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Evaluation, Policy Issues and Strategies Regarding Welfare Polices for Older Persons

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Evaluation, Policy Issues and Strategies Regarding Welfare Polices for Older Persons

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I Introduction

1. Research Background & Purpose
2. Research Structure & Method
3. Framework & Scope of Assessment

I Introduction

1. Research Background & Purpose

Paying attention to the ripple effects of population aging on our whole society has improved Korea's ability to cope with the downsides since the early 2000s. Now, if we can pay attention to quality of life and related issues for elderly members of our society, we will further strengthen the sustainability and overall wellbeing of that society. Mindful of this potential, this study seeks to assess the welfare policy programs for the elderly concerning diverse aspects of life from the perspective of the elderly themselves, and explore ways to improve these programs.

2. Research Structure & Method

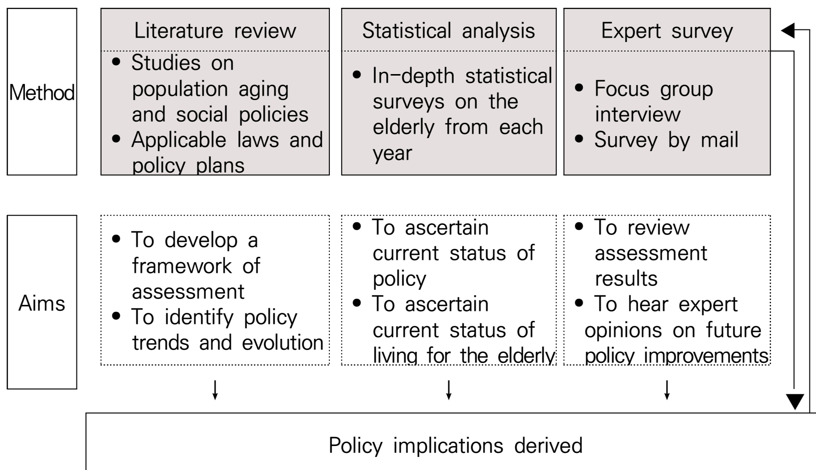
To its stated end, this study was conducted in the following process. First, a framework of assessment was set up in order to evaluate major welfare policy programs for the elderly across diverse areas. This required review of the existing literature. At the same time, a statistical analysis was performed to identify changes in the socioeconomic backgrounds and other characteristics of older Koreans. Second, the framework of assess-

ment so established was applied to actually assessing the policy programs, on the basis of literature review and statistical analysis.

Meetings were held with experts to design the overall course of the study. These experts were surveyed using a structured questionnaire, which featured both structured and open-answer questions. The questions asked experts about their overall assessment of the elderly welfare policy in general and their assessment of specific programs.

The survey was performed on 54 experts on various issues affecting the elderly. Of these, 39 returned fully answered response sheets. Figure 1-1 summarizes the process in which this study proceeded.

[Figure 1-1] Research Process



3. Framework & Scope of Assessment

1) Framework

In assessing elderly welfare policy programs, this study draws largely upon the concept of dimensions as used in Gilbert and Terrel (2013). Allocations and benefits, the two main dimensions of welfare policy, crucially concern the question of who are to be served by the government. The central question of elderly welfare policy is what types of services and benefits are to be provided for seniors and families with aged members. Allocations, on the other hand, require us to determine which effectiveness—cost effectiveness vs. social effectiveness—should be prioritized. In determining the target population, we are left to choose between the freedom of choice and social control.

In assessing elderly welfare policy programs along these dimensions, the main focus of this study is on whether the allocations and services ensure adequacy and equity. Adequacy is the property of being appropriate and right for the given ends. In this study, the adequacy of services is assessed in both quantitative and qualitative terms. Quantitative adequacy can be understood as sufficiency of the given program, and qualitative adequacy as whether services of appropriate quality are being provided. Equity, on the other hand, requires us to treat the equal equally, and the unequal differently. Policymakers are

making increasing efforts to reduce the exclusion of minorities and improve equity for them. Much of the discussion on equity of welfare policy is centered on healthcare policy, the national health insurance system, and the accessibility and use of medical services (Lee, 2008; Shin, 2009; Lee, 2010; Kim, 2013). This study explores the historic development of each elderly welfare policy program in order to determine whether it has been evolving toward meeting its stated objectives.

2) Scope

The elderly welfare policy programs under analysis in this study are those that address the four main problems of old age: poverty, sickness, alienation, and idleness. Choi and Jang (2010) explain these problems of old age in light of the modernization theory (Cogwill and Homes, 1972). The rapid socio-economic changes at large amplify various problems people face in old age, such as idleness, the lack of a role to play, income loss, and poor health. According to Maslow's theory on the hierarchy of needs, the elderly are particularly poorly positioned to meet their needs. Maslow's theory holds that human needs are divided into and evolve along five stages: namely, physiological needs, safety needs, needs of belonging and love, esteem needs, and the need for self-actualization. According to this view, policy programs that focus on poverty and health strive to satisfy the physiological and safety needs, while pro-

grams on idleness and isolation focus on the needs of belonging and love, esteem, and self-actualization.

Society employs diverse policy means to tackle the problems of old age, including income loss and poverty due to retirement, healthcare and protection needed with respect to aging-related illnesses, and isolation and the loss of roles attendant upon the ageist and economy-centered culture. The major elderly welfare programs addressing the four main problems of old age that are the subject of this study are mostly placed under the Third Master Plan on Raising the Low Birth Rate and Population Aging. Rather than focusing on specific policy programs, this study attempts an assessment of the overall policy stance behind them, reviewing whether the resulting policy measures are quantitatively and qualitatively adequate and equitable in resolving the four problems of old age.

II Old-Age Income Security Policy

1. Policy Scope
2. Current Status & Assessment

II Old-Age Income Security Policy

1. Policy Scope

Figure 2-1 summarizes the current old-age income security policy in Korea. Of the specific programs making up that policy, this study focuses on the public and basic pension schemes as well as public assistance. The public pension system in Korea is divided between the National Pension Scheme (NPS) and the public occupational pension schemes (POPS, for civil servants, private school teachers, and military personnel). The basic pension refers to the Basic Pension Scheme (BPS), and public assistance is provided under the National Basic Livelihood Security Program (NBLSP). The NBLSP serves citizens of all ages in need, and plays a central role in providing minimum income for the elderly in Korea.

The retirement, personal, housing and farmland pension systems are omitted from the scope of this study. The retirement and personal pension schemes have been introduced to enable individuals to prepare for old age according to their ability. Policy intervention in these schemes has only begun recently, and will be unlikely to help a significant number of pensionable older people for the time being. The National Assembly enact-

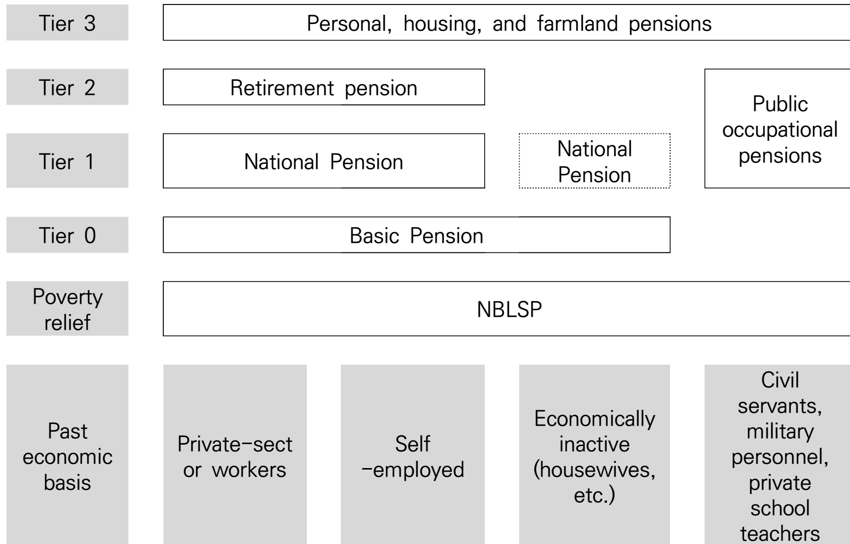
ed the Act on the Guarantee of Workers' Retirement Benefits in 2005, mandating retirement pensions. As of the end of June 2015, however, only 16.5 percent of the subject workplaces had officially adopted retirement pension schemes. The majority of seniors in Korea have already retired from the regular job market and are therefore left out of the reach of retirement pension schemes. Although the Korean government began encouraging personal pension schemes in 1994 as supplements to public pensions, only 12.2 percent of eligible Koreans were participating in these schemes as of 2015. Moreover, only 57.5 percent of personal pension participants manage to retain their pension accounts until maturity, making personal pension schemes fail to serve as a sufficient source of income for most Koreans.

Housing and farmland pension schemes are instruments with which the elderly can convert their assets into steady streams of income. Although these schemes could potentially alleviate old-age poverty in Korea, very few have started participating in them. There were 32,216 participants in the housing pension scheme as of April 2016 and 5,143 in the farmland pension scheme as of November 2015. The housing pension[1] was introduced in 2007 as a means for drawing cash income streams

1) The housing pension scheme is essentially a reverse mortgage program with which senior citizens can put up their homes, which they own and inhabit, as collateral for a loan, to be provided in monthly payments as old-age income. Married couples, with at least one spouse 60 years of age or older, can apply.

from the housing properties individuals owned. The farmland pension,[2] serving the same purpose with respect to privately-owned farmland, was introduced in 2011.

