

Sung Ho Park

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EDUCATION

Ph. D. in Political Science, University of North Carolina at Chapel Hill, USA (expected July 2009) Transferred in 2003 from Texas A&M University, College Station, USA

Major: Comparative Politics

Minor: Quantitative Methodology

M.A. in Political Science and International Relations, Korea University, Seoul, South Korea (1998)

B.A. in Philosophy, Yonsei University, Seoul, South Korea (1995)

DISSERTATION

“Economic Crisis and Wage-Setting Coordination in an Integrated Europe: the Experiences from Eleven Developed European Countries”

Synopsis: When a national economy performs poorly, but recovery is a challenging task due to fierce competition and monetary austerity in an integrated Europe, there is strong pressure toward strict control of wage costs. This pressure has led to diverse responses in the industrial relations of developed European countries. In some countries the wage-setting process has become more coordinated, whereas in others the process has not changed much. I explain these diverse responses by focusing on the interactions between the economic pressure and other non-economic variables, which are drawn from national political party systems and the organizations of unions and employers. I test my hypotheses mainly in a comparative historical analysis of eleven developed EU countries, relying on primary and secondary materials that cover the period from the 1970s to the 2000s.

Committee: John D. Stephens (chair), Liesbet Hooghe, Evelyne Huber, Herbert Kischelt, and Gary Marks

RESEARCH INTERESTS

Industrial Relations and Social Welfare in Developed Europe and East Asia, Politics of Economic Governance and Adjustment, International Economic Integration and Its Implication on Domestic Political Economy

ARTICLES UNDER REVIEW

“Capital Openness, Monetary Integration and Wage-Setting Coordination in Developed European Countries.”
Revised and resubmitted to *Politics & Society* in May, 2009.

“A Political Condition for Coordinated Wage-Setting: A Comparative Study of Italy and South Korea.”

“Inter-Union Rivalry and the Modality of Political Exchange: Experiences of Five Countries in Developed Europe.”

OTHER PUBLICATIONS

“Best Linear Unbiased Estimator,” “Ordinary Least Squares,” “Polynomial Equation,” “Prediction Equation,” “Interpolation,” “Linear Regression,” “Parameter,” “Parameter Estimation,” “Statistical Inference,” and

“Instrumental Variable” (all with B. Dan Wood). In *The Encyclopedia of Research Methods for the Social Sciences*, eds. Michael Lewis-Beck, Alan Bryman, and Tim Futing Liao. Newbury Park, CA: Sage Publications, INC. 2003.

“The United States and the India-Pakistan Rivalry: Assistance and Condemnation” (with Christopher Sprecher). In *Conflict in Asia*, eds. Uk Heo and Shale A. Horowitz. Westport, CT: Greenwood Publishing Group, INC. 2003.

WORKING PAPERS

“De-centralization by Unions? A comparative analysis of Six European Countries with Centralized Wage Bargaining”

“Social Pact and Welfare Reform: The Case of South Korea”

ADDITIONAL TRAINING

Essex Summer School in Social Science Data Analysis and Collection, 2002

TEACHING EXPERIENCE

Instructor at the University of North Carolina at Chapel Hill

-Introduction to European Governments (From Fall 2006 to Spring 2008)

Teaching Assistant at the University of North Carolina at Chapel Hill

-Introduction to European Governments (From Spring 2005 to Spring 2006)

-Introduction to Comparative Politics (Fall 2004)

-Introduction to Political Psychology (From Fall 2003 to Spring 2004)

RESEARCH EXPERIENCE

Country Anchor of Expert Survey (South Korea): 2008

Linkages between Citizens and Politicians: A Survey of Democracies, Herbert Kitschelt at Duke University.

Funded by Duke University, the Chilean Comisión Nacional de Investigación Científica y Tecnológica de Chile and World Bank

Data Manager: 2004-2007

Comparative Welfare States Data Set, Evelyne Huber, Charles Ragin, John D. Stephens, David Brady, and Jason Beckfield. Northwestern University, University of North Carolina, Duke University, and Indiana University

Research Assistant: 2004-2007

Professor John D. Stephens at the University of North Carolina at Chapel Hill

Research Assistant: 2001-2003

Professor B. Dan Wood at Texas A&M University, College Station

LANGUAGES

Korean: native

Japanese: elementary in speaking, writing, and reading

CONFERENCE PRESENTATIONS

“Inter-Union Rivalry and the Modality of Political Exchange: Experiences of Five Countries in Developed Europe.” Midwest Political Science Association Annual Meeting, Chicago, April 2009

“Capital Openness, Monetary Unification, and Industrial Relations in Developed Europe,” Council for European Studies Sixteenth International Conference, Chicago, March, 2008.

