KIHASA
한국보건사회연구원
KOREA INSTITUTE FOR HEALTH AND SOCIAL AFFAIRS

『Social security & welfare policy in Korea』

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Outline

I. Intro

II. Internal issues in Korea

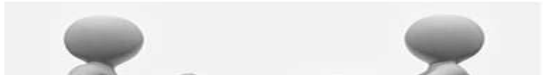
III. History of welfare policies in Korea

IV. E-welfare delivery process in Korea

V. Conclusion

Intro

We are suffering from unexpected problems in our life



illness, accident

unemployment

poverty, neediness

Who has responsibility to take care of individuals

The hardships we are suffering in our life

I don’t know whom should are we to blame?

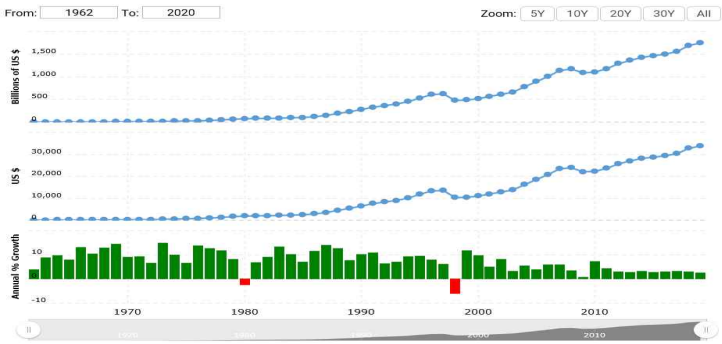
Individual, family, community, society, state ?

Internal issues in Korea

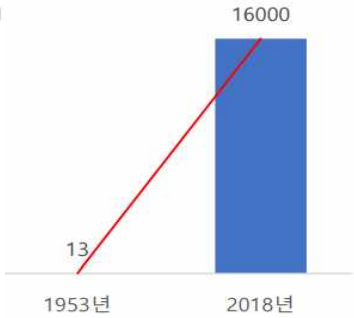
Overview : Bright side

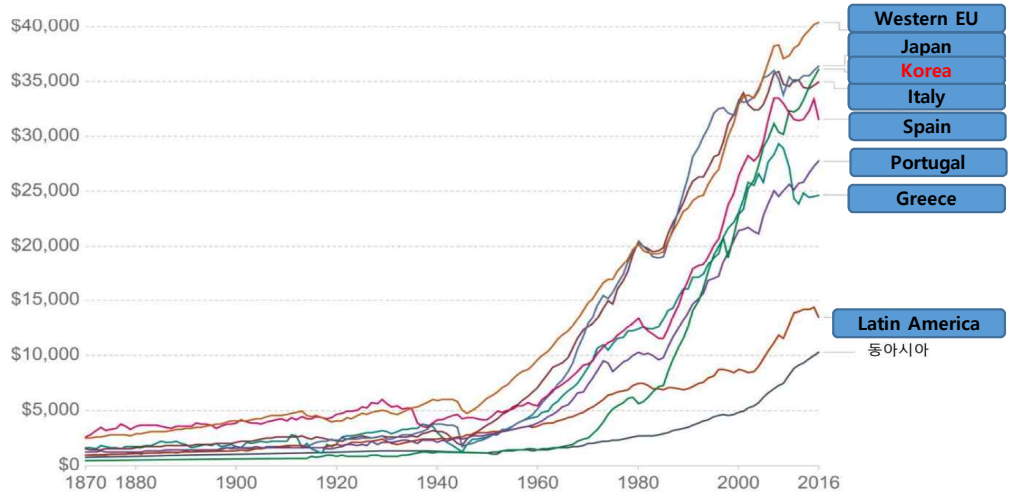
Since the 1960s, South Korea's economy has grown at a remarkable pace, and it is currently the 12th largest in the world.

GNP (USD) from 1962 to 2019



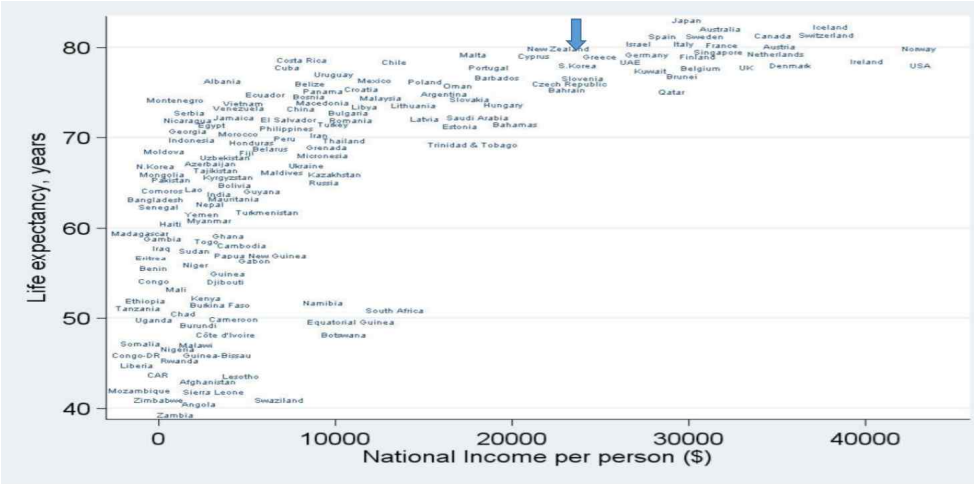
Trade scale (100M USD) in 2019





출처: Madison Project Databases (2018)

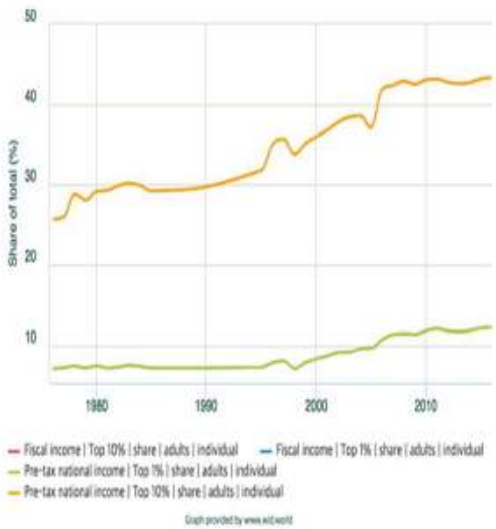
OurWorldInData.org/economic-growth • CC BY

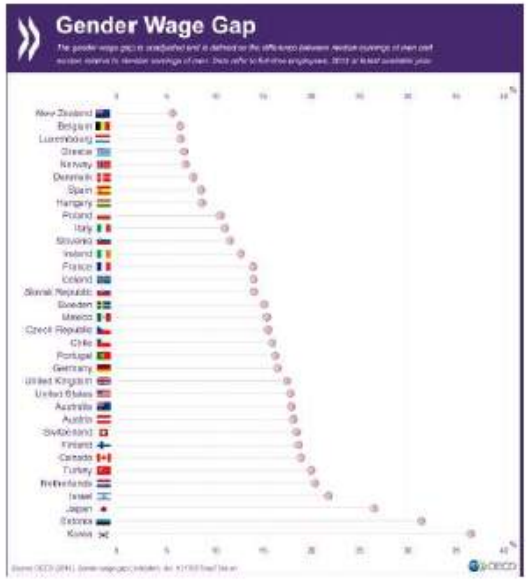


자료: Wilkinson & Pickett, *The Spirit Level* (2009)