[Figure 2-1] Old-Age Income Security System



Note: Economically inactive persons can still voluntarily participate in the NPS.

2. Current Status & Assessment

1) Sufficiency

Before diagnosing the adequacy of the old-age income se-

2) Farmers aged 65 and older can apply for a farmland pension by putting up the farmland they or their spouses co-own (without any third parties involved as owners) as collateral. Farmers can continue to cultivate the farmland upon which they receive their pension.

curity system in Korea, we need to first look into the makeup of income sources for elderly households. Earned income, averaging KRW 1,331,000 per month, accounts for the largest portion (63.3 percent) of seniors' income. Next is public transferred income (KRW 536,000 or 25.5 percent), followed by private transferred income (KRW 209,000 or 9.9 percent) and income from properties (KRW 27,000 or 1.3 percent).

〈Table 2-1〉 Old-Age Household Income Structure

(Units: KRW 10,000, %)

Type	Total ordinary income	Earned income	Property income	Private transferred income	Public transferred income
Amount	210.2	133.1	2.7	20.9	53.6
Proportion	(100)	(63.3)	(1.3)	(9.9)	(25.5)

Source: Raw data for Statistics Korea (2016b). Household Trend Survey 2015.

Approximately 93.3 percent of all eligible seniors receive income from at least one of the government pension programs, including the POPS, the NPS, the BPS, and the NBLSP. Specifically, 49.4 percent of older Koreans receive their pension from the POPS and the NPS, 72.5 percent from the BPS, and 24.3 percent from the NBLSP. The analysis based on Statistics Korea's Household Trend Survey shows the rates of pension receipt to be higher than the official government-announced rates. This is because of the differences in the units of analysis used. The government's statistics measure pension receipt rates by individual, while the Household Trend

Surveys measure the rates by household and therefore slightly exaggerate the receipt rates by counting every household with at least one pensioner as a pension recipient.

About half, or 46.8 percent, of eligible seniors receive a pension from two sources (30 percent from the POPS/NPS and the BPS together). There are also 19.6 percent of seniors receiving a pension from both the BPS and the NBLSP. The proportion of seniors receiving a pension from the POPS/NPS and the NBLSP amounts to 9.6 percent. Only 6.2 percent of seniors receive a pension from three of the sources.

〈Table 2-2〉 Adequacy of the Old-Age Income Security System

(Unit: %)

Type			Rate
One pension scheme	Overall		93.3
		POPS/NPS	49.4
		BPS	72.5
		NBLSP	24.3
Two pension schemes	Overall		46.8
		POPS or NPS + BPS	30.0
		POPS or NPS + NBLSP	9.6
		BPS + NBLSP	19.6
Three pension schemes	POPS or NPS + BPS + NBLSP		6.2
Total			93.3

Source: Raw data for Statistics Korea (2016b).

Next, we need to examine the relationship between poverty and the pension receipt rates. Of eligible households in Korea, 95.4 percent receive a pension from at least one of the government pension programs. The BPS accounts for the largest proportion (87.0 percent) of the pension income for these house-

holds, followed by the POPS or the NPS (37.0 percent) and the NBLSP (27.8 percent). Although poor elderly households make up the bulk of the lower 70 percent of the income structure in Korea, the fact that less than 100 percent of these households receive a pension indicates that there exist blind spots in Korea's public pension system.[3)]

Of the non-poor eligible elderly households, 91.3 percent receive a government pension. The POPS and the NPS account for 61.7 percent of the pension income for these households, followed by the BPS (58.3 percent) and the NBLSP (20.9 percent). Non-poor elderly households are 24.7 percentage points more likely than poor households to receive a pension from the POPS or the NPS, and 28.7 percentage points and 6.9 percentage points less likely, respectively, to receive the BPS and the NBLSP.

3) This study classifies households as poor or non-poor on the basis of income only without using the recognized income amount (RIA) test that takes into account both income and the value of assets. Note that the actual pension schemes in Korea determine eligibility of pensioners by taking into account all the types of financial resources they have, including private transferred income. Also, the BPS measures the income of both pensioners and their spouses. This study, on the contrary, uses household income only due to the limits of available data.

〈Table 2-3〉 Pension Receipt Rates & Average Pension Amounts by Household Type

(Units: KRW 10,000, %)

Household Type	Overall			
		POPS/NPS	BPS	NBLSP
Poor households	95.4 (37.6)	37.0 (9.7)	87.0 (18.7)	27.8 (7.2)
Non-poor households	91.3 (69.3)	61.7 (46.3)	58.3 (12.4)	20.9 (8.2)

Source: Raw data for Statistics Korea (2016b).

Analysis of the adequacy of the old-age income security system in Korea reveals that 93.3 percent of all eligible elderly households receive a pension from at least one of the government pension programs. Yet the pension receipt rates of the individual programs have not yet reached their targets. The POPS and the NPS, in particular, show lower receipt rates due to their relative novelty and the existence of blind spots. Only 37 percent of poor households receive a pension from the POPS or the NPS, as opposed to 61.7 percent of non-poor households. In other words, the POPS and the NPS fail to serve as the main sources of old-age income for Koreans today. Available micro-level data show that 75 percent of households receive the BPS, but these data do not reveal how many individuals benefit from it. The government's official statistics show that only 66.2 percent of individuals receive a pension from the BPS, below the target rate of 70 percent. The NBLSP pension receipt rate is 24.3 percent.[4]

4) Lower than official government statistics, which shows the NBLSP receipt

2) Adequacy

Before discussing the adequacy of the pension amounts provided for seniors, we need to examine the elderly household income structure. To determine the effectiveness of the old-age income security system, we need to compare the amounts of income seniors earn before and after they receive their pension. Pre-pension income can be understood as market income, consisting of earned income, property income and private transferred income. Post-pension income can be understood as ordinary income, consisting of market income and public transferred income.

Income provided by the old-age income security system in Korea reduces the household poverty rate by 16.2 percentage points and individual incomes by 17.6 percentage points.

The POPS and the NPS have the largest poverty-reducing effect, followed by the BPS and the NBLSP, in descending order. POPS and NPS income help to reduce the poverty rate by 10.6 percentage points, as measured in terms of individual and market income, while the BPS reduces it by 4.2 percentage points and the NBLSP by 2.6 percentage points. These disparities reflect the differences in the design of these pension programs.[5]

rate to be 27.0 percent.

5) The amount of income from the BPS is first determined before eligibility for, and the amount of income to be received from, the NBLSP are determined.

〈Table 2-4〉 Adequacy of the Old-Age Income Security System: Poverty Rates & Gaps

(Units: %, %p)

Type		Market income	Ordinary income1)			
				+POPS/NPS	+BPS	+NBLSP
Poverty rate	Households	65.8	49.6(16.2)[2]	56.5(9.3)	61.7(4.1)	63.2(2.6)
	Individuals	65.2	47.6(17.6)	54.6(10.6)	61.0(4.2)	62.6(2.6)
Poverty gap	Households	57.2	39.2(18.0)	52.8(4.4)	50.7(6.5)	51.9(5.3)
	Individuals	62.2	40.5(21.7)	57.0(5.2)	52.9(9.3)	57.3(4.9)

Notes: 1) Market income + public transferred income.
2) Figures in parentheses indicate the percentage points by which poverty rates and gaps are reduced from the market income.
Source: Raw data for Statistics Korea (2016b).

The poverty gap is measured by adding up the amounts of income earned by all poor elderly individuals or households, and represents how severe the state of poverty is among seniors in a given society. Poverty gap figures tend to run large and often fail to show the severity of poverty in an intuitive manner, and are therefore expressed in percentages. Converted into percentages, the poverty gap represents the income gap between the average amount of income received by seniors living below the poverty line (50 percent of the median income) and the poverty line. The poverty gap so expressed thus captures by how much the amount of income should be increased for each poor senior in order to bring them up to the poverty line. The smaller the poverty gap, the less severe the state of poverty.

The old-age income security system in Korea helps to reduce the poverty gap of elderly households by 18.0 percentage points (57.2 percent compared to market income and 39.2 percent compared to ordinary income). It reduces the poverty gap of individual seniors by 21.7 percentage points (62.2 percent compared to market income and 40.5 percent compared to ordinary income).

The BPS shows the most dramatic effect on poverty reduction, followed by the POPS/NPS and the NBLSP, in descending order. The BPS reduces the poverty gap by 9.3 percentage points in terms of individual and market income, while the POPS/NPS and the NBLSP reduce the poverty gap by 5.2 percentage points and 4.9 percentage points, respectively.

The amounts of pension income provided by the old-age income security system at present in Korea need to be increased significantly in order to relieve seniors of poverty. Despite the government's increasing efforts to improve old-age financial security, the poverty rate among the elderly still remains in an alarming 40-percent range in Korea.

3) Equity

This study examines the relationship between the poverty rates and gaps, on the one hand, and the characteristics of elderly individuals in order to determine the equitability of the

old-age income security system in Korea. The pension receipt rates of households are thus omitted from our analysis.