“Economic Vulnerability and Industrial Relations in Developed EU Countries,” Midwest Political Science Association Annual Meeting, Chicago, April, 2007.

“Economic Vulnerability and Industrial Relations in Developed EU Countries: On the Mediating Role of Domestic Institutions,” Council for European Studies Fifteenth International Conference, Chicago, April, 2006.

“Wage Bargaining, Political Institution, and Economic Growth: A pooled-time series analysis of sixteen OECD countries, 1964-1999,” Midwest Political Science Association Annual Meeting, Chicago, April, 2004.

“European Integration, National Party System, and Fiscal Adjustment: A Cross-National Analysis of Fourteen EU Countries, 1970-2000” (With B. Dan Wood), Midwest Political Science Association Annual Meeting, Chicago, April 2003.

PROFESSIONAL MEMBERSHIPS

The American Political Science Association
The Midwest Political Science Association
The Council for European Studies

REFERENCES

John D. Stephens (committee chair)
Gerhard E. Lenski Jr., Distinguished Professor
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Dissertation Project

Sung Ho Park
The University of North Carolina at Chapel Hill

RESEARCH TOPIC

In my dissertation, I am generally interested in the question of how and why national economic institutions evolve and change. I deal with this question in the context of European industrial relations and especially the wage-setting systems of developed European countries, which have been characterized by a relatively high level of collective coordination among unions, employers, or the government. I explore how these institutions have responded to the common European challenge, that wage costs must be controlled tightly to deal with fierce competition and monetary austerity in an integrated Europe. I am particularly interested in the cases in which wage costs have already been out of control and, thus, the pressure for tight cost control has been even greater.

PREVIOUS STUDIES AND CONTRIBUTIONS

There are many previous studies which deal with this topic in the literature of European political economy. Most of them are interested in explaining the following recent developments. First, the wage-setting process became more coordinated in some countries, whereas it did not change much in others. There also were various paths to the change to increasing coordination, which ranged from government unilateralism (aiming at obligatory wage guidelines) to voluntary pact building among unions, employers, and the government. To provide answers for these developments, some studies explore how the imperative of tight cost control facilitated a certain direction of change, by promoting or discouraging collective wage coordination. Others pay more attention to the non-economic side of the adjustment process, and explore how certain social and political variables mediated between the structural/economic pressure and its final outcome in the wage-setting process.

My research builds on these studies, but contributes to the literature in the following ways. First, I provide a more comprehensive explanation on the effect of the pressure for tight cost control. Rather than emphasizing a unidirectional effect to promote or discourage coordination, I argue that the economic pressure produced both ways of effect. I then show how the one which promoted coordination prevailed over the other. Second, I join in the line of research which explores the non-economic aspects of the adjustment process. I introduce two political variables, the political preferences of industrial actors and the characteristics of national party system, and examine how these variables make difference in the adjustment process. Overall, my study confirms that both economic and non-economic causes/preferences are important in the change of economic institutions. It thus complements an influential approach to the study of European political economy, called the “Varieties of Capitalism” approach, which emphasizes the economic aspect of the process. I will pursue my approach in the following three related articles.

ARGUMENTS AND RESEARCH DESIGNS

First article: “Capital Openness, Monetary Integration, and Wage-Setting Coordination in Developed European Countries”

My first article asks why the pressure for tight cost control in the integrated Europe did not motivate employers to de-coordinate the wage-setting process, which could have benefited them by bringing more market discipline on the unions’ wage demands. My analysis shows that employers did make such an

attempt at first. But they found that the result was not satisfactory at least in the short run, because the market-oriented reform initially facilitated militant responses from unions for various reasons. Under this circumstance, employers' preference for the reform was strongly affected by the feasibility of government policy accommodation. Employers could adhere to the reform without serious financial difficulty, if their government was able to compensate for the wage militancy by deploying flexible macroeconomic policies. This, however, was not a possible option given the monetary constraint in the new Europe. Employers thus abandoned their attempt at de-coordination in a hope to moderate the unions' militancy. Although it was still likely that the change would promote wage moderation in the long run, employers could not bear the short-term costs of the change. I test this argument in a Boolean comparative analysis of eleven western European countries: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Sweden, and the UK, mainly from the 1970s to the early 2000s.