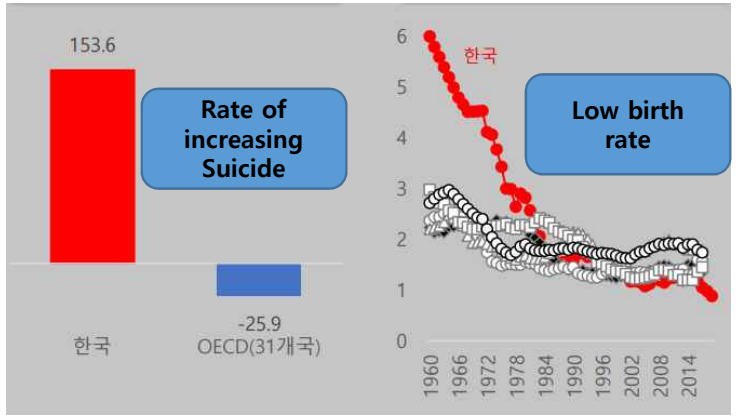
Overview 2 : Dark side

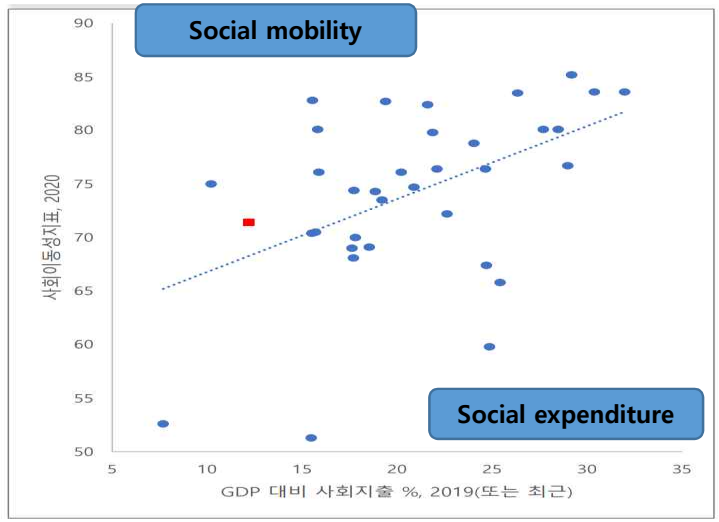
Income inequality, 1976-2016





Gender gap

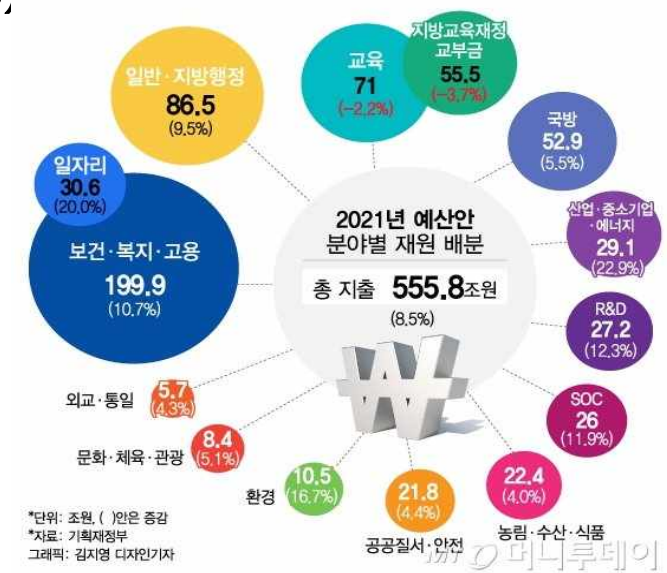


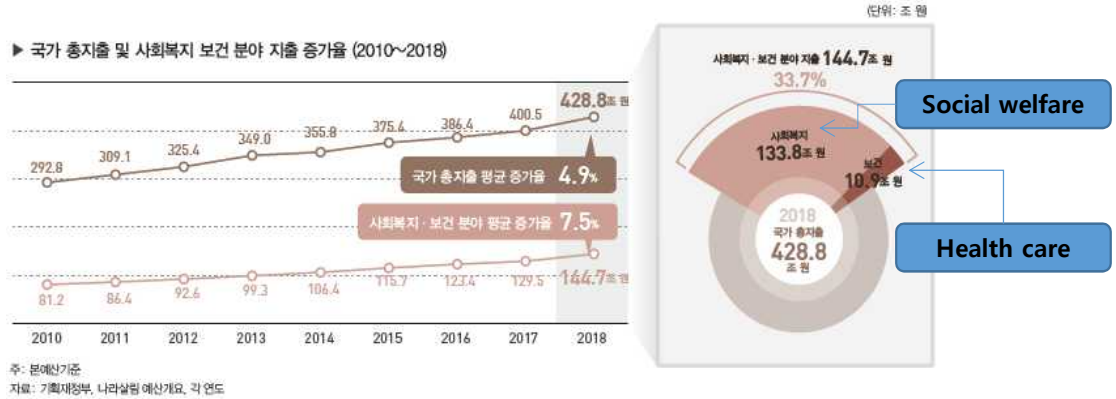


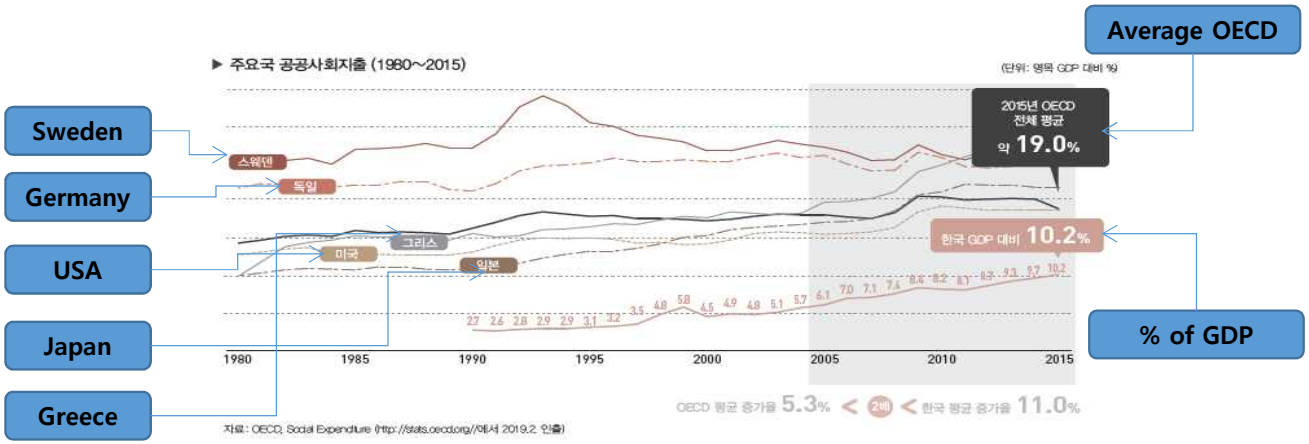
WEP. 2020. The Global Social Mobility Report 2020: Equality, opportunity, and a new economic imperative. WEP.

Expansion of the social welfare sector in Korea

Expansion of the social welfare sector in Korea(Monetary unit(Won \), approx. 144 billion USD in 2018)







social welfare expenditure

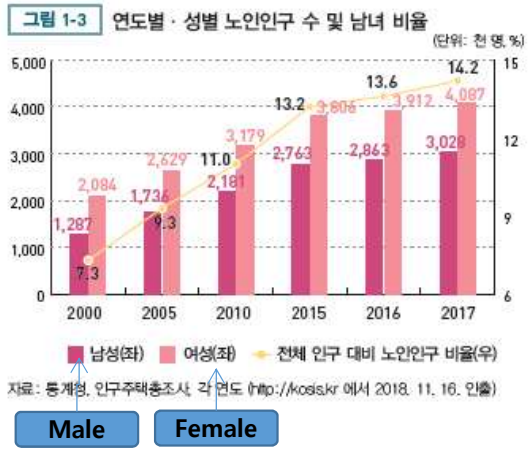
(Monetary unit(Won \), % of GDP)

Ageing population, many more single-member households living alone

Ageing population

(% of total population)

2020 (16%,8.6M/51M)



Single-member household

(% of total households)

History of Welfare policy in Korea

Development of social security system, since 1948

From 1948

1948 Government establishment,
Ministry of Health and welfare

보건복지부

From the 1970s

public sector and private sector(such as, NPO) are together providing community welfare services

ODA and poor circumstance

community welfare centres

From the 1980s

Government lead social insurance system(1959)

Increased blind sports(deprived areas) in Health care service

Health insurance for business with 500 employees (1977) – increasing the productivity

Expanded the insurance for all people(1989)

Social unionism → integrated system (organization 2000, insurance finance 2003)

National health insurance

pay insurance premium monthly according to income

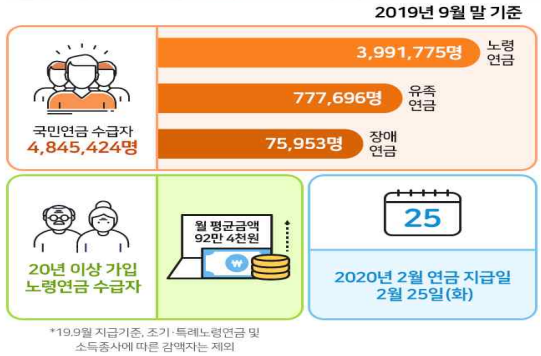
Since the 1990s

Legislation for national pension in 1973

Expanded the national pension for all people in 1999

It is the third largest in the world with $700 billion in assets, and is the largest investor in Korea

The national pension reform increased replacement rate and contribution rate, and reduced the cross-sectional income inequality.



