Linking State Intervention and Health Equity Differently: The Universalization of Health Care in South Korea and Taiwan*

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This study sets out to compare the process of the universalization of health insurance in South Korea and Taiwan, with a particular focus on the similarities of the commercial elements, such as the

* This work was supported by the National Research Foundation of Korea Grant, funded by the Korean Government (NRF2012S1A3A2033961). The authors would like to thank the staffs of the United Nations Research Institute for Social Development (UNRISD) for their lively discussions, which formed the basis of this work.

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dominance of a private provider and user fees. What were both the constraints on, and the challenges to government policies to establish universal health insurance with commercial elements? Are there differences between the cases of these two countries? If there are, what caused those differences? What role have the state, market and civil society institutions played in shaping the health systems of these countries? To answer these questions, this paper analyzes the roles of historical institutional legacies, competitive election, active civil society, the education of doctors and nurses, the allocation of medical human resources in the labor market, the medical device industry, public and private hospitals and inter-sectoral policy measures, with a focus on the linkages within and between the health system and other sectors. It is fair to argue that the different modes of government interventions in various sectors and their varying degrees, in terms of enforcement, resulted in the universal health systems of the two countries being qualitatively different, and resulted in different consequences as regards health equity.

Key Words: Universalization, Health System, National Health Insurance, State Intervention, Transformative Social Policy

I. Introduction

The universalization of health care in South Korea and Taiwan shows many points of similarity. In both countries, a universal national health insurance system was established alongside processes of democratization, but it was built on fragmented insurance systems. Both achieved near full coverage within a very short period after the implementation of national health insurance. The private sector has been dominant in the health service delivery of the national health insurance system. In 2007, the total expenditure on health as a percentage of GDP was 6.3 and 6.1 per cent, and general government expenditure on health accounted for 54.9 and 57.7 per cent of the total