of hwangok as supplementing public finance overwhelmed that as famine relief, the original role. (Mun 2000)

| <Table 1>  Hwangok in Late Chosŏn Korea (ten thousands seok) |
|----------------|----------------|----------------|----------------|
|                | Total amount of Hwangok (A) | Converting (A) into hulled rice | Total distributed Hwangok converted into hulled rice | Proportion of Hwangok Disappeared |
| Early 18th century | 500                |                     |                                      |                             |
| 1760             | 930                |                     |                                      |                             |
| 1769             | 1010               |                     |                                      |                             |
| 1776             | 1050               |                     |                                      |                             |
| 1788             | 990                |                     |                                      |                             |
| 1797             | 938                | 554                 | 396                                  | 14.9                        |
| 1807             | 1,000              | 581                 | 402                                  |                             |
| 1828             | 800                |                     |                                      |                             |
| 1862             | 800                | 507                 | 432                                  | 54.4                        |
As shown in Table 1, total amount of hwangok amounted to 10 million seok in the late 18th century and 1800s and 1810s. Total distributed hwangok amounted to 4 million seok of hulled rice in the late 18th century and 1800s Korea. If proportion of hwangok disappeared are assumed to be 15%, the total amount of hwangok actually distributed amounted to 3 million 400 thousand seok of hulled rice. Interest charge on grain loan was officially 10% and the other cost to get grain loans from office is assumed to be 10% of the original loans. If the grain loan was forced in the year of normal harvest, 20% of the original loans became public burden like tax. However, in the year of bad harvest about 30% of original voluntary loans may be considered as public transfer to peasants facing famine, considering the price gap between the lean period before the new harvest came in and that after the harvest. Therefore we may say that public transfer by hwangok occupied about 1% of GDP in the years of bad harvest from the middle 18th century to 1810s Korea. However, annual average rate could not be higher than 1% of GDP, because the proportion of forced involuntary grain loan was high in normal years.

The amount of subsidies of deferment, reduction or exemption of collection of hwangok or various taxes was considerable. However, it is very difficult to estimate it. The average cultivated land benefited from reduction or exemption of land tax was 56,700 kyon, 7% of the total taxable land during 1744-1800. The total subsidies from reduction or exemption of land tax must have amounted to around 50 thousands seok of hulled rice. If the benefit from reduction or exemption of grain loan interest, the total subsidies might not differ much from 100 thousands seok of hulled rice in the late eighteenth century. The welfare measures other than famine relief, the hyulchon恤典 system did not demand a big expenditure, but it was a useful institution. The total subsidies stemming from grain loan, free supply of grain, the benefit in the collection of various official burdens, and the welfare measure other than famine relief may come close to 1% of GDP in the late 18th century.

In the early 19th century the interest charge on loans were largely expropriated by the government for expenditures and not used to refund the reserve for loans. As shown in table 1, about half of Hwangok disappeared in 1862, which shows that the grain loan institution decayed in the early 19th century. Corruptions of hwangok institution such as forced loans in normal years to collect interest, skimping on lending and overcounting on repayment became widespread. District magistrates and provincial military garrison commanders lent out their reserves at will to finance their needs through interest charges. The unpaid loans accumulated.
Eventually, the oppression of the official loan became one of the main causes of the peasant rebellion of 1862. The rebellion delivered a major shock to the government and provided impetus for reform. The government wrote off all bad debts and set limits for loans, but had not abolished the system of loans at interest (Palais 1996, pp. 693-703).

There were private transfers during Chosŏn dynasty. Mutual aid by kye, and private transfer among kinship group grew in the 17th and 18th century. We could not estimate the total amount, but it seemed considerable. Private transfer by the wealthy was absorbed in government-run relief system, and often was compulsory.