4,845,424 subscribers(old-age, bereaved family Disability pension)

Average 800 usd monthly

Since the 1990s

Minimum living costs of education, medical care, Housing service

the right to have basic standard of human life

〈생계비〉

인간이 생활하는데 필요한 비용

〈최저생계비〉

생계에 필요한 최소한의 비용으로 보건복지부 장관이 공표

According to almost 30% of median income

Depends on the member of family

Many welfare benefits are in line with minimum living scheme

가구 구분	1명 가구	2명 가구	3명 가구	4명 가구	5명 가구	6명 가구	7명 가구
기준 중위소득 (A)	1,707,008	2,906,528	3,760,032	4,613,536	5,467,040	6,320,544	7,174,048
생계급여 선정 및 급여 기준 (A의 30%)	512,102 **438 usd**	871,958 **750 usd**	1,128,010 **970 usd**	1,384,061 **1,185 usd**	1,640,112	1,896,163	2,152,214

National Basic Living Security Act

Article 6-3 (Calculation of Recognized Amount of Income)

(1) Regardless of the actual income of an individual household, the income of an individual household assessed under subparagraph 9 of Article 2 shall be the amount calculated for making a decision on, payment, etc. of benefits, and shall be calculated by subtracting the amounts of expenditure incurred due to the characteristics of the household such as physical or mental conditions, diseases, child rearing, etc., expenditure related to work incentives, and other additional expenditures, from the actual income of a household as the aggregate of the following:

1. Earned income;
2. Business income;
3. Property income;
4. Transfer income.

(2) The amount of income converted from property under subparagraph 9 of Article 2 shall be calculated by multiplying the amount remaining after deducting the amount of fundamental property (referring to the amount of the property deemed necessary for guaranteeing a basic livelihood and publicly announced by the Minister of Health and Welfare) and liabilities of an individual household from the value of the property thereof, by the income conversion rate. In such cases, the scope of property subject to conversion into income shall be as follows:

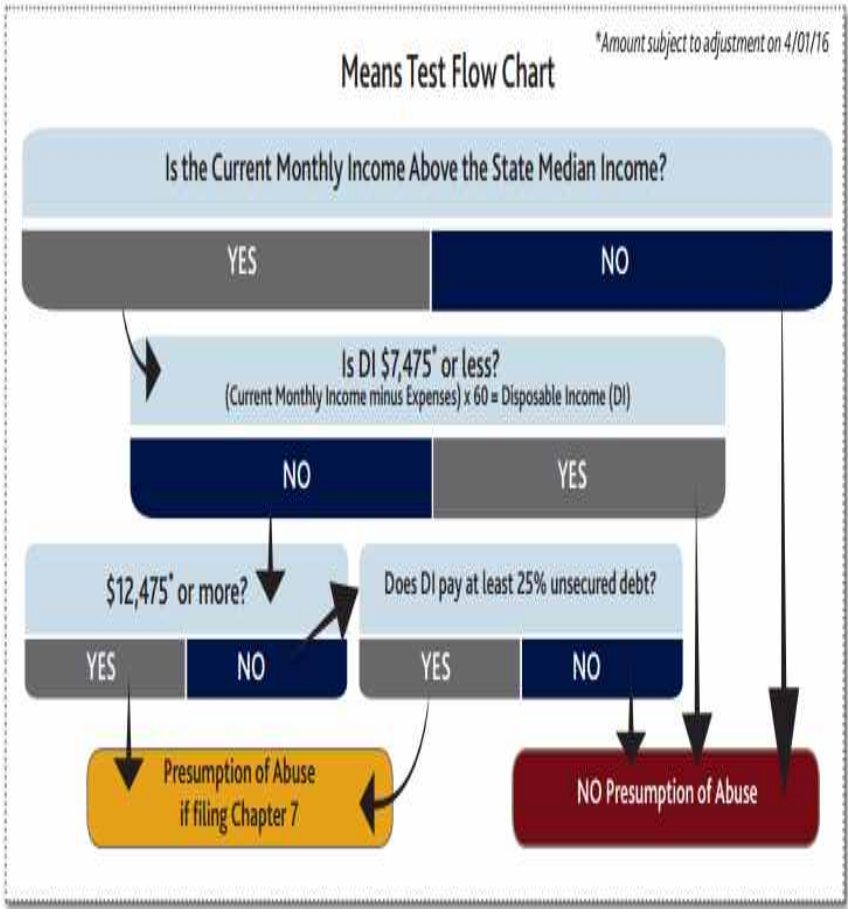
1. General property (referring to property excluding financial property and automobiles);
2. Financial property;
3. Automobiles.

Article 7 (Types of Benefits)

(1) The types of benefits accorded under this Act shall be as follows:

1. Livelihood benefits;
2. Housing benefits;
3. Medical benefits;
4. Education benefits;
5. Childbirth benefits;
6. Funeral benefits;
7. Self-sufficiency benefits.

Information system for Means Test for welfare payments



Earned income / Business income(agricultural, forestry, fishery, business income), property income(rental, interest, pension income), Transfer income(family, government, private pension income)

General property(land, building, housing, aircraft, ships, fishing right, membership), Monetary assets(cash, financial assets, insurance product)

Automobiles

Property sold to other persons within the past 5 years from the date of investigation

Scope(individuals, household, family etc)

Since the 2000s

the aged devoted their whole life for their family

pension for senior citizen

Basic pension(public assistance)

70% of people aged 65 / 257 USD monthly

Since the 2000s

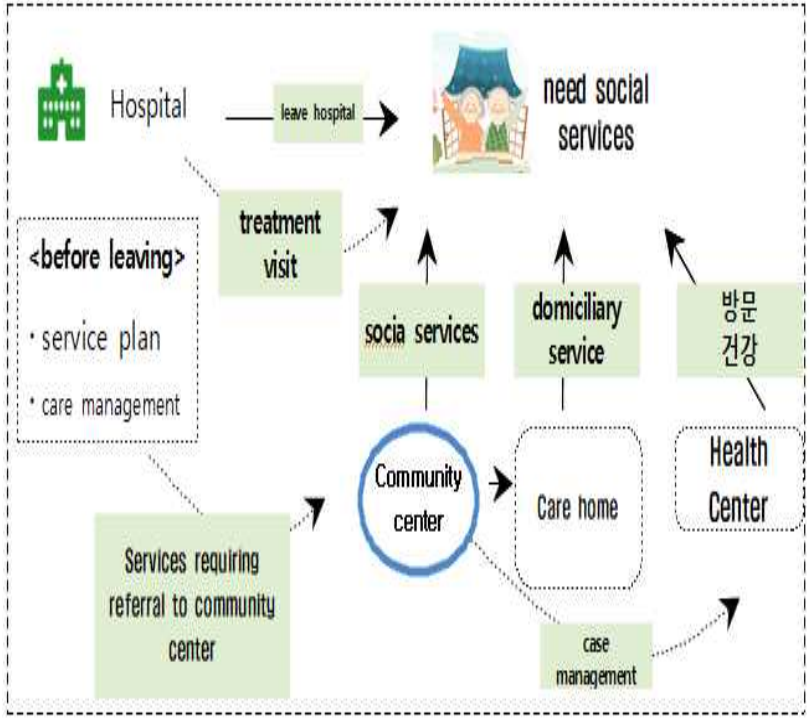
Long-term care insurance for the aged(visiting nurse, care service)

Since the 2010s

Day care center, kindergarten, Home care etc, Free childcare services

Since the 2010s

Dementia is a responsibility of the state



Emerging Covid-19 in Korea

The Korean government put social health insurance in place in the 1970s, achieved universal health care coverage in 1989, and transitioned to a single-payer system in 2004.3.

Despite its robust health system, Korea struggled to respond appropriately to the 2015 outbreak of MERS, which resulted in nearly 17,000 suspected cases and 38 deaths.

•Detect: South Korea built innovative, high-capacity screening facilities and worked closely with the private sector to ensure an adequate supply of tests from the onset of the pandemic.

•Contain: South Korea isolated infected patients, increased compliance by supporting those in quarantine, and traced contacts with unusual thoroughness.