The analysis reveals that poverty rates rise in proportion to how rural the areas are in which the seniors live, gender (women poorer than men), and age. The poverty rate for seniors in eup- and myeon--type neighborhoods in rural towns is 72.3 percent as opposed to 63.6 percent for dong-type neighborhoods in urban areas. The poverty rate for female seniors is 79.9 percent as opposed to 56.3 percent for male seniors. The poverty rate also rises with age, from 55.8 percent for seniors aged 65 to 69 to 65.8 percent for those aged 70 to 75, to 75.4 percent for those aged 75 to 79, and to 70.2 percent for those aged 80 and older. The old-age income security system, however, has an exactly opposite-to-intended effect on poverty reduction. It reduces poverty in urban neighborhoods by 18.3 percentage points, as opposed to 14.4 percentage points for rural neighborhoods; poverty for male seniors by 19.1 percentage points versus 15.3 percentage points for female seniors; and by 21.3, 19.1, 16.1, and 10.3 percentage points for the 65-69, 70-74, 75-79, and 80+ age groups, respectively. In other words, the old-age income security system serves to enlarge and entrench the poverty gaps along regional, gender, and age lines.

The differences in poverty gap, on the other hand, are not as prominent along these lines as are the poverty rates. Of course,

the poverty gap tends to grow in rural areas over urban areas, for women more than men, and in older seniors than in younger ones. In terms of market income, the poverty gaps in rural and urban neighborhoods are 78 percent and 60.8 percent, respectively; among women and men, 64.7 percent and 60.1 percent, respectively; and 54.2 percent, 59.1 percent, 67.7 percent, and 72 percent for the 65-69, 70-74, 75-79, and 80+ age groups, respectively. The old-age income security system has a diminutive effect on the poverty gap, contrary to the case with poverty rates. The system, in other words, reduces the poverty gaps more for rural neighborhoods than urban ones (by 25 percentage points and 20.8 percentage points, respectively) and more for older seniors than younger seniors (by 25.6 percentage points for the 80+ age group and by 19.3 percentage points for the 65-69 age group). The system reduces the poverty gap for men more than women, but only slightly, with the difference amounting to 1.5 percentage points.

〈Table 2-5〉 Equity of the Old-Age Income Security System: Poverty Rates & Gaps

(Unit: %)

Characteristics	Poverty rate			Poverty gap		
	Market income	Ordinary income[2]	Difference (%p)	Market income	Ordinary income	Difference (%p)
Region type						
Urban	63.6	45.3	-18.3	60.8	40.0	-20.8
Rural	72.3	57.9	-14.4	68.0	42.2	-25.8
Gender						
Male	56.3	37.2	-19.1	60.1	37.3	-22.8
Female	79.9	64.6	-15.3	64.7	43.4	-21.3
Age						
65 to 69	55.8	34.5	-21.3	54.2	34.9	-19.3
70 to 74	65.8	46.7	-19.1	59.1	36.9	-22.1
75 to 79	75.4	59.3	-16.1	67.7	44.3	-23.5
80 and older	70.2	59.9	-10.3	72.0	46.4	-25.6

Notes: 1) Based on individual income.
2) Market income + public transferred income.
Source: Raw data for Statistics Korea (2016b).

The old-age income security system in Korea has contrasting effects on poverty rates and poverty gaps among seniors. Whereas the system amplifies and enlarges poverty rates along regional, gender, and age lines, the system rather decreases the poverty gaps. However, this result should be interpreted cautiously, with awareness of the fact that the analysis was conducted without controlling for variables other than regions, gender, and age.

Much of the effect of the old-age income security system on poverty rates along the regional, gender and age lines appears to be attributable to the POPS and the NPS. Improving the equity of these programs attests to this tendency (Table 2-6).

The NPS was first introduced for workplace-affiliated workers only, requiring workers to pay pension insurance premiums while they worked so that they could collect pension benefits after their retirement. That is why younger and male retirees living in urban areas are more likely to benefit from the NPS than others.

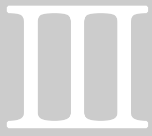
〈Table 2-6〉 Equity of the POPS and the NPS: Poverty Rates & Poverty Gaps

(Unit: %)

Characteristics	Poverty rate			Poverty gap		
	Market income	Ordinary income	Difference (%p)	Market income	Ordinary income	Difference (%p)
Region type						
Urban	63.6	52.7	-10.9	60.8	55.4	-5.4
Rural	72.3	63.2	-9.1	68.0	62.9	-5.1
Gender						
Male	56.3	44.1	-12.2	60.1	53.2	-6.9
Female	79.9	71.9	-8.0	64.7	60.8	-3.9
Age						
65 to 69	55.8	42.1	-13.7	54.2	46.9	-7.3
70 to 74	65.8	54.9	-10.9	59.1	51.9	-7.2
75 to 79	75.4	65.9	-9.5	67.7	62.3	-5.4
80 and older	70.2	64.6	-5.6	72.0	69.7	-2.3

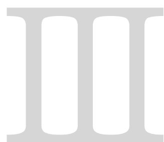
Note: Based on individual income.

Source: Raw data for Statistics Korea (2016b).



Old-Age Health Support Policy

1. Policy Overview
2. Current Status & Assessment



Old-Age Health Support Policy

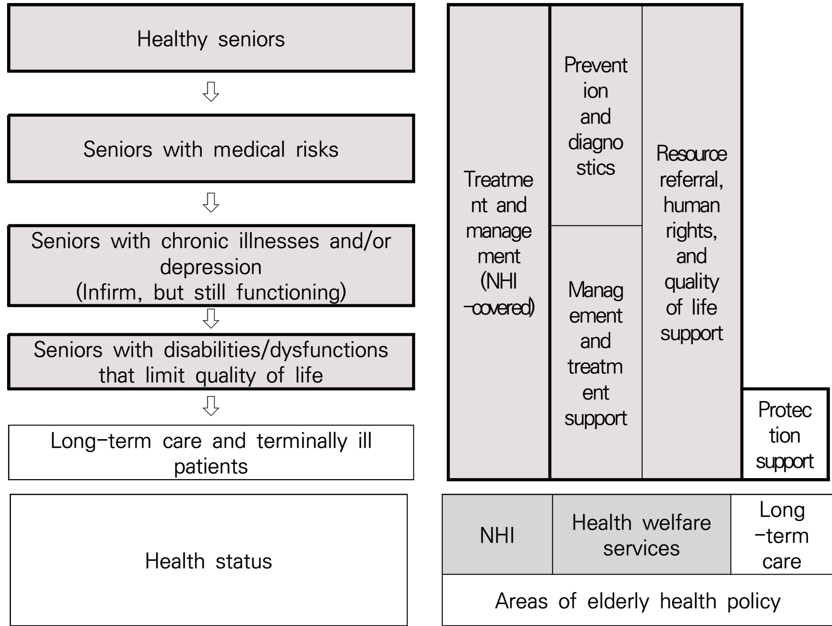
1. Policy Overview

Health policy for the elderly in Korea has traditionally focused upon the treatment and management of illnesses. The policy's failure to provide adequate support for recovery and rehabilitation has led illness-related dysfunctions to become permanent, increasing the demand for long-term care and related spending accordingly (Sunwoo, 2014). Elderly health policy in Korea should therefore focus more on the issues of functional recovery, rehabilitation, and dysfunction prevention in the future.

Now that Korea is fast becoming an aged society, it is critical for policymakers to revisit the long-term goals and aims of the nation's elderly health policy. This will require in-depth analysis and assessment of existing policy programs with a view to finding better alternatives. This study focuses mainly on the National Health Insurance (NHI) support and health-related welfare policy services for seniors in Korea, excluding, for now, the long-term care and protection policy.[6]

6) Elderly protection/care services and the Long-Term Care Insurance for Seniors will be discussed separately in the next chapter on the continuous protection system for seniors.

[Figure 3-1] Scope of Elderly Healthcare Policy by Health Status



Source: Lee, Jeong-ae et al. (2009). Development of a Master Plan for Managing and Promoting Seniors' Health. (The discussion on the health status of seniors, based on data provided by Chonnam National University and the Health Promotion Fund Project Group, on pp. 88-89, summarized.)

2. Current Status & Assessment

1) Quantitative Sufficiency

(1) Sufficiency of NHI Coverage & Financial Support

Expansion of NHI coverage of medical costs has been lauded for improving patient access to medical services. Korean law-

makers have been consistently increasing NHI coverage of medical costs for seniors over the years. According to the Ministry of Health and Welfare (MOHW), the expanded NHI coverage policy, to take effect in July 2016, will increase coverage of medical costs for seniors aged 65 and older from 67.5 percent to 70.6 percent (MOHW press release, May 18, 2016). The Korean government will likely continue to reform the NHI system toward reducing the financial burden of medical services on seniors. In addition to expanding this coverage, policymakers have also been discussing fixing the amounts of co-payments to be paid by seniors. Since 2001, Korean seniors aged 65 and older have had to pay only KRW 1,500 for every medical service that costs KRW 15,000 or less. As early as 2001 when this fixed co-payment was first introduced, much of the medical services catering to seniors cost KRW 15,000 or less each. The costs of these medical services have been rising steadily on an annual basis ever since, while the number of elderly patients suffering from two or more complex conditions or illnesses simultaneously has also been increasing. There has been some demand, therefore, that the fixed amounts of co-payments for seniors be readjusted (Kim, 2013, p. 50).

Some criticize the carefree use of medical services and resources by seniors as the main source of the rapid rise in medical costs. The expansion of NHI coverage has significantly reduced the financial burden of healthcare on seniors, and in-

deed helped to improve their health. Medical practitioners and institutions, however, are also increasingly compelled to compensate for their financial losses resulting from the expansion of NHI coverage by increasing the volume and intensity of services they provide, and developing and recommending medical services not covered by the NHI (Shin et al., 2013, p. 29).