4. Reasons for the advanced welfare system

Chosŏn dynasty had elaborate welfare institutions and big amounts of grain release for famine relief, as shown in Section 2 and 3. Lindert(2004, pp. 7-8) guessed the world average ratio of welfare expenditure to GDP was near zero around 1800. The ratio of welfare expenditure to GDP exceeded 1% only in Netherlands and England and Wales in the late eighteenth century, he argued. I estimated that the total welfare subsidies came close to 1% of GDP in the 1440s and the late eighteenth century. Therefore it is obvious that the welfare measures of Chosŏn dynasty were exceptional. And we can say that Chosŏn dynasty had an advanced welfare system among preindustrial states.

The annually distributed grain for famine relief in the late 18th century amounted to 3 million 400 thousands seok of hulled rice. It amounted to about one third of the total production of rice, to about 4 times the amount of central government tax revenue, and to about 4% of GDP. The Chosŏn dynasty’s fiscal policy was to levy low tax burdens in which the 10% rate was regarded as ideal and sought economy in expenditure. As a result the tax revenues of Chosŏn state were very small considering its big population. It is impressive that Chosŏn dynasty which had a small government conduct a massive release of grain for famine relief.

Why did Chosŏn state distribute such a big amount of grain for famine relief in the late 18th century? It was partly because the interest on grain loan became state revenue and new grain could replace the old grain in state granary. This financial motive could not be the major one for the King Yeongjo and Jeongjo who had strong motive for people’s welfare. The massive release of grain for famine relief was also related to the policy ideal similar to Sejong’s enthronement message that no one should starve to death. “The Qing civilian granary system was created by
massive efforts consciously undertaken to promote popular welfare.” The same argument also applied to Chosŏn Korea.

Per capita grain storage of Korea to cope with famine was about five times that of China in 1790s when grain storage was the biggest during Qing China (Park 2005, pp. 53-55). How could it be explained? In order to achieve the same level of famine relief, Korea with less developed market needed more per capita grain storage than China. The state of small Korea had an advantage to manage nationwide grain release, compared to much bigger China. Rhee and Park(2007) argue that the big per capita grain storage of Korea was a rational response to the small territorial environment under which the direction and magnitude of grain production change were similar between districts.

If dynasties of China and Korea had better performances of promoting social welfare than other preindustrial dynasties, the reasons may be sought in their long history of central bureaucratic states and the Confucian culture. The preindustrial China and Korea had in common the longest history of bureaucratic state and the strongest Confucian culture.

Welfare policy was central to the policy ideal of Confucianism. Confucianism was a discourse on moral cultivation and well governing 修己治人. The essence of well governing was comfort and stability of people’s life 安民, from which policy aim of famine relief and the other fulfillment of basic needs was derived. The ideal policy was called as benevolent policy 仁政 or rule by virtue 德治, which was policy for the people 爲民 or compassionate policy 愛民. Confucian policy attached a primary importance to nourishing people 養民 and stabilizing economic life of ordinary people 安民. After accomplishing this task, people could be morally educated and be recruited to army, which Confucius and Mencius taught. Those measures which protected and nourished people could be justified by Confucian states in China and Korea.

Chosŏn Korea was a “model Confucian society.”(Fairbank, Reischauer, and Craig 1978) The first priority of economic policy in the message of the first Chosŏn king’s accession to the throne was that “relieving helpless persons such as widowers, widows and childless persons should be the first priority of the ideal policy(鰥寡孤獨, 王政所先, 宜加存恤.).” Chosŏn Korean who traveled China thought that Korea was more confucianized than China.

“In the whole world only China among existing nations can claim a clearly longer history as a unified political entity” than Korea(Fairbank, Reischauer and Craig 1978: p. 287). The welfare system in preindustrial China and Korea came to maturity in the last phase of their dynasties, namely Qing dynasty and the late Chosŏn dynasty, though the Confucian state began
much earlier. Will and Wong (1991, pp. 504, 523) point out “the overall increase in the scale of famine-relief effort during the Qing dynasty,” and suggest “the eighteenth-century state’s capacities.” I think that the same argument also applied to Chosŏn Korea. Entering into Chosŏn period, the level of bureaucracy and policy became equal to China. And Chosŏn state’s capacities were more mature in the eighteenth century than before.