Second article: "A Political Condition for Coordinated Wage-Setting: A Comparative Study of Italy and South Korea"

Once the path to de-coordination was blocked, industrial actors had to make a choice between increasing coordination and staying with the status quo. They favored the first option, if they had any organizational capability of collective action. Their anticipation was that such a change would bring more predictability in securing peaceful wage moderation. In this article I draw another variable from the national politics, which also influences the cooperative process. The rationale runs as follows. Given the industrial actors' capability of collective wage coordination, its success ultimately depends on the political exchange between unions and the government regarding social wages. Unions endorse the idea of peaceful wage moderation in exchange of the government's promise of social welfare and job creation. Thus, the unions may not be ready for cooperation if the government is not ready for the deal. In this article, I explain this government's preference by relying on the characteristics of national party system. Where major political parties compete by making general programmatic appeals to voters, I argue, the government is interested in the deal. This is because the governing parties have to take a responsibility for the macroeconomic performance during their term, when they compete in the next election. Worrying that high wage costs will keep the economy in a poor condition and thus dampen the prospect of re-election, the parties, regardless of their partisanship, become seriously interested in finding a solution to the national economic problem. Meanwhile, where parties rely on non-programmatic appeals such as clientelistic vote-buying or charismatic mobilization, the government is not fully motivated to deal with the problem. This is because the governing parties can draw mass support from their electoral clients or charismatic followers, which may be enough to ensure their re-election. I test this argument by analyzing the recent Italian experience with national wage coordination in the 1990s. Another episode of national wage coordination, which was attempted in South Korea in the late 1990s but ended up a failure, will also be discussed to strengthen the analysis in a comparative perspective.

Third article: "Inter-Union Rivalry and the Modality of Political Exchange: Experiences of Five Countries in Developed Europe"

My third article focuses on the countries in which the level of wage coordination increased in an effort to tighten wage costs. My question here is what brought about the diversity in the path to this change. As briefly noted above, some countries chose voluntary pact building, whereas others chose governmental unilateralism to promote this goal. I explain these divergent developments by looking at the degree of inter-union rivalry in the labor movement. I argue that voluntary pact building took place only if the labor movement was free of serious internal rivalry, which enabled unions to produce a broad inter-union consensus for tight wage moderation. If the labor movement was mired with deep rivalry, unions were not able to produce such a consensus. The government then had no other choice but to take a unilateral initiative to impose obligatory wage guidelines. I test this argument in a comparative analysis of five European countries: Finland, Ireland, Italy, Belgium, and the Netherlands from the 1980s to the 1990s.

Other Research in Progress

Sung Ho Park
The University of North Carolina at Chapel Hill, USA

European Industrial Relations

In a related line of research with my dissertation, I am currently working on a paper regarding the wage-setting systems of developed European countries. My purpose here is to identify and explain a relatively understudied cause which produces de-coordination in the wage-setting process. So far, the conventional wisdom has been that the pressure for de-coordination, if exists, comes from the employers who are dissatisfied with the performance of wage cost control in the existing system. The recent experiences of several European countries, however, tell us a different story in which unions took a strong initiative in weakening the centralized wage coordination. I deal with this novel development by looking at the nature of wage coordination in the integrated Europe and how it interacts with the national macro-economic cycle. More specifically, previous studies suggest that centralized wage coordination in the new Europe is geared to the national concern for tight wage moderation. I argue that unions are better able to comply with this call when the national economy is in a poor condition. As the economy recovers, however, unions become more interested in compensatory wage increases. They find the strategy of de-coordination works best for their growing militancy, because it weakens the wage negotiators' public-minded concern for the national economy, and thus increases the possibility for company- or sector-specific wage increases. I test my argument in a comparative historical analysis of five European countries: Belgium, Finland, Italy, the Netherlands, and Norway since the 1990s.