(2) Sufficiency of Healthcare Resources

The healthcare infrastructure and resources in Korea have been expanding steadily over the years. The total number of medical institutions, including hospitals, clinics, pharmacies, public healthcare centers and so forth, was 66,885 and the total number of doctors, including dentists and traditional medicine specialists, was 137,976 as of the end of 2015 (MOHW, 2015 and 2015a). In addition to the expansion of NHI coverage, the development of new services and the decrease in the financial burden of healthcare have radically improved the access of patients to the healthcare system.

In Korea, the use of medical resources and infrastructure increases in proportion to age (Statistics Korea, 2014). In particular, 92.9 percent of seniors aged 65 and older use medical services regularly. Seniors are also more likely than other age groups to seek care from general hospitals and public healthcare centers, most likely because of the high prevalence rates of the diseases they suffer and their strong desire to get better.

Patients of higher-level medical institutions, such as general hospitals, and public healthcare centers report relatively high levels of satisfaction. As of 2014, there were 254 public healthcare centers, 1,284 local branches of public healthcare centers, and 1,904 public healthcare stations in Korea, with presence even in the most rural and remote parts of the country. The public healthcare system centered on public healthcare centers is quite extensive and accessible to Koreans.

The increasing availability of medical services and the guarantee of equal access to the healthcare system exert positive effects, but they are not sufficient in and of themselves to suggest that the Korean healthcare system possesses the desired level of quality. Seniors' health is reflective of the complex interplay among socio-demographic, economic, environmental, institutional, and market factors that has been ongoing throughout seniors' lifespans. The quantitative sufficiency of medical services therefore does not guarantee that the available services are adequate for seniors' health.

Almost 60 percent of seniors aged 65 and older participating in Statistics Korea's Social Survey (2015) selected healthcare and health management services as the welfare policy services that should be increased in the future. Seniors, in other words, require more and better health services than are available now.

〈Table 3-1〉 Welfare Policy Services to Be Increased (Seniors 65+)

Type	Income support	Healthcare and management	Job support	Safety	Housing	Recreation and culture	Other
Total	40.6	59.7	33.2	21.5	19.3	11.7	10.4
Gender							
Male	41.3	57.4	39.7	22.7	19.5	12.3	10.5
Female	40.0	61.3	28.6	20.6	19.2	11.2	9.1
Age							
65-69	41.9	55.4	39.8	23.2	21.8	13.7	10.5
70-79	39.8	60.3	32.8	20.3	18.3	11.4	9.9
80+*	40.2	65.8	22.5	21.5	17.4	8.7	7.8

Source: Statistics Korea (2015). Report on the Social Survey of 2015. p. 112.

(3) Sufficiency of Health Services of Different Types

The main health services for seniors in Korea include additional NHI coverage of dentures and dental implants, MOHW health promotion projects, subsidies for senile dementia treatment and care, and services for the care of chronic illnesses and prostate diseases, prevention of blindness, dental prosthesis, knee arthroplasty support, and vaccinations. Some health services are available to seniors of all types. Most, however, cater specifically to seniors of low-income households. The diversity of services thus does not necessarily mean that all seniors' needs are sufficiently satisfied.

〈Table 3-2〉 Elderly Health Services & Eligibility

Type	Service program	Eligibility
Additional NHI coverage	Dentures and dental implants	Age limit lowered from 70 to 65 years old
	Hospice services	Those with terminal-stage cancer
	Four major diseases (cancer, heart disease, cerebro-vascular diseases, and rare intractable diseases)	Patients
MOHW health support programs (as of 2016)	Integrated Local Health Promotion Project	Open to all seniors
	Dementia Treatment and Care Subsidization Project	Those with senile dementia and age 60 and older (and those under-60 who meet income requirements)
	Special Management of Seniors with High Cardiovascular Risks	Hypertensive and diabetic seniors at age 65 and older
	Prevention of Prostate and Other Age-Related Diseases	Male seniors
	Prevention of Blindness	Seniors at age 60 and older with vision-affecting illnesses and earning 60% or less of median income
	Dental Prosthesis for Seniors	Seniors on NBLSP and near-poverty support
	Knee Arthroplasty Support	Seniors at age 65 and older in need of knee arthroplasty and earning 50% or less of median income
	Influenza Vaccination for Seniors	Open to all seniors

Source: MOHW (2016). Guide on Health Programs for Seniors; Guide on the Prevention of Blindness in Seniors; Standard Manual on the Special Management of Hypertensive and Diabetic Seniors; Guide on the Integrated Local Health Promotion Project; and MOHW website (http://www.mohw.go.kr).

Local senior welfare centers serve as the main hubs through which health management and preventive care services are provided for seniors. These centers provide health management programs and care services to aid the recovery of mental

and physical functions in seniors suffering from age-related illnesses, strokes, and other such conditions. They also provide meals and nutritional management services for seniors—particularly those living alone. The programs on offer cater more to healthy, functioning seniors in general than unhealthy seniors. There is growing demand for diversification of these programs to cater to the existing diversity of health and functional needs (Sunwoo et al., 2014, p. 95).

2) Adequacy

(1) Inadequacy of Service Content

Yun et al. (2012) shows that the health support programs available at local public healthcare and senior welfare centers include exercise/dance classes, lectures on health management, care for certain types of illnesses, singing and laughter therapy programs, cognitive improvement programs, teaching on preventing trips and falls, and nutritional education classes. It would be ideal if a wide range of programs catering to seniors with different and specific needs could be provided from these centers. Health support programs for seniors at present, however, are mostly generic in nature, providing knowledge and care for seniors of all types. They mostly consist of group lessons or classes for dance, yoga, and exercise and programs supporting the care and pre-

vention of aging-related chronic illnesses.

The effects of these programs are measured solely in terms of participants' subjective satisfaction with them, with little attention paid to the specific ways in which these programs objectively affect their health. Seniors and providers alike approach these programs as mainly ways to kill time and as entertainment. There are almost no instances in which senior health and functionality are assessed before and after they participate in these programs with the intent of ascertaining program effectiveness in improving seniors' physical and cognitive functions. Group classes and lectures require continued participation in repeated and specialized training, but most are provided as one-time events only.

(2) Inadequacy of Service Personnel & Local Resources

Public healthcare centers, equipped with a relatively wide range of medical personnel, are at the forefront of health support for seniors today. Rapid changes in the socioeconomic and policy environments, however, are diversifying and intensifying local needs for health services, while these centers are struggling to increase their capabilities and manpower to cater to these emerging needs.

Since 2013, local governments have taken on leadership over which programs are to be provided via local public healthcare

centers thanks to the national government's introduction of unearmarked subsidies. The competency of public healthcare center personnel has since become a decisive factor in the quality of services provided by the centers. Nevertheless, local governments are still perceived to lack the sufficiently-skilled personnel capable of assessing local health issues and developing and executing proper policy plans and strategies (Oh, 2015, p. 96).

While public healthcare centers provide many prevention- and management-oriented health support programs, patients still turn to private-sector medical institutions for acute-phase services, such as intensive care, surgery, and hospitalization, and sub-acute-phase services, i.e., check-ups and rehabilitation from illnesses. Effective collaboration between public healthcare centers and private institutions is crucial to improving the quality of the personal health support and management system. Local governments can play an important role in facilitating the exchange of information and communication between the two sectors. Local governments, in fact, should take the initiative in this process by assessing local seniors' health needs, establishing service plans, and proactively defining their roles as intermediaries of collaboration. This will require additional fiscal and technical support.

(3) Drug Abuse

The total cost of NHI-covered medical services increased by 10.3 percent on average each year from 2002 to 2011, while the cost of drugs increased at 12.2 percent a year on average over the same period. The overuse and abuse of prescribed medication has long been pointed out as a major problem with the Korean healthcare system. This pattern is especially prominent with the use of antibiotics, of which South Korea is the third largest consumer among the member states of the Organization for Economic Cooperation and Development (OECD).

Drug overuse is especially a problem among seniors. Seniors in general consume at least one more active ingredient per day than adults aged 20 to 64 on average. In particular, 8.3 percent of elderly patients with hypertension and 7.5 percent of elderly patients with diabetes with other medical complications consume over 10 active ingredients per day, calling for careful monitoring against the overuse of these drugs (Park et al., 2013).

Seniors, especially those living in rural areas, are especially vulnerable to drug overuse and abuse because of their inability to understand complex information about drugs and their side effects. They are also prevented by various factors from seeking proper care against drug overuse on their own. It is therefore important for local public healthcare centers, nurses, and other

medical institutions to make greater effort to enhance seniors' understanding of the drugs they are taking.

(4) Suicide Prevention

As of 2014, 55.5 out of every 100,000 seniors, aged 65 and older, in Korea died due to suicide or self-inflicted harm. Although the overall suicide rate in Korea has been on a decline since 2010, this is still a rate alarmingly higher than the OECD-wide average of 21.66 for every 100,000.