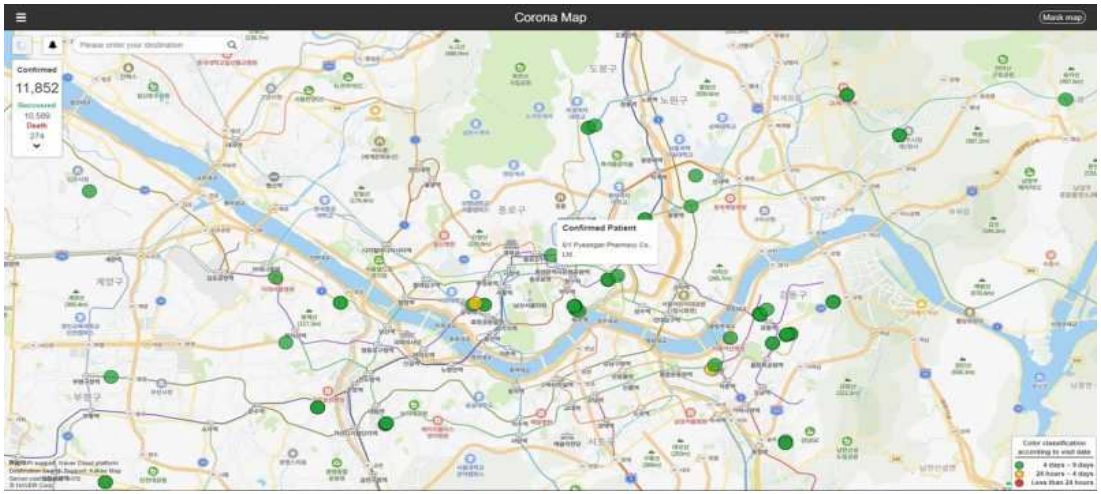
•Treat: Across the country, the government restructured the hospital system, built temporary hospitals to increase capacity, and addressed shortages of personal protective equipment (PPE) through centralized government purchasing.

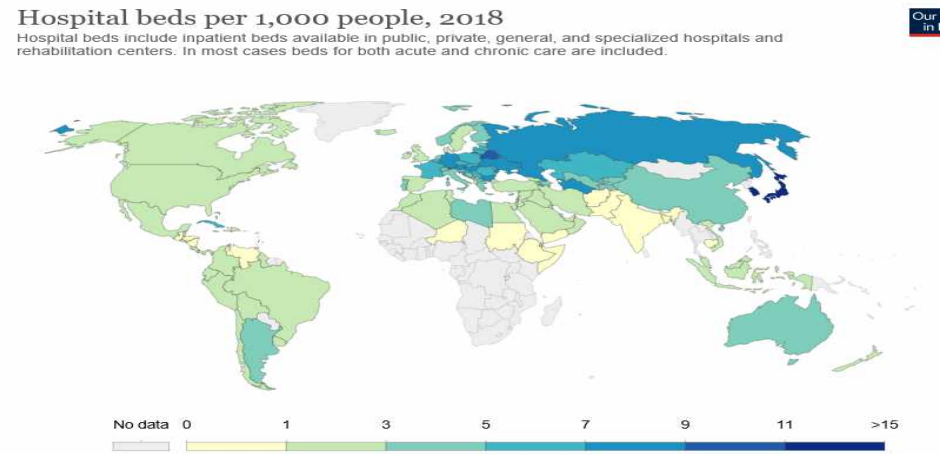
Emerging Covid-19 in Korea

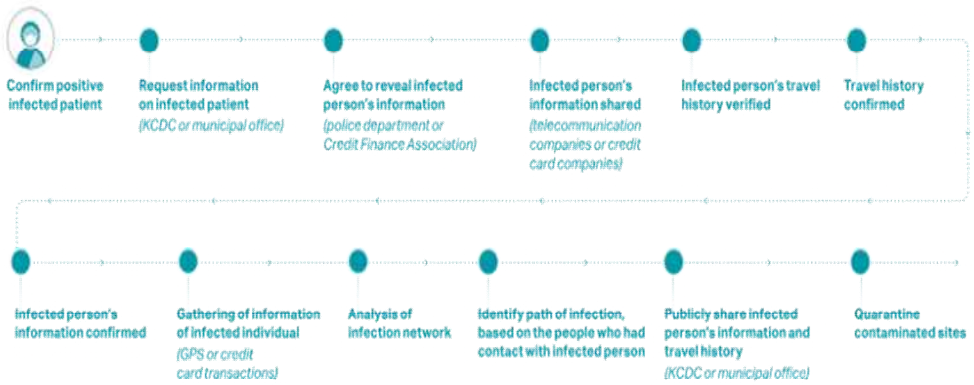
The government applied contact tracing tool(

Example of private sector tool

- **Facility visit records, including pharmacies and medical facilities**
- **Cellular GPS data from cell phones**
- **Credit card transaction logs**
- **Closed-circuit television**







Emerging Covid-19 in Korea

Coronavirus Disease-19, Republic of Korea

Central Disaster Management Headquarters | Central Disease Control Headquarters | • Korean • Chinese

About COVID-19 | Latest Updates | Media Resources | Public Advice & Notice | Guidelines | Social Distancing

Social Distancing Continues for Additional 3 Weeks:
Level 2 for Greater Seoul and Level 1.5 for Non-Greater Seoul
Nationwide Ban on Social Gatherings of 5+ People Remains
From Mon, May 3 to Sun, May 23

Cases in Korea (as of 12am on May 13, 2021, data aggregated from January 3)

Confirmed Cases (accumulation)	Released from isolation (Released from Quarantine)	Isolated	Deceased
129,633	119,906	7,836	1,891
Daily Change + 715	+ 533	+ 175	+ 7

Testing in Korea (as of 12am on May 13, 2021, data aggregated from January 3)

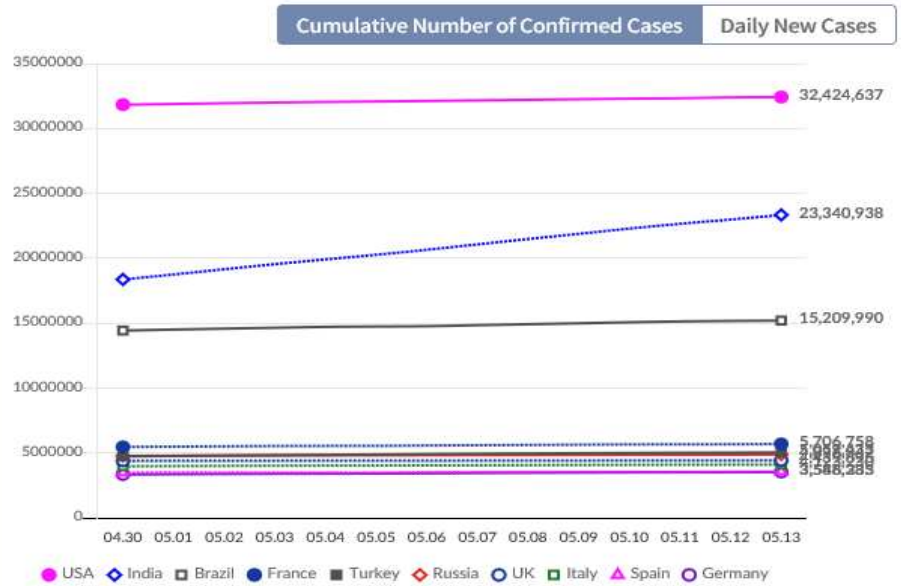
Tests Performed	9,241,153
Tests Concluded	9,153,636
* Positivity Rate	1.4 %

* postitive tests / total number of tests concluded * 100%

Positive Results(Confirmed Cases) 129633/1 %
In Progress 87517/1 %

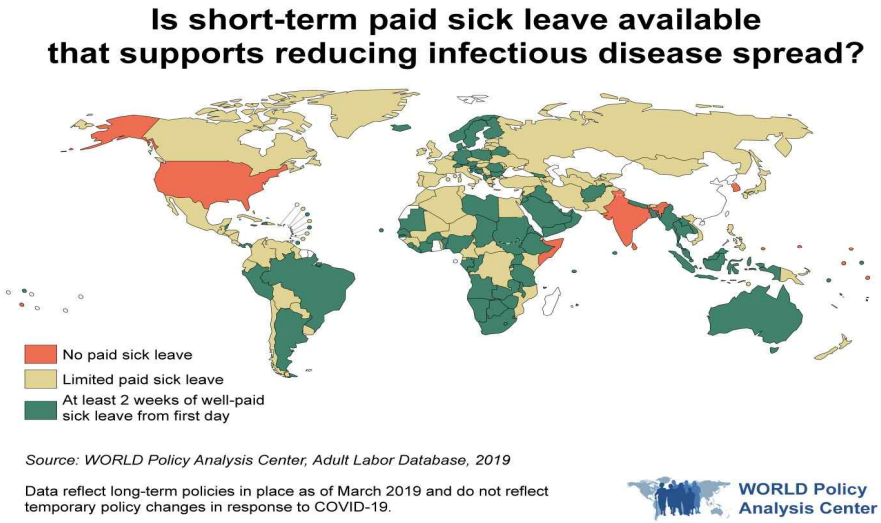
Negative Results 9024003/98 %

Weekly Updates for Countries with Major Outbreaks



Paid sick leave

Paid sick leave



- Korea may introduce partially paid sick leave from 2022, requiring employers to cover for time-offs from illnesses unrelated to work.
- The idea started to gain momentum during the COVID-19 pandemic when sick workers were asked to stay at home.
- Korean employees suffering a work-related illness or injury are entitled to paid leave and are covered by a national insurance plan. But for illnesses unrelated to work, the benefits vary depending on the company.