The active welfare policies of Preindustrial China and Korea were driven not merely by the moral obligation of the Confucian rulers. They also reflected state rulers’ incentive to preserve power. The stability of state rulers’ power depended upon internal stability and external competition. The state rulers faced the problem to allocate scarce resources between to welfare policy for internal stability and to military purpose for external competition. The history of preindustrial China and Korea shows that in times of external peace the Confucian ideal of stabilizing ordinary people's life 安民 became the main policy aim and considerable resources could be allocated to famine relief, while in times of fierce military competition strengthening state finance and military power 富國強兵 became the urgent aim policy and considerable resources were allocated to military purpose. Compared to European states which “were revenue-hungry, driven to extract resources by the pressing needs of war-making” (Will and Wong 1991, p. 522), Chinese dynasties had less pressure of external military competition and could allocate more resources to famine relief. As for the militarily weak Song dynasty, “the pressures for military supplies pushed reserves into the hands of hungry soldiers” (Will and Wong 1991, p. 10). Chosŏn Korea kept international peace by incorporating into the Chinese tribute system and could allocate considerable resources to famine relief. After opening doors to Western countries in 1876, however, the Chosŏn elites realized that the time of international peace had gone and the policy of strengthening state finance and military power became an urgent need.

5. Explaining cycles of famine relief activities

Whereas “the development and decline of the Qing granary system suggest a cycle of activity” (Will and Wong (1991, p. 93), those of the longer lived Chosŏn’s suggest two cycles. All the three cycles experienced such common process as below.
Economic growth, improvement in institutions→improvement in state finance: increase in grain reserves of government-run granaries→increase in grain fund for famine relief→ increase in release of grain for famine relief→decrease in grain reserves of government-run granaries→decrease in release of grain for famine relief, distortion in tax collecting system.


The total welfare subsidies that came close to 1% of GDP in the 1440s and the late 18th century was exceptionally high in the preindustrial age, and there were rapid downturn trends followed by the two peak periods. It reveals that it was difficult to maintain the near 1% proportion of welfare subsidies to GDP under the Malthusian constraint. It cannot be said that the preindustrial state set aside the resources more than 1% of GDP. It is difficult that the level of welfare system was upgraded to the stage that more than 1% resources of GDP was allocated to welfare. It was because in order to upgrade to the stage, like Chosŏn Korea, the government should endeavor hard not to starve people, and the tax ratio should not be high for many people living at the subsistence level. The small Chosŏn government determined by low tax ratio found it difficult to spend much resources of GDP to welfare.

It is obvious that that the active policy of famine relief under the reign of king Sejong and Jeongjo was a factor to make financial situation worse. And the hwangok system degenerated in the early nineteenth century. These bad side effects of welfare policy were a factor to decline the Chosŏn dynasty. However, the active welfare policy did not seem to be a major reason for the dynasty decline. Almost all the preindustrial dynasties even with no active welfare measures were doomed to decline. Though welfare activities declined in the late fifteenth century, the Chosŏn dynasty, entering in the sixteenth century, showed symptoms of decline such as financial difficulties, degeneration of politics and bureaucratic discipline, and economic distress. The declining trend of land productivity seemed to be the fundamental reason for the decline of the Chosŏn dynasty in the nineteenth century (Rhee 2012). And degeneration of politics and bureaucratic discipline seemed to be not only an effect but also a cause of degeneration of the hwangok system.

6. Appraisal of the welfare system
Massive grain release for famine relief must have helped the starved people. It must have been a factor to support the high density of population in the eighteenth Korea and China. And the elaborate welfare institutions other than famine relief must have rendered help and comport to the wretched people. Karlsson(2007, p. 97) showed the substantive aid to the disaster-stricken people “sufficient to show the goodwill of royal power and the central government” even in 1859 when the welfare activities declined.

The active welfare activities must have contributed to stability of the dynasty, what the rules wanted. Ibn Khaldūn presented a hypothesis about dynasties’ cycle and argued that their average life expectancy were 120 years. The life of Qing dynasty was more than double the average expectancy of the Islamic states in the Middle Age. The life of the Chosŏn dynasty equaled the sum of that of Ming and Qing dynasty. One reason for their long lives must be sought in their welfare policy.

Though the active measures to cope with famine relief helped the starved persons, it did not raise the standard of living, as shown in the fact that the living standards in the eighteenth century China and Korea were lower than West Europe, and not higher than Japan. And the living standards in the early 19th century China and Korea deteriorated unlike those of contemporary West Europe and Japan. As Clark(2007, p. 35) argued, the goodwill of the government to aid the starved people could not raise their living standard under the Malthusian constraint.

Though the active welfare activity of the Chosŏn dynasty contributed to the short run economic stability, it was not advantageous to the long run economic development (Cha 2012). A large amount of grain loan must have weakened the peasants’ incentive to save. Massive release of the loaned grain must have weakened the function of market. The massive grain loan system made tax collection system distort in the early nineteenth century Korea. However, we had better not overemphasize the adverse effect of welfare policy on economic development, because the period of massive grain loan in Korea could not sustain for a century.

It does not seem that welfare policy had only bad effects on economic development. The elaborate welfare institutions and the big subsidies to the starved people showed the Chosŏn state’s capacities to realize its policy ideal. The welfare system must have contributed to social integration. These could be assets to support economic development.

Was the welfare system of Chosŏn Korea efficient? The Chosŏn dynasty which had a small government could conduct a massive release of grain for famine relief. The key was that the major famine relief was not tax-based public spending, but loan-based poor relief. Both Chosŏn
Korea and Qing China saved public spending for famine relief by grain loan and reduced-price sale. The main mean to overcome famine was grain loans. In contrast with Chosŏn Korea, reduced-price sales of ever-normal granary system occupied a substantial portion in Qing China’s hwangjeong (Will and Wong 1991, p. 55). The reason why “Qing China took a more market-oriented approach to famine relief” (Cha 2012) was in part because markets in Qing China were developed than those in Chosŏn Korea.

However, the system of grain loan and reduced-price sale had serious management problems (Will and Wong 1991, p. 94), as shown in the decay famine relief in the early nineteenth century China and Korea. Grain loan had an irredeemable problem. The Chosŏn state knew this problem, and provided grain loans to those who had means of living. However, the Chosŏn state’s high ideal, as shown in the Sejong’s enthronement message that a person should not be starved to death, made it difficult to escape from this problem. The massive release of grain for famine relief was related to this policy ideal. The more grain lent to the poor and starved people, the more portion of irredeemable grain. The massive grain loan entailed the high marginal cost of famine relief. Though the Chosŏn state maintained about 10 million seok of grain fund for famine relief, it could not sustain it. In retrospect, the late Chosŏn state should have shown the capacity to harmonize the high ideal for welfare and the economic constraint, and should have designed a system to release a manageable and sustainable amount of grain loan. The Chosŏn bureaucrats knew the problem, but fail to design institutions to solve the problem (Park 2010).

7. Historical heritage of the advanced welfare system of Chosŏn Korea and Qing China

Confucian states and Socialist states had in common not only a policy ideal to take responsibility of people’s economic stability, but also a limitation of welfare system given from the state authority. In this sense, the historical heritage of the advanced welfare system of Chosŏn Korea and Qing China may have played some role in building the socialist states at China and North Korea.

Chosŏn Korea was colonized for 36 years, after liberated from colonial rule the civil war broke out and Korea was divided. And South Korea with strong anti-communist atmosphere had long forgotten the tradition of welfare policy, and the proportion of social welfare spending to GDP was very low even at the turn of this century. However, it increased rapidly after
democratization in 1987. It was 3.3% in 1990, and 12.2% in 2009. At 2012 presidential election, a strong need for universal welfare state was found both not only in the people and but also in the candidates.

References