Recognizing this crisis, the Korean government introduced the first Five-Year National Plan on the Prevention of Suicide in 2004, which evolved into the Second Five-Year Plan in 2008 (2008-2013). The first national plan, however, failed to enlist government-wide interdepartmental support as the MOHW had hoped. The second plan remained part of the existing government plan on promoting mental health and thus failed to secure its own budget. It has since proven ineffective in reducing the suicide rate in Korea. Although Korean lawmakers introduced new statutes on preventing suicide and promoting respect for life, they are more declaratory than effective (Park et al., 2013, p. 77).

3) Equity

(1) Equity in the Use of Medical Services

Discussions have been continuing regarding the equity of medical services available to seniors. Lee (2010), for example, analyzed NHI data on the benefits provided and the National Health and Nutrition Survey results, and found that the use of NHI-covered medical services was concentrated in seniors with high incomes, despite the greater need for healthcare among seniors with low incomes. If we could measure the equity of a healthcare system as its receptivity to needs, Lee's study would indicate that there is a gap in the accessibility or availability of medical services for seniors in Korea along the income line. Kim (2011) analyzed the health equity of Koreans of all age groups, and concluded that aging was a significant factor contributing to the widening gap in health and the use of medical services. Kim also found that the health and medical service availability gaps facing seniors deteriorated in inverse proportion to their socioeconomic status. Kim (2012) divided seniors into several age groups, i.e., 65 to 69, 70 to 79, and 80+, and analyzed the equity of health and medical services available to them. Like the preceding studies, Kim (2012), too, found that the healthcare system alienated low-income seniors, particularly noticeable in the case of seniors aged 65 to 69. The

study also found that seniors in the high-income class spent more on medical services than other seniors.

The problem of equity affects the accessibility of medical institutions as well. Korea still suffers from a shortage of geriatric hospitals and medical personnel specializing in care of seniors. As a result, seniors are forced to seek care from other types of medical institutions at the risk of paying more. This, in turn, increases overall societal spending on medical services for seniors. As of 2015, there were 3,709 public medical institutions across Korea, including public hospitals and health-care centers. This means that 94.5 percent of all existing medical institutions belong to the private sector. Public medical institutions provide only 9.2 percent of all hospital beds available in the country. National university hospitals and the medical centers of local public corporations are grouped as public medical institutions, but they are not distinct from private-sector institutions in their pursuit of profit. If we exclude public hospitals specializing in certain types of care, such as tuberculosis sanatoriums, mental hospitals, and hospitals catering to those suffering from leprosy, as well as hospitals serving certain occupational groups, such as military and police personnel, there are only 60 or so public hospitals in Korea open to the general public.

Furthermore, most medical institutions in Korea are concentrated in urban areas, while seniors living in rural areas face

various limitations to their mobility. This urban-rural divide worsens the class and accessibility problems of the healthcare system for the elderly. The oversupply of acute-phase hospital beds has intensified competition among medical institutions, causing medical practitioners and resources to flow into the Seoul-Gyeonggi region where better prospects exist to turn a profit. The number of hospital beds per 1,000 persons can differ by up to five-fold from region to region, while the number of doctors per 100,000 persons can also differ by 2.34 times from municipality to municipality (MOHW, 2015, p. 515). Public healthcare resources play crucial roles in protecting the health of rural populations. The lack of competency and expertise in public healthcare personnel and the outdated nature of available medical facilities further add to inequity of the healthcare system for seniors.

(2) Equity of the Old-Age Health Support Policy

The health support policy programs that the MOHW provides for seniors are summarized in Table 3-3. The main emphasis of the policy is on a preventive approach to illnesses and disabilities. The policy stresses the importance of early diagnosis of lifestyle diseases, starting with middle-aged people in their 40s. Yet these programs are available only to certain groups.

〈Table 3-3〉 Old-Age Health Support Programs

Program	Description
Integrated Local Health Promotion Project	o Provides prevention education and services to protect local residents against disease. - Distributes health supplements, including iron pills, folic acid pills, and nicotine patches, to eligible seniors. - Provides referrals for eligible seniors to other health programs.
Dementia Treatment and Care Subsidization Project	o Reduces the financial burden of care for those with senile dementia. - Available to all households earning 100% or less of the nationwide average household income (KRW 4,836,000 or less per household of four per month). - Eliminates co-payments on NHI-covered medical services for senile dementia (co-payments for check-ups, tests, and prescriptions). - Provides financial assistance amounting to KRW 360,000 a year (KRW 30,000 a month). - Financial aid provided in bulk sums depending on the number of months during which each eligible patient has been taking medication.
Special Management of Seniors with High Cardiovascular Risks	o Medical expense subsidization: KRW 3,500 per month (KRW 1,500 for check-up and test, KRW 2,000 for prescriptions).
Prevention of Prostate and Other Age-Related Diseases	o Public healthcare centers and local senior welfare centers provide prostate education. o Provides free prostate exams for seniors in remote rural areas.
Prevention of Blindness	o Provides eye exams for seniors. o Provides eye surgery, including cataract removal. - For households earning 100% or less of the nationwide average household income
Dental Prosthesis for Seniors	o Complete denture (resins): KRW 1,071,680 (premolar only); (metal) KRW 1,242,660 (premolar only) o Partial denture: KRW 1,888,810 (premolar only) - Partial denture (frame): KRW 1,303,810 - Partial denture (frame) + 1 abutment (KRW 195,500): KRW 1,498,810 - Partial denture (frame) + 2 abutments (KRW 390,000): KRW 1,693,810 - Partial denture (frame) + 3 abutments (KRW 585,000): KRW 1,888,810

Program	Description
Knee Arthroplasty Support	o Pays for patients' co-payments for tests, check-ups, and surgery - For households earning 40% or less of the nationwide average household income - Up to KRW 1,000,000 of co-payment - Up to KRW 500,000 for Medicare beneficiaries
Influenza Vaccination for Seniors	Free vaccinations

IV Elder Care & Protection Policy

1. Policy Overview
2. Current Status & Assessment

IV Elder Care & Protection Policy

1. Policy Overview

Elder care is the central concern of a number of policy programs in Korea, including the Long-Term Care Insurance for Seniors (LTCIS), the Elder Care Service (ECS), and the At-Home Senior Support Service (AHSSS). Local senior and welfare centers also provide care services for seniors staying at home.[7]. Elder care services in Korea can be divided between those provided at professional care facilities and others provided for seniors at home (Table 4-1).

⟨Table 4-1⟩ Types of Elder Care Programs

Program	Visiting caregiver services	Local services	Other services	Facility services
LTCIS	- Care - Bathing - Nursing	- Daycare and night care - Short-term protection	- Mobility aids and other devices	- Old people's homes - Group homes

7) While care is not the main mission of old people's homes, they are important sources of professional care for seniors. According to the Welfare of the Aged Act (WAA)'s classification of geriatric facilities, old people's homes are part of welfare housing facilities for seniors,and are also required to hire professional caregivers to provide care needed by tenants. The other types of welfare housing facilities for seniors, such as the welfare housing for seniors and group homes, are primarily centered on providing living spaces than care, in response to the needs of the increasing number of seniors livingg without their adult children.

Program	Visiting caregiver services	Local services	Other services	Facility services
ECS	- Standard services - Comprehensive services(visiting caregivers)	- Daycare and night care	- Standard care	n/a
AHSSS	- Support for seniors at home	n/a	- Support for seniors at home	n/a
	- Support for seniors at home at local senior welfare centers	n/a	- Support for seniors at home at local senior welfare centers	n/a
Elderly Housing	n/a	n/a	n/a	- Old people's homes - Group homes - Housing for seniors

2. Current Status & Assessment

1) Appropriateness of the Basic Principles

According to Article 3 of the Act on Long-Term Care Insurance for Senior Citizens (ALTCIS), the LTCIS is to provide proper and adequate services in response to the needs of seniors and their families, to prioritize services at home over services provided at facilities, and to provide care services in conjunction with appropriate medical services.

These basic principles of Korea's LTCIS reflect the growing demand for "aging in place" emphasized by international organizations today, including the World Health Organization (WHO) and the United Nations (UN). The fact that the statute stresses the need to provide medical services as part of care for

seniors reflects the growing importance of client-centered service systems in policy services for seniors. The emphasis on providing proper and adequate services for seniors and their families serves the goal of providing need-based services in line with the aspiration toward client-centered service systems.

The LTCIS is therefore appropriate and timely in principle. The fact that other policy care services for seniors also place increasing emphasis on provision of at-home care services also suggests that these services cater to the international trend.

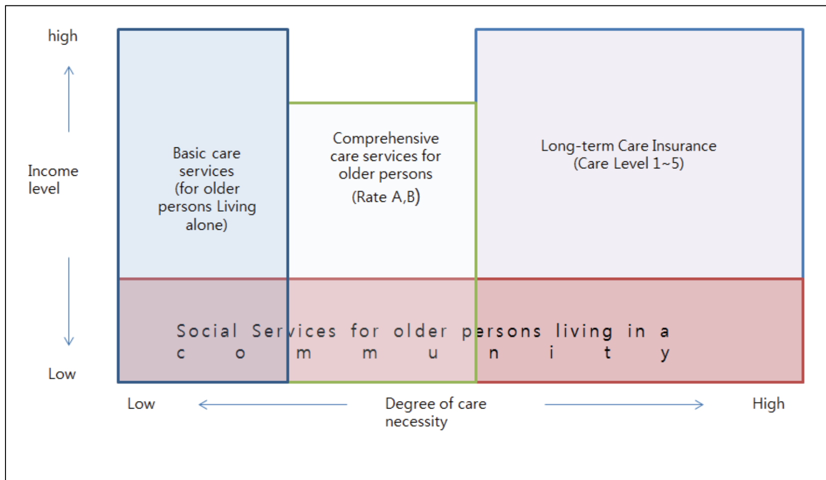
2) Appropriateness of Criteria for Determining Eligibility

The LTCIS, the ECS, and the AHSSS, the three major policy care programs for seniors in Korea today, determine the eligibility of beneficiaries according to the criteria and process outlined in Figure 4-1. All three programs determine eligibility on the basis of need, income level, household type, and the health status of seniors. Seniors with the most urgent need for policy care services are assigned to the LTCIS, while seniors with an intermediate level of need are assigned to the ECS and seniors requiring minimum care are assigned to the AHSSS. The AHSSS thus focuses on providing minimum and daily assistance for seniors at the level of local communities rather than on providing professional, full-time care.