The Welfare State Building in South Korea

I am also interested in expanding my research to the issue of the welfare-labor regimes in developed Europe and East Asia (outlined in more detail in my future research statement). I start this new project by conducting research on the recent experience of welfare expansion in South Korea since the late 1990s. I am particularly interested in the government's reform efforts for health care and pensions. These benefits were among the few ones which previous Korean governments had provided or supported for citizens. However, the benefit system was highly unequal, favoring only limited groups of beneficiaries. For example, generous pension payments were provided mainly for public employees, teachers, and ex-servicemen. Health benefits, although less generous, also provided special treatments for full-time workers in the formal sectors vis-à-vis those who were in the informal sectors, unemployed, or retired. Recent Korean governments attempted to reform these preferential social insurance systems by cutting back the special benefits and redirecting public resources toward a broader population of beneficiaries. This effort was successful in the area of health care, but a failure in pensions. I explain these diverging outcomes by relying on the previous related studies of welfare reform, whose hypotheses have been tested in a broad context of developed and developing democracies. A general consensus in the studies is that any established welfare program, regardless of its nature and quality, produces core beneficiary groups who oppose cuts in benefits; the government may be able to mitigate this resistance and cut the benefits, if it includes the beneficiaries in the reform process; if the government takes a unilateral approach, however, the reform will be delayed due to the vetoes by the beneficiaries. Applying this general logic of welfare reform in the Korean case, I find that the health care reform was successful because the government consulted with the relevant actors in the context of social pact building. The pension reform, however, was delayed because the government took a unilateral approach. Overall, my study suggests that the general logic of welfare reform (or restructuring) can be applied well into the countries of East Asia, which have not been studied much in the literature of comparative welfare state.

Future Research

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In my dissertation, I dealt with various questions regarding the recent changes in the wage-setting systems of developed European countries. In my future research, I will extend my interest to the issue of the welfare-labor regimes in developed Europe and East Asia. I will apply (and also modify) the European theories of welfare and labor to the context of East Asia. In doing so, I hope to contribute to the literature of comparative political economy, by developing general hypotheses which are applicable to both advanced democracies and the front runners of developing democracies.

I am particularly interested in the countries in which social welfare has been expanded recently, although only to a moderate level. These countries include the UK and Ireland, which were previously known for the residualistic welfare systems, and Japan and South Korea which were previously known for the company-based welfare systems. In all these countries, there has been broad social/political pressure for welfare expansion, which has emanated from such structural changes as demographic change, post-industrialization, and globalization. Governments have responded to this pressure by increasing benefits for positive welfare (such as education and health care) to a level close or equivalent to the OECD average, while keeping passive benefits (such as pensions and unemployment benefits) at a residualistic level. I will explore whether or not this pattern of adjustment has created a new model of welfare and, if so, how distinctive this emerging model is from other well-known models, such as the social democratic, Christian democratic, liberal, and developmental state models. I am also interested in examining how successfully the industrial relations of those countries have adjusted to the process of welfare expansion. Especially, I will focus on their wage-setting systems, and examine how they have responded to the call for wage moderation and flexibility, which are necessary for consolidating the new welfare by increasing national employment.

In a related line of research, I am also interested in explaining the political/institutional mechanisms that have contributed to the change in those countries. First, I will pay close attention to the government's inability of substantial tax increase, and examine how this fiscal constraint has contributed to the aforementioned pattern of welfare expansion by inducing the governing parties to prioritize certain benefits over others. I also note that the performance on welfare expansion and the adjustment of the wage-setting system have been different across the countries (overall, Ireland and the UK have performed better than Japan and South Korea). I will explain this difference by looking at the following variables: the party-voter linkage (particularly whether or not parties garner mass votes by making general programmatic appeals to voters), substantive power distribution among major political parties, the veto points within the existing welfare systems, and the organizations of workers and employers.

My approach is an outcome of constructive interactions with previous related studies. Following class-based theories of welfare expansion, which are influential in explaining the European welfare state during the inter-war and post-war periods, I recognize that the objective need of social protection and the subsequent political mobilization of social classes are important in the new welfare building process. However, I also emphasize that certain characteristics of national politics and institutions play an important role by mediating between the socio-political pressure for welfare expansion and its final outcome. Second, building on the theory of veto-points which is influential in explaining the recent retrenchment in European social welfare, I argue that the vetoes from inside the existing welfare systems can make difference even in the context of welfare expansion. Particularly important is the presence of privileged beneficiary groups who may resist redirection of public financial resources toward broader populations of beneficiaries. Finally, building on the theory of European social pacts, I explore under what circumstances unions and employers will successfully engage in wage moderation and labor market reform to back up the process of welfare expansion.