Basic income

Universal basic income

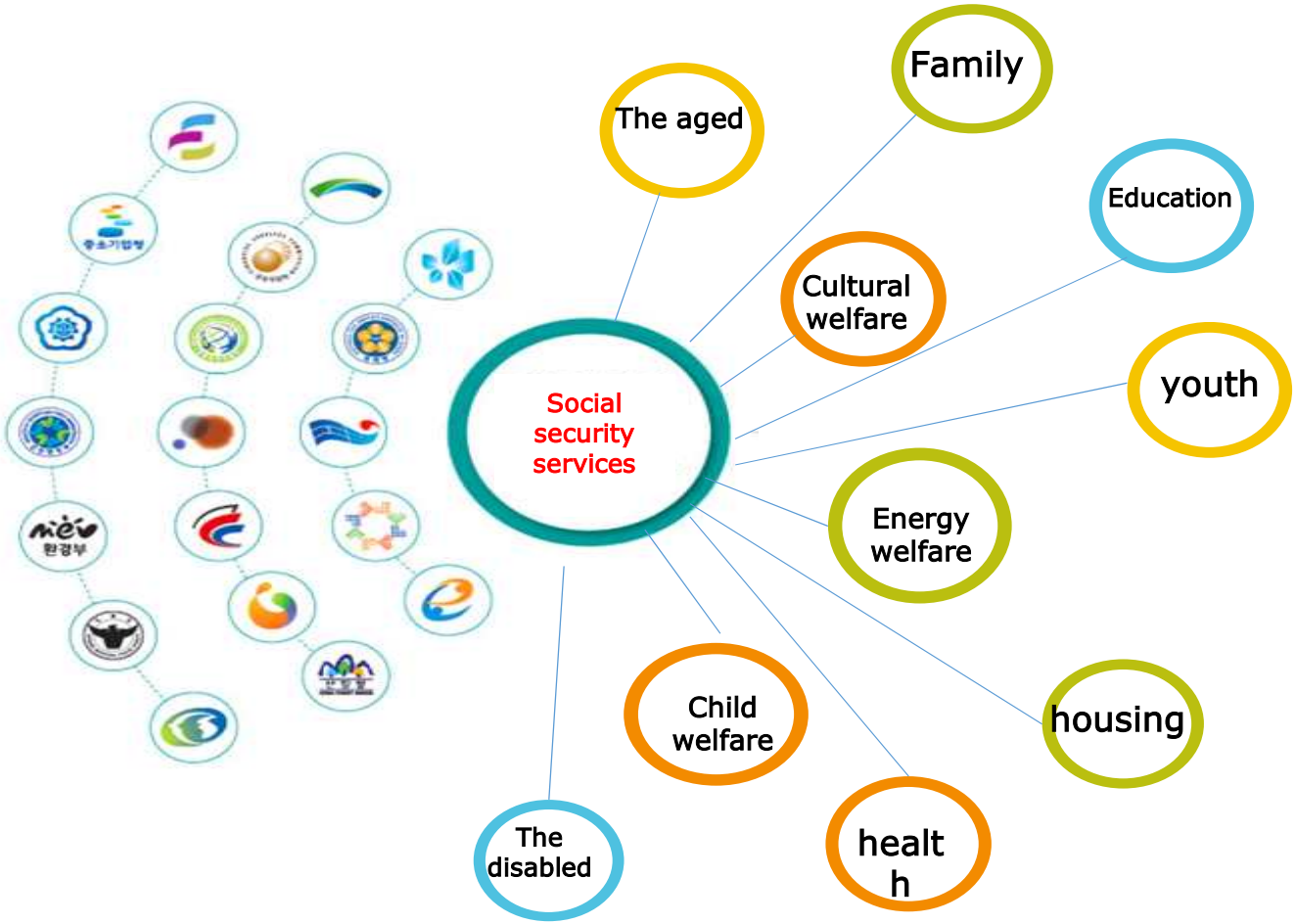
- universal basic income takes the form of a local currency, meaning the money is deposited into an account and must be spent at registered local businesses within a certain amount of time.
- Perhaps the biggest argument against universal basic income is that the theory is largely untested.
- Even in South Korea, the so-called UBI programs for now are meant to address the very specific problems of youth unemployment and the coronavirus pandemic.

e- welfare delivery process

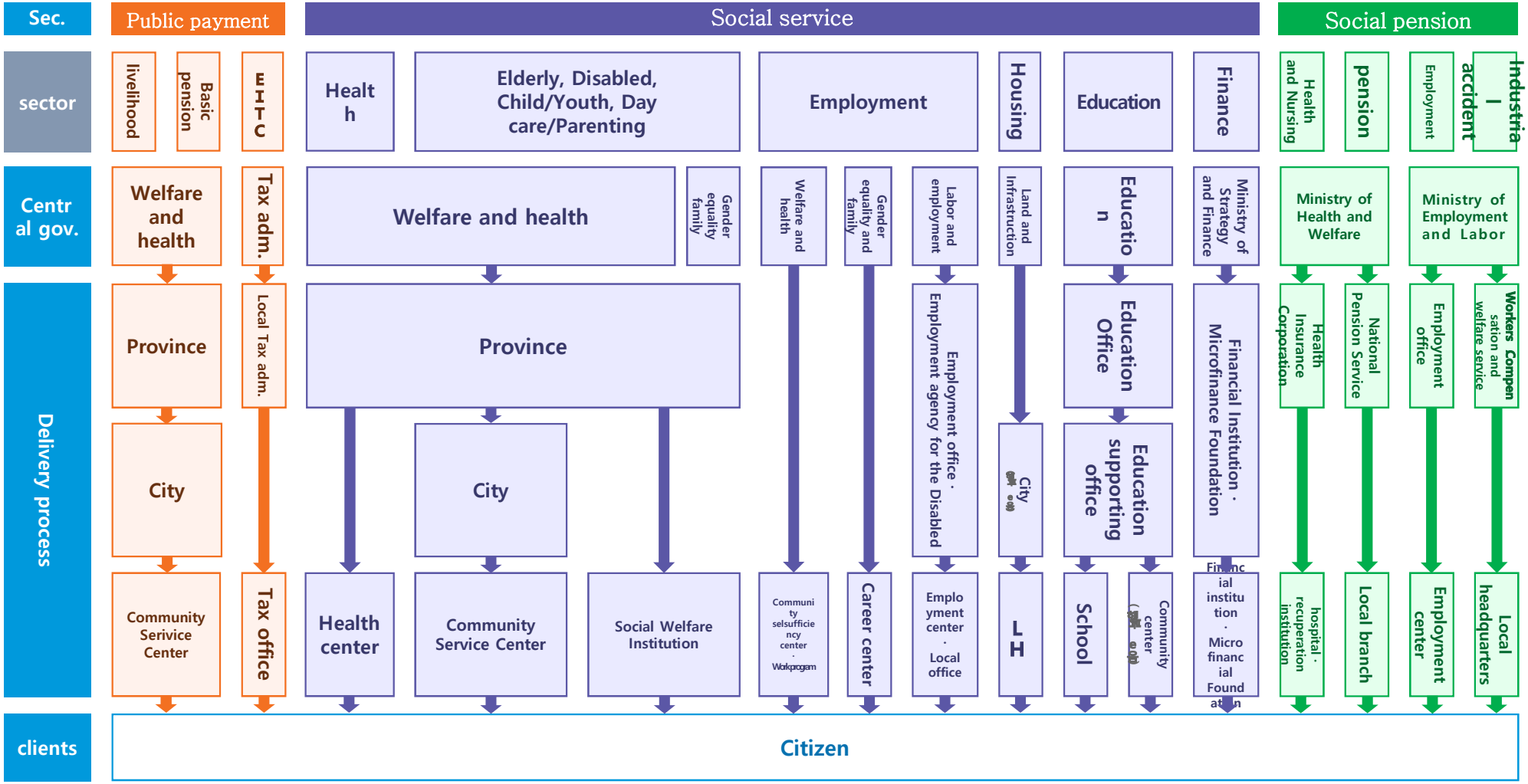
To define the welfare delivery process

- **For whom** : all citizens who need assistance, but some of welfare payments require a means test
- **By whom** : the 21 central government, 17 Regional and 228 local government and the private sector
- **What** : public assistance and social services
- **How** : all public payments and services delivered by welfare information system

Central government welfare services :17ministries, 360 payments and services



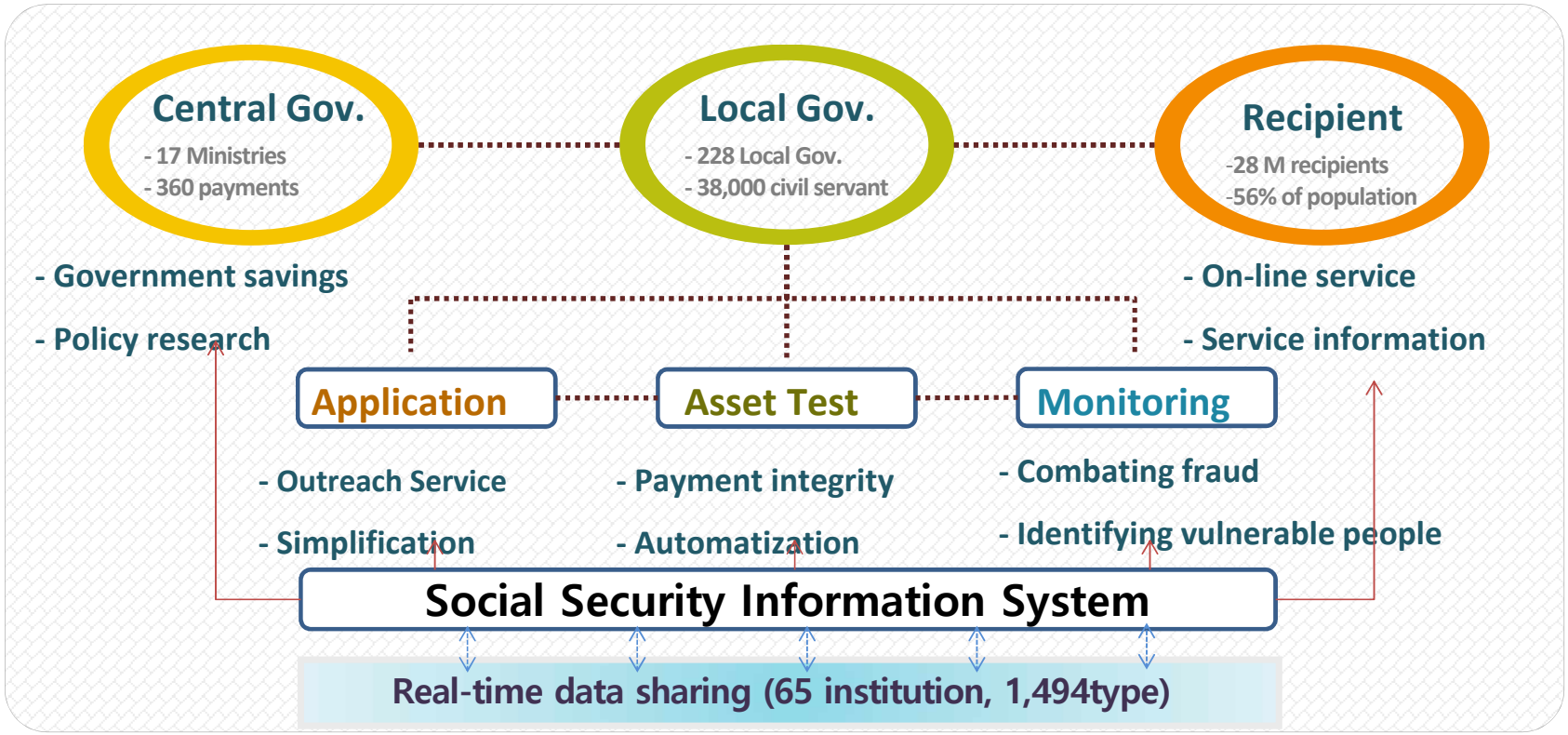
Welfare delivery process in Korea



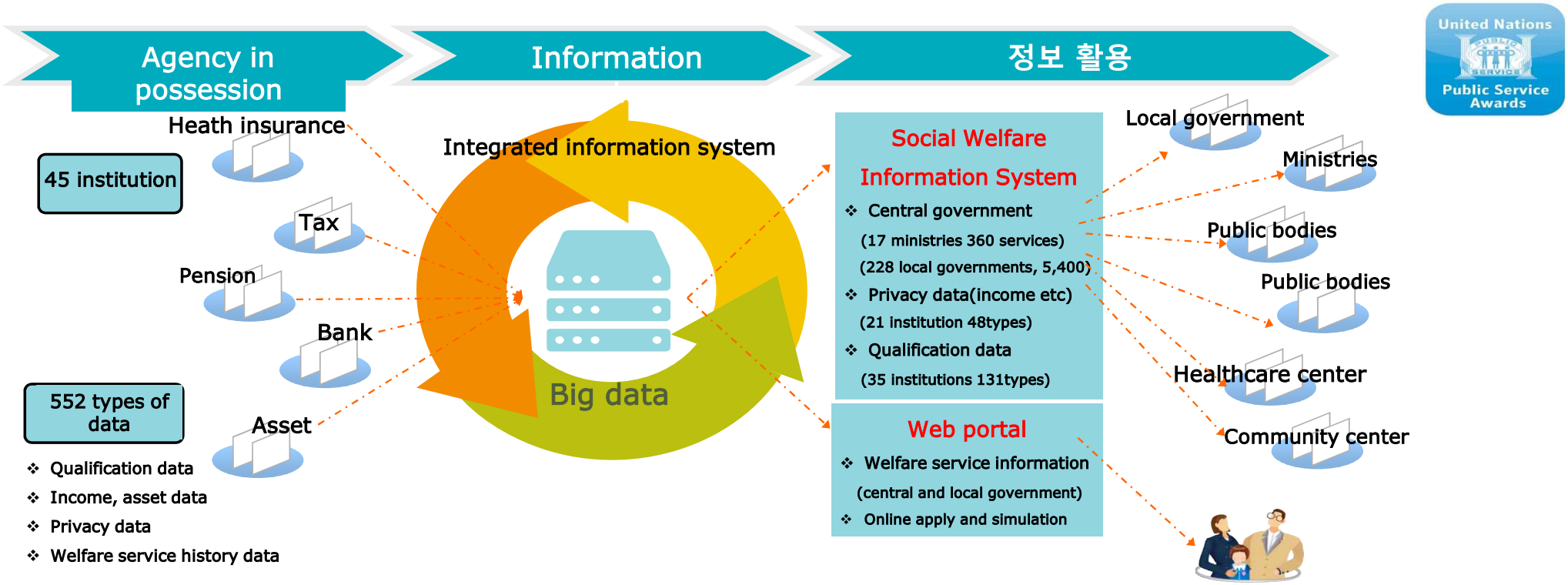
* EITC : Earned Income Tax Credit

Informatization of welfare delivery process

① Daily average system users : about 38,000 civil servants
② Maintain personal records : 32 millions recipients and clients(61% of the entire population)
③ Amount of payment : monthly average about 1.4 billions (AUD)



Informatization of welfare delivery processing



Web portal site

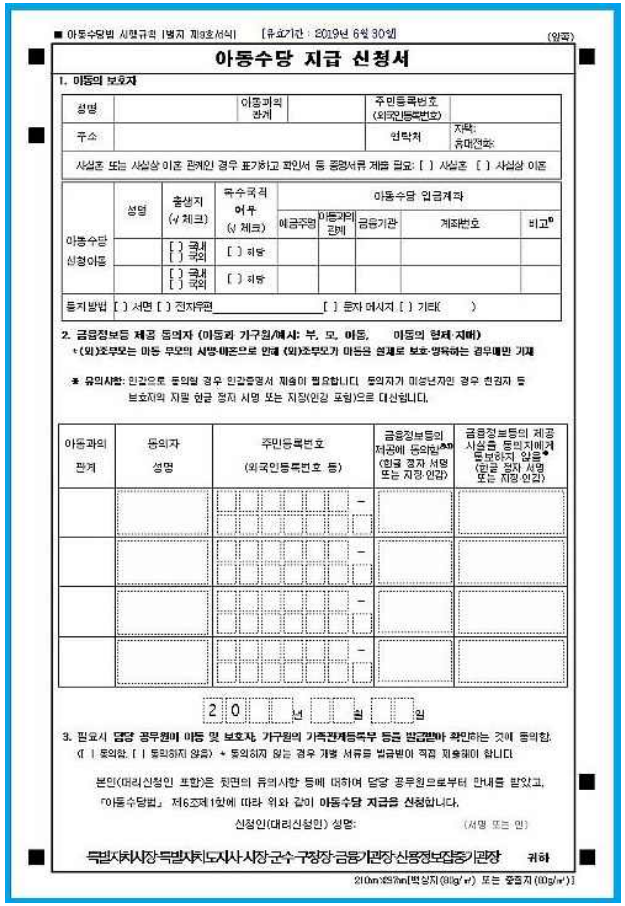
① Website users : monthly average of 733,675 visitors and 2.5 M page viewers
② Mobile app Users : monthly average of 54,547 users
③ Service information : central Gov. 360 payments, Local Gov. 12,000 payments

Bokjiro

- Welfare Service information
- Welfare Facility Information
- Online Application
- Find a right welfare service
- Incorrect Recipient Report

Information system for reducing administrative paper works

Application form in Korea



■ 아동수당법 시행규칙 [별지 제9호서식] [유효기간 : 2019년 6월 30일] (앞쪽)

아동수당 지급 신청서

1. 아동의 보호자

성명		아동과의 관계		주민등록번호 (외국인등록번호)	
주소				연락처	자택: 휴대전화:

사실혼 또는 사실상 이혼 관계인 경우 표기하고 확인서 등 증명서류 제출 필요: [ ] 사실혼 [ ] 사실상 이혼

아동수당 신청아동	성명	출생지 (✓ 체크)	국수국적 여부 (✓ 체크)	아동수당 입금계좌				
				예금주명	아동과의 관계	금융기관	계좌번호	비고[1]
		[ ] 국내 [ ] 국외	[ ] 외국					
		[ ] 국내 [ ] 국외	[ ] 외국					

통지방법 [ ] 서면 [ ] 전자우편_____ [ ] 문자 메시지 [ ] 기타( )

2. 금융정보등 제공 동의자 (아동과 가구원/예시: 부, 모, 아동, 아동의 형제·자매)

* (외)조부모는 아동 부모의 사망·이혼으로 만일 (외)조부모가 아동을 실제로 보호·양육하는 경우에만 기재

※ 유의사항: 인감으로 동의할 경우 인감증명서 제출이 필요합니다. 동의자가 미성년자인 경우 친권자 등 보호자의 자필 인감 정자 서명 또는 지장(인감 포함)으로 대신합니다.

아동과의 관계	동의자 성명	주민등록번호 (외국인등록번호 등)	금융정보등의 제공에 동의함[2] (인감 정자 서명 또는 지장 인감)	금융정보등의 제공 사실을 동의자에게 통보하지 않음* (인감 정자 서명 또는 지장 인감)

20 년 월 일

3. 필요시 담당 공무원이 아동 및 보호자, 가구원의 가족관계등록부 등을 법원행정처에 확인하는 것에 동의함.
(□ 동의함. [ ] 동의하지 않음) * 동의하지 않는 경우 개별 서류를 법원에 직접 제출해야 합니다.

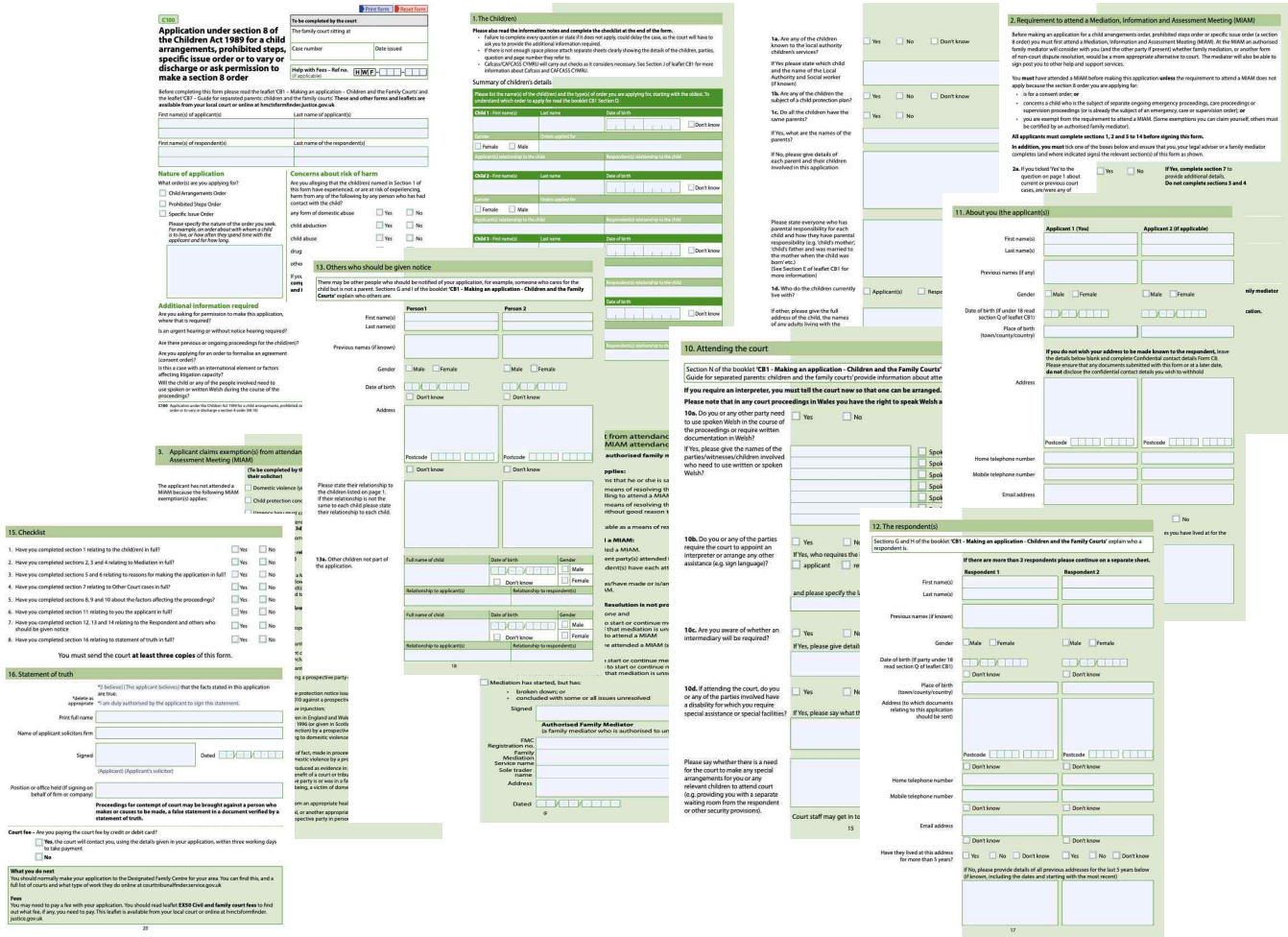
본인(대리신청인 포함)은 위 2번의 유의사항 등에 대하여 담당 공무원으로부터 안내를 받았고, 「아동수당법」 제6조제1항에 따라 위와 같이 아동수당 지급을 신청합니다.

신청인(대리신청인) 성명: (서명 또는 인)

특별자치시장·특별자치도지사·시장·군수·구청장·금융기관장·신용정보집중기관장 귀하

210mm×297mm[백상지(80g/㎡) 또는 중질지(80g/㎡)]

Application form in England



C100

Application under section 8 of the Children Act 1989 for a child arrangements, prohibited steps, specific issue order or to vary or discharge or ask permission to make a section 8 order

1. The Children)

Summary of children's details

2. Requirement to attend a Mediation, Information and Assessment Meeting (MIAM)

3. Applicant claims exemption(s) from attendance at Mediation, Information and Assessment Meeting (MIAM)

10. Attending the court

11. About you (the applicant(s))

12. The respondent(s)

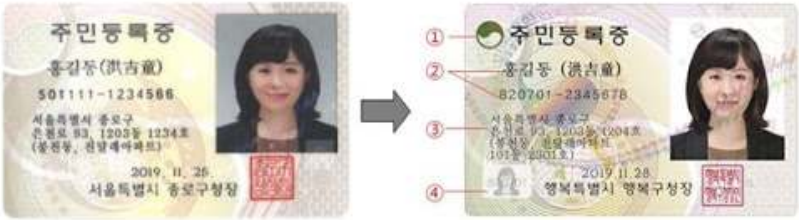
13. Others who should be given notice

15. Checklist

16. Statement of truth

Information system is based on Resident Registration Number

〈 주민등록증 변경사항 〉



① **색변환 문양** : 빛의 방향에 따라 색이 변하는 태극문양

② **돋음문자** : 이름(한글), 주민등록번호를 양각으로 볼록하게 인쇄

③ **레이저 인쇄** : 수록내용을 레이저로 중 내부에 인쇄

④ **다중 레이저 이미지** : 보는 각도에 따라 사진과 생년월일이 나타남

□ 주민등록표 등본

■ 주민등록법 시행규칙 [별지 제1호서식]

발급확인번호 :

주 민 등 록 표

(등 본)

이 등본은 세대별 주민등록표의 원본 내용과 틀림없음을 증명합니다.

신청인 : (생년월일 :)

용도 및 목적 :

년 월 일

시장 · 군수 · 구청장 또는 읍 · 면 · 동 · 출장소장 직인

세대주 성명(한자)	홍길동	세 대 구 성 사유 및 일자	
번호 주 소		전 입 일 / 변 동 일 변 동 사 유	

번호	세대주와의 관계	성 명(한자) 주민등록번호	전 입 일 / 변 동 일 등 록 상 태	변 동 사 유
1	본인	홍길동 xxxxxx-xxxxxxx	- 거주자	-
2	부	홍가나 xxxxxx-xxxxxxx	- 거주자	-
3	계모	김다라 xxxxxx-xxxxxxx	- 거주자	-

[별지 제1호서식] <개정 2010.6.3>

가 족 관 계 증 명 서

등록기준지	서울특별시 영등포구 여의도동 1번지의 1234

구분	성 명	출생연월일	주민등록번호	성별	본
본인	김본인(金本人)	1965년 01월 01일	650101-1234567	남	金海

가족사항

구분	성명	출생연월일	주민등록번호	성별	본
부	김양부(金養父)	1940년 04월 01일	400401-1333333	남	金海
모	이양모(李養母)	1942년 04월 02일	420402-2222222	여	全州
배우자	박여인(朴女人)	1968년 02월 02일	680202-2345678	여	密陽
자녀	정이군(鄭二君)	1973년 11월 20일	731120-1234566	남	全州
자녀	김일순(金一順)	1990년 01월 01일	900101-2777777	여	金海
자녀	김순희(金順喜) 사망	1995년 11월 11일	951111-2888888	여	金海
자녀	김상준(金上準)	1999년 05월 08일	990508-1111111	남	金海

위 가족관계증명서는 가족관계등록부의 기록사항과 틀림없음을 증명합니다.

년 월 일

○○시(읍·면)장 ○ ○ ○ 직인

Conclusion

Remarkable developments, but many challenges remain

- Since it emerged from the ravages of war in 1953, Korea has gone through remarkable economic development, and it has become the ninth largest economy in the world.
  - Korean parents have invested heavily in their children's life chances and the Korean population has become one of the most highly educated in the world
  - The benefits of economic growth have not been shared evenly in Korea, and income inequalities are wider than in the OECD on average (a Gini coefficient of 0.35 against 0.31). At 17.4%, poverty rates are well above the OECD average (11.5%), with more than 4 out of 10 elderly people living in poverty
  - These income inequalities are related to the limited redistributive power of the Korean tax/benefit system and the profound divide in Korea's labour market between regular workers and non-regular workers

Remarkable developments, but many challenges remain

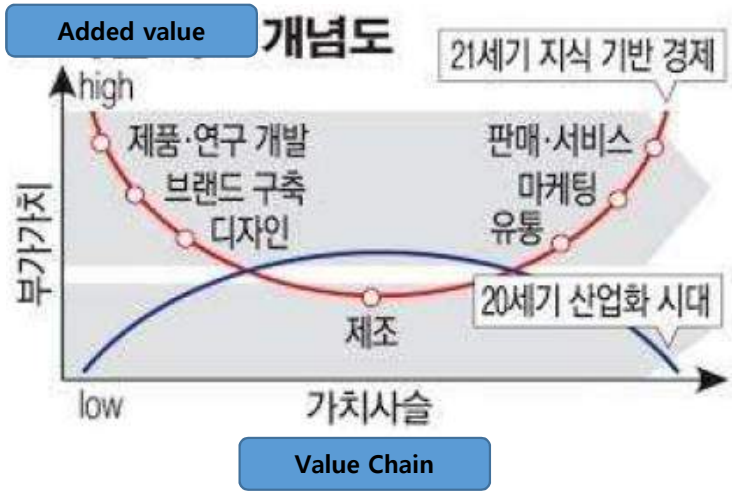
- The Korean government is facing a demographic crisis due to low birthrates and an aging population. As this situation poses a growing threat to the sustainability of our economy, education, finances, and defense, there is an urgent need for a resolute and comprehensive action(MOHW, 2019).
- Korea has introduced and expanded many public assistance programs and strengthened its social safety net in a very short time relative to other countries(Lee, 2015).
- The government plans to expand social infrastructure, such as nationally managed childcare centers, nursing homes, and healthcare facilities. The government plans to establish public social service centers mandated to hire and train social service workers.
- The current social service delivery system will be improved to serve dementia and mental illness patients with local support and to protect abused children and senior citizens.

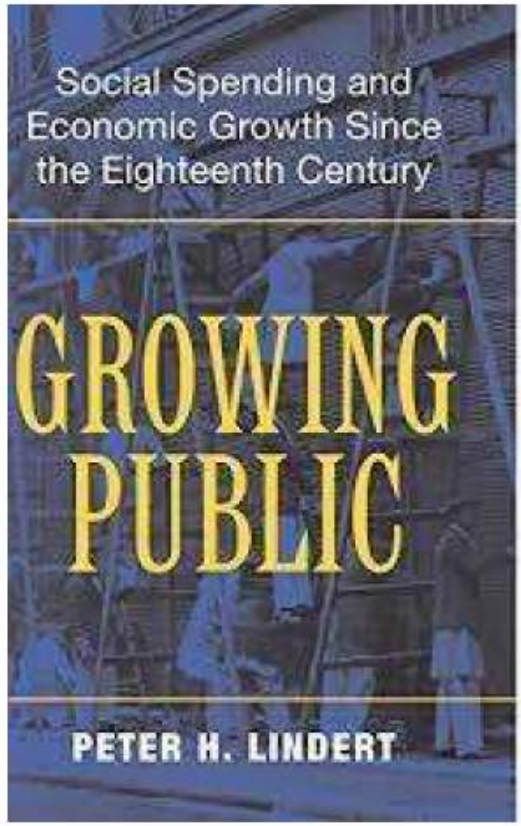
Remarkable developments, but many challenges remain

- The problems of new issues(such as COVID-19) have become a social issue that it has emerged as a new concern that has never been experienced before.
- It is becoming a new challenge to the state in that the multifaceted problem requires the state to deal with it and this is testing the state's capability to develop an appropriate social welfare system as a solution.
- The problems of welfare issues that challenge contemporary Korean society could act as an accelerator to build up the welfare state, if the government would remove its old way of thinking, which up to now has acted as a safeguard for economic development but which has built up barriers to the development of social welfare.
- The Korean welfare state should be built, of course, by complementarily sharing the responsibilities of economic support, and the state, the community and the family

Remarkable developments, but many challenges remain

Smile Curve





Thank you !

bestham@kihasa.re.kr