The LTCIS, a social insurance program, selects beneficiaries

solely on the basis of their need for care. The other two care programs run on tax revenue, in contrast, determine eligibility using additional criteria, such as income level, household type, and the health status of seniors. The ECS Comprehensive provides vouchers for seniors who earn 150 percent or less of the median income, require some professional care, and who are not eligible for the LTCIS. The ECS Standard provides support for seniors living alone and whose income, health, housing, and social activities are deemed poor. The AHSSS caters mostly to seniors with low incomes.

[Figure 4-1] Eligibility Criteria for Elder Care Programs



Policy in Korea provides for a systematic structure and hierarchy of care that seniors can use according to their needs. The two service programs aside from the LTCIS, however, limit eli-

gibility according to income or household type, and therefore carry the risk of leaving the needs of some seniors neglected. The current policy structure, in other words, risks alienating seniors who are not ill or immobile enough to be put on the LTCIS, who earn 150 percent or more of the median income, who do not live alone, and who require little to minimum care only.

Although the overall elder care policy mandates that care be provided for all seniors falling below the need and income thresholds, local governments often fail to provide services to all eligible seniors due to budget constraints. The Korean policy system thus allows local governments to set their own prioritization criteria to differentiate between eligible seniors so that limited local budgets can be spent according to these priorities. The top priority on local government service lists are seniors living alone and Grade-A seniors not on the LTCIS. Second priority are seniors with senile dementia and Grade-B seniors not on the LTCIS. Third priority are seniors with aging-related medical conditions. There are approximately 152,000 seniors in need of professional care not placed on the LTCIS in Korea today, but only about 35,000, or 23 percent, of them receive ECS and AHSSS services.

There were 634,000 seniors, or 9.81 percent of all seniors, eligible for policy care under these programs as of December 2014.[8] Of these, 424,000 (6.2 percent of all seniors) were eligi-

ble for the LTCIS. The number of LTCIS beneficiaries has been steadily increasing thanks to improved public awareness and expansion of the LTCIS. The program was initially introduced with the goal of serving approximately three percent of the elderly population. There are 35,000 (0.54 percent of all seniors) eligible for the ECS, and another 200,000 (3.1 percent of all seniors) eligible for the AHSSS.

〈Table 4-2〉 Number of Elder Care Program Beneficiaries

Type		Number	Proportion (%)
Total		633,986	9.81
LTCIS[1)]	Grade 1	37,665	n/a
	Grade 2	72,100	n/a
	Grade 3	170,329	n/a
	Grade 4	134,032	n/a
	Grade 5	10,456	n/a
	Subtotal	424,572	n/a
	Aged 65 and older	399,083	6.18
	Seniors not on LTCIS	(152,576)	(2.4)
ECS	ECS Comprehensive	34,903	0.54
	ECS Standard3)	200,000	3.10

Note: There were a total of 6,462,740 seniors, aged 65 and older, as of December 2014 (Statistics Korea KOSIS).
Sources: NHIS (2016). Yearbook on the LTCIS Statistics of 2014; SSIS website (http://www.ssis.or.kr/index.do). "Current Status of ECS Comprehensive" (retrieved on July 21, 2016); MOHW internal documents.

8) This figure does not include the number of seniors eligible for the AHSSS, for which no official statistics are available.

The number of recipients of elder care services has increased significantly over the last decade, indicating a significant improvement in the reach of policy programs. The ECS Comprehensive and Standard programs, however, require local governments to select from among eligible seniors carefully due to budget constraints, and may therefore leave the needs of some seniors unattended, including the needs of those with minimal need for care and seniors living with their spouses and/or their children.

The resources required by these programs are also unevenly distributed across the nation. The proportions of elderly populations on the LTCIS vary noticeably from city to city and province to province. With the national average at 6.12 percent, Daejeon and Jeju show elderly populations significantly greater than the national average on the LTCIS (7.54 percent and 7.51 percent, respectively). The proportion of seniors on the LTCIS in Incheon is also 7.11 percent, while the proportions in Gwangju, Sejong, Gyeonggi, Gangwon, Chungbuk, Chungnam, Jeonbuk, Jeonnam, and Gyeongbuk remain in the six-percent range. Seoul, Busan, Daegu, Ulsan, and Gyeongnam have below-average proportions of seniors on the LTCIS.

Across Korea, 22.9 percent of all seniors not on the LTCIS receive care from the ECS Comprehensive. Daejeon, again, has the highest proportion (52.6 percent), followed by Gangwon (31.7 percent). Seoul and Gwangju show proportions slightly

below the national average. These disparities reflect differences in the amounts budgeted by the metropolitan and provincial governments. These fiscal differences thus translate into differences in availability and quality of care services provided for seniors in different regions.

2) Adequacy of Benefits

(1) Sufficiency & Equity of Benefit Amounts

We can measure the sufficiency of benefits provided by elder care programs in terms of to what extent those benefits satisfy seniors' needs. The LTCIS and the ECS Comprehensive currently limit the amounts of care services seniors of each grade can use. In other words, there are limits on the monetary values of care services that eligible seniors of each care grade may use per month (i.e., KRW 1,196,000 for Grade 1, KRW 1,054,000 for Grade 2, KRW 981,000 for Grade 3, KRW 921,000 for Grade 4, and KRW 784,000 for Grade 5 as of 2015). The unit prices differ from service to service. For example, care provided by a visiting professional caregiver at the patient's home for 240 minutes a day costs KRW 43,500. This means that Grade-1 patients can use this service for 27 days a month, while Grade-5 patients can use it for 18 days a month.

The LTCIS grades indicate the different extents to which seniors require professional care. Seniors in Grade 1 require help

with almost every aspect of daily life; those in Grade 2 need help with a significant number of aspects of daily life. The monthly monetary amounts of care Grade 1 and 2 patients can use thus strike as quite insufficient. Providing care 24/7 may not be tenable for long, but considering the fact that most family members looking after seniors in these grades are working, the LTCIS should do more than provide half-day care during the week. If seniors' options were to be confined to day care or night care services, they would be able to use care services for less than 12 hours a week under the current benefit limits. Seniors in Grades 1 and 2, however, struggle with severe limitations on their daily functions and mobility, which prevent them from visiting day and night care centers with ease. The current monetary limits on the amounts of care seniors may use thus render the LTCIS benefits insufficient, at least in the case of seniors in Grades 1 and 2.

Seniors in Grades 3 to 5 require relatively less help than those in Grades 1 and 2. Considering that these seniors could opt to use the LTCIS care services during the week only, the amounts of care that the LTCIS provides may not be abundant, but sufficient. Seniors in Grades 3 and 4 can move about with greater ease, so their family members can entrust them to the care of day or night care centers to balance their work/financial needs and their duty to look after those seniors.

The ECS Comprehensive limits the amount of care provided

at seniors' homes by professional visiting caregivers to 27 or 36 hours per month, depending on seniors' grade (A or B). These amounts are sufficient.

The equity of benefits provided by these elder care programs should be measured in relation to the extent of seniors' needs, on the one hand, and also the types of services they choose, on the other. The current system differentiates the amount of care available to seniors with different needs, and therefore maintains equity in that regard. However, seniors of the same grade face different monetary limits on the amount of care they can use at their homes and at professional facilities, which is less than equitable.

The LTCIS, for example, allows seniors in Grades 1 and 2 to choose freely between receiving care at facilities and receiving care at their homes. Seniors in Grades 3 to 5, on the contrary, are to receive care at their homes only, except for seniors with senile dementia who may use professional care facilities with the program's approval.

The LTCIS does not place any monetary limits on the amounts of care that seniors may receive from their care facilities. Rather, the program pays these facilities according to the number of days each senior of each grade has spent as residents. As a result, seniors, in effect, can receive far more care from these facilities than would be the case at their homes. Grade 1 seniors in care facilities, in particular, tend to

receive KRW 514,000 more in care per month than Grade 1 seniors staying at home. Entering these care facilities also enables seniors to receive care and protection around the clock.

The difference in monetary value of care available from care facilities and at seniors' homes is even more prominent with respect to seniors in Grades 3 to 5 (amounting to KRW 483,000 for Grade 3, KRW 542,000 for Grade 4, and KRW 680,000 for Grade 5 per month).

Because the current monetary limits on the amount of care seniors may use per month make it impossible for seniors to stay at home, seniors and their families naturally prefer to enter professional care facilities.

(2) Adequacy of Service Quality

The benefits provided by elder care programs in Korea consist of services provided from care facilities and at seniors' homes under the LTCIS and the at-home services provided under the ECS Comprehensive. The at-home services provided under the LTCIS include care, bathing and nursing services provided by visiting professionals, day and night care services, short-term protection services, and the provision of mobility devices and other such equipment. The ECS Comprehensive, too, provides care services at home, day and night care services, and short-term domestic help services. The emergence of short-term domestic help and day and night care services re-

flects the growing focus of these programs on clients' actual needs.

The LTCIS and the ECS Comprehensive cater to seniors classified as LTCIS Grades 1 through 5 and ECS Grades A and B. The services offered by these programs are similar in content and type, and differ only in amount. The lack of diversity in services appears to indicate lack of in-depth care for seniors' diverse needs. Seniors in ECS Grades A and B, for example, may require more than professional care, and include therapeutic intervention toward preventing or delaying the deterioration of their remaining functions. The ECS Comprehensive, however, fails to provide services that promote these seniors' physiological and cognitive functions. Seniors on the LTCIS may also require similar services.

Although the elder care policy emphasizes at-home care first and foremost, the number of seniors entering professional care facilities is on a rapid rise. As of the end of 2014, 38.9 percent of all seniors benefitting from these programs were in professional care facilities, while the other 61.1 percent received care at home. Nevertheless, 48.8 percent of seniors on the NBLSP were staying at care facilities, most likely because they had no family members on whose care they could depend at home (NHIS, 2014).

The proportion of LTCIS-eligible seniors entering care facilities has been increasing steadily, from 32.0 percent in 2009 to

37.1 percent in 2010, and again to 38.9 percent in 2014. Almost 60 percent of seniors in Grades 1 and 2, 32.5 percent of seniors in Grade 3, 23.0 percent of seniors in Grade 4, and 7.0 percent of seniors in Grade 5 now stay at these facilities.

〈Table 4-3〉 Care Facility Admission Rates by LTCIS Grade1)2)

(Unit: %)

LTCIS grade	2009	2010	2014
1	56.0	59.3	56.3
2	53.5	60.6	60.0
3	16.0	20.0	32.5
4	n/a	n/a	23.0
5	n/a	n/a	7.0
Total	32.0	37.1	38.9

Notes: 1) Proportions reflect the sum of seniors staying at all types of geriatric care facilities (i.e., geriatric care facilities, short-term protection facilities, and seniors-only care facilities as defined by the WAA as well as geriatric care facilities as defined by the ALTCIS) and group homes.
2) Many of the geriatric facilities established under the WAA had to convert their functions and status by 2013 after the LTCIS was introduced. The statistical yearbook, upon which this table is based, counts the number of seniors staying at WAA-defined geriatric care facilities, short-term protection centers-converted into geriatric care facilities, and WAA-defined seniors-only care facilities twice as seniors staying at LTCIS-defined geriatric care facilities. That is why the proportion of seniors using care facilities seems to have increased abruptly until 2013, before plummeting in 2014 when the conversion of these facilities came to a completion. The proportion of seniors staying at these facilities in the years 2011 through 2013 were thus omitted from this table.

Source: NHIS (each year). Yearbooks on LTCIS Statistics.

We need to examine the causes behind the continued increase in the preference by seniors and their families for facility care. In the past, care facilities held predominantly negative images in people's minds. With introduction of the LTCIS and other socioeconomic changes at large, however, the phys-

ical and psychological barriers between care facilities and people appear to be lowering. Finances are another major factor. Care facilities provide 24/7 care for residents, while at-home care is available for half a day at most. Seniors in the same grades therefore can enjoy more quality care at facilities at no extra charge. The limits on the types and amounts of at-home care that can be provided also reduce people's preferences for them.

Experts and professionals in the field agree that, although the elder care policy in Korea has achieved a rapid growth, the quality of its services has not improved at the same pace. Government evaluations of LTCIS care facilities provide a glimpse into the quality of care services available for seniors. Since the LTCIS was first introduced in 2009, the Korean government has been evaluating care facilities every two years. Facilities providing residential services had been so evaluated four times as of 2015, and agencies providing at-home care were undergoing the fourth such evaluation as of 2016.

The evaluations of geriatric care facilities and group homes show the average performance scores of these organizations were 76.9 in 2009, 75.8 in 2011, 70.5 in 2013, and 73.8 in 2015, all out of 100. Average scores decreased every year except for 2015. The same pattern is observed with respect to agencies providing at-home care as well, with their average scores dropping from 81.2 in 2010 to 72.2 in 2012, and further to 71.5 in

2014. In other words, the quality of elder care services has been leveling downward since introduction of the LTCIS. The elder care system should ensure the quantitative sufficiency of available services, the clear roles and responsibilities of service-providing institutions, effective cooperation among service providers, and the continued availability of services to seniors.

The outward growth of the elder care system has nonetheless dramatically improved seniors' access to services. The number of facilities providing residential care multiplied threefold from 1,700 in 2008 to 4,871 in 2014. The increase in the number of group homes was particularly noticeable. The amount of at-home care services provided, especially care by visiting professional caregivers, also increased significantly, with the number of agencies providing these services doubling from 4,207 in 2008 to 9,073 in 2014, as did the number of agencies providing bathing services at home. Although the number of day and night care service centers has also been on a steady rise, they are far outnumbered, at 1,688 as of 2014, by agencies providing at-home care services. In the meantime, the number of agencies providing at-home visiting nurse services and short-term protection has not increased so steeply. The number of agencies providing at-home nursing services kept increasing until 2010 before it began to decrease. This is likely because seniors are not aware of the availability of at-home nursing services, and apply for at-home care services by pro-

fessional caregivers instead. The number of short-term protection centers, on the contrary, kept plummeting until 2010, before rising back up again in recent years. This is because most short-term protection centers were converted into care facilities in the early days of the LTCIS, before the continuing demand for short-term protection brought them back into being.

〈Table 4-4〉 Distribution of Care Facilities for Seniors

Type		2008	2010	2011	2012	2013	2014
Residential care	Geriatric care facilities	1,379	2,408	2,489	2,588	2,498	2,714
	Group homes	321	1,343	1,572	1,739	2,150	2,157
	Total	1,700	3,751	4,061	4,327	4,648	4,871
At-home care	At-home care agencies	4,206	9,164	8,709	8,500	8,620	9,073
	At-home bathing agencies	2,959	7,294	7,162	7,028	7,146	7,479
	At-home nursing agencies	592	739	692	626	597	586
	Day/night care centers	790	1,273	1,321	1,331	1,427	1,688
	Short-term protection centers	694	199	234	257	368	322
	Mobility aids and other equipment agencies	720	1,278	1,387	1,498	1,574	1,599
	Total	6,618	19,947	19,505	19,240	19,732	20,747

Source: NHIS (each year).

ECS Comprehensive services are available from at-home service agencies and day and night care centers that also provide services for LTCIS clients. The ECS Standard and AHSSS services are offered from local senior welfare centers, AHSSS centers, and nonprofit organizations providing social services. Municipalities (cities, counties, and districts) are authorized to select agencies to provide these services. The types of service-providing organizations thus vary from area to area, but no prominent signs of supply shortages are in evidence.

The number of long-term care facilities has increased dramatically since the LTCIS was introduced, to the extent that there are no shortages of facilities per se. However, there are some disparities in the availability of agencies providing different types of services, such as day and night care centers and at-home nursing service agencies. One main issue with the elder care system today is that introduction of the LTCIS has increased confusion over the specific roles and responsibilities of different types of institutions. Seniors requiring full-time and residential care, for example, have difficulty distinguishing between LTCIS-covered residential care facilities and NHI-covered geriatric hospitals. In the meantime, seniors who require at-home care services struggle due to the lack of integration between diverse programs providing at-home care, such as the LTCIS, the ECS Comprehensive, and the AHSSS. The current service system is divided between the National Health

Insurance Service (NHIS) and local governments. This decentralized system of management makes it impossible to ensure comprehensive and systemic management of care services for seniors. This, in turn, makes it impossible to develop and implement systematic plans for increasing the supply of services based on actual needs.

The co-existence of geriatric care facilities and geriatric hospitals complicates the task of ensuring continuity in care services for seniors. Yun (2008) estimated that 10 to 30 percent of patients hospitalized at geriatric hospitals were there not because of any particular medical need, but due to their social circumstances. There were also reported instances in which seniors in need of care from geriatric facilities were denied the medical services they needed. Seniors relying on at-home care services are also denied the services they truly need due to the lack of support for appropriate services tailored to their functional states.

The division of the elder care system between municipal governments and the NHIS makes it difficult for seniors to decide which authority they should contact in order to receive the services they need. Seniors aware of the LTCIS are likely to apply to the NHIS, while seniors who lack such awareness will be naturally led to direct their inquiries to municipal governments or local community service centers. Local governments and community service centers, in turn, will request the assessment

of applicants' needs by the NHIS. After their grades are determined, LTCIS-eligible seniors are again compelled to choose from which facilities they should seek care, while seniors denied the LTCIS benefits are left to apply, again, for the ECS Comprehensive or other available service programs with their respective local governments.

At present, the elder care policy remains extremely cumbersome and complex for the majority of seniors to comprehend and use.

Old-Age Employment Support Policy

1. Policy Overview
2. Current Status & Assessment

Old-Age Employment Support Policy

1. Policy Overview[9)]

The sweeping changes in the socioeconomic and job market structures have made early retirement inevitable, forcing people still in their 50s to leave their lifelong workplaces and either retire or look for lower quality jobs. With a dramatically increased lifespan ahead of them and without enough savings to last through their retirement years, these "early retirees" remain working at a variety of jobs until well into their 70s. Korean policy towards financial stability for the middle-aged and the elderly is thus divided between employment support and income assistance programs.

The Ministry of Employment and Labor (MOEL) provides employment support programs for the working-age population, aged 15 to 64. The Act on the Promotion of Aged Employment (APAE), enacted in 1991, has formed the basic legal grounds upon which the Korean government has devised and implemented policy measures helping older members of society

9) While the main focus of this chapter is on senior citizens (aged 65 and older in most cases), it also outlines Korean government policy in support of the economic activities of the middle-aged and above (age 55 and older) and assesses the measures specifically catering to seniors within that policy system.

find work. The APAE was amended and re-named the Act on Prohibition of Age Discrimination in Employment and Aged Employment Promotion (APADEAEP) in 2013, raising the mandatory retirement age to 60 and beyond. Accordingly, employers, including private businesses, public enterprises, and local corporations and industrial complexes hiring 300 or more full-time workers each, raised their retirement age to 60 and beyond as of 2016. The statute will apply to employers hiring fewer than 300 full-time workers beginning in 2017. Facing criticism that even these legal changes have failed to result in enough jobs for older Koreans and a loss of productivity in the overall Korean economy, the MOEL announced its Master Plan on Elderly Employment in 2014, introducing increased support for re-employment and self-employment of people in their 50s and older. Although these policy measures are officially open to seniors aged 65 and older as well, a number of obstacles block them from access.

It is not the MOEL, but the Ministry of Health and Welfare (MOHW), that has been behind the steering wheel on the policy of supporting the economic activities of older citizens. The MOHW has been supporting senior employment in the public and private sectors with its Seniors' Job Hunting Support Program and the Korea Labor Force Development Institute for the Aged (KLFDIA) and via the elderly employment and socialization programs of local governments. The Jobs for Seniors

Program (JSP), introduced in 2004, has achieved noteworthy growth as a key channel of income and social participation for seniors. Yet the program has continually faced criticism over the identity and quality of the policy projects it handles. MOHW policy support for seniors' economic activities has failed to have effective results towards establishing a healthy employment structure and working environments for seniors.

Demographic changes in the Korean population have raised young people, middle-aged workers in their 50s facing early retirement, and women who have had to leave their careers for their families as the main targets of employment support policies, relegating the issue of seniors' employment to a secondary place. As the Korean government focuses on returning housewives to their careers and securing the re-employment of early retirees in their 50s as solutions to improving labor productivity, they regard working seniors not as a particularly productive demographic group, but as people who are compelled to participate in economic activities to earn the income to sustain themselves or for their own social fulfillment.

2. Current Status & Assessment

1) Assessment of the Jobs for Seniors Program

(1) Sufficiency of Jobs

According to a 2014 survey on the status of seniors in Korea, 4.3 percent of all seniors held jobs, but 18.2 percent more showed interest in participating in the JSP. The demand for jobs among seniors, in other words, outweighs the supply by over fourfold. Of the seniors willing to participate in the JSP, more were male than female, in the 65-69 age group (with 19.9 percent of seniors in that group already participating in the program, and an additional 38.3 percent willing to participate), relatively better educated than current participants (only 26.2 percent of who had middle school education or higher, while 38.9 percent of those desiring to participate had middle school education or higher), and more likely than current participants to live with their children (only 19.0 percent of current participants lived with their children, as opposed to the 28.4 percent of those desiring to participate). As the JSP at present is designed for seniors earning low incomes, living alone, or living with dependents lacking the ability to work, it has favored women and older seniors in effect over men, younger seniors, better educated seniors, and seniors living with their children.[10]

10) The following discussion on the characteristics of seniors is based upon the

(2) Mismatch between Seniors' Needs & Program Structure

As for the motives for participating in the JSP, 64.4 percent of seniors answered the need to earn a living; 27.9 percent, the need to earn pocket money; and 7.7 percent, other motives. Compared to all working seniors, JSP participants are far more motivated to work to earn pocket money than to make a living. The jobs provided by the JSP, in other words, are not perceived as sources of main income, and the program itself is perceived as a public works program catering to seniors who require minimum earnings.

〈Table 5-1〉 Motives for Participating in the JSP

Type	JSP participants	Temporary/day workers	All working seniors
Total	100.0 (428)	100.0 (605)	100.0 (2,970)
Motive for working			
To earn a living	64.4	82.1	79.3
To earn pocket money	27.9	8.8	8.6
Other	7.7	9.1	12.1

Source: Chung, Kyunghee et al. (2014a). Fact-Finding Survey on the Current Status of Seniors 2014. Raw data re-analyzed.

The vast majority—89.6 percent—of JSP participants hold jobs in public works projects that last for either nine months or 12 months a year, earning KRW 200,000 a month. JSP participants earning wages from jobs on the market make up only 10.4

raw data for Chung et al. (2014a), Fact-Finding Survey on the Current Status of Seniors 2014, unless otherwise specified.

percent. Although 60 percent of JSP participants need jobs that can support them, only 10.4 percent have received such jobs, suggesting a gross mismatch between participant needs and program design. Accordingly, JSP participants are even less satisfied with their jobs than seniors working as temporary or day workers and less than all working seniors in general (Chung et al., 2014a).

(3) Participant Characteristics & Program Adequacy

The majority of jobs offered by the JSP are public works or involve social services. A main source of jobs under the JSP is Elder-to-Elder Care and other such projects providing care services for the neglected and alienated. Of JSP participants, 10.9 percent work in jobs providing care for seniors living alone, seniors supporting their grandchildren, and seniors with compromised mobility[11] or jobs related to the Elder-to-Elder Care Project for senior leisure centers. Another 4.2 percent of JSP seniors work in other care-providing jobs catering to residents in professional care facilities, the disabled, teenagers, and children at local children's centers (KLFDIA, 2015).[12]

As pointed out earlier, the majority of seniors participating

11) Elder-to-Elder Care consists of delivering lunches to, checking up on, and providing domestic help and activity assistance for seniors and assisting with activities for seniors with mild cases of senile dementia.

12) KLFDIA (2015). *Statistical Trends in Jobs for Seniors 2014.*

in the JSP are women (69.3 percent), advanced in age (73.7 years old on average), under-educated, living alone (34.9 percent) and in a state of relatively poor health. The JSP jobs require participants to work no more than 30 hours a month (or three hours a day) and involve light workloads, which can be sufficiently handled by older female seniors in not-so-perfect health. Nevertheless, one might question the appropriateness of letting these low-income seniors living alone work in jobs that provide care services for other similarly-situated seniors and minorities through the Elder-to-Elder Care and other such projects. As Korea is fast becoming an aged society, the number of elderly seniors living alone has increased dramatically, not only raising the demand for LTCIS services but also for ECS Comprehensive and Standard services. There are already expert and qualified personnel providing professional care under these service programs. It is therefore difficult to find Elder-to-Elder Care recipients at the local level whom the JSP participants could effectively serve. Some of the seniors receiving help under the Elder-to-Elder Care Project enjoy better conditions—in terms of income, health, and age—than JSP participants providing services for them.

In order for the Elder-to-Elder Care Project to overcome these shortcomings, it needs to have its roles and functions redefined so they contrast with those of the LTCIS and the ECS, as a program supporting the social and economic activities of seniors.

The JSP has been in place for over a decade now. It has considerably evolved and expanded over time, but its specific projects still need to undergo radical changes in order to respond adequately to the changing social settings.

2) Seniors' Economic Activities: Demand & Characteristics

(1) Balancing the Supply of Jobs with Demand

Almost 34.7 percent of all seniors in Korea today want to work, with 82.3 percent currently employed wishing to continue to work and 13.6 percent of seniors not so employed wishing to find work. Even if the 9.7 percent of unemployed seniors wishing to find work in the future were to replace the 3.8 percent of employed seniors who no longer wish to work, there would still be 5.9 percent more seniors wanting to work than the number of available jobs today. The supply-demand imbalance on the job market for seniors is large enough to warrant policy intervention (Chung et al., 2014a).

Let us compare the supply of jobs and the demand by age group. Of seniors aged 65 to 69, 39.1 percent are employed and 48.7 percent wish to find work (9.6 percentage-point gap). The gap drops to 7.8 percentage points among seniors aged 70 to 74. Among seniors aged 75 and older, however, the gap plummets drastically to 1.5 percentage points. Of seniors wishing to find work, 55.7 percent are men and 44.3 percent are women.

The proportion of female seniors wishing to find work, however, increases with age and rural areas of residence.

〈Table 5-2〉 General Characteristics of Employed Seniors & Seniors Wishing to Work

Age	65 to 69	70 to 74	75+	Overall
Employment rate, 2014 (A)	39.1	31.4	19.1	28.9
Proportion of seniors wishing to work (B)	48.7	39.2	20.6	34.7
B-A gap	9.6	7.8	1.5	5.8
Gender				
Male	59.9	54.1	50.0	55.7
Female	40.1	45.9	50.0	44.3
Region				
Urban (dong)	77.1	72.5	64.2	72.7
Rural (eup or myeon)	22.9	27.5	35.8	27.4

Source: Chung et al. (2014a). Raw data re-analyzed.

(2) Actual Demand for Job Support Policy

We can measure the demand for employment support policy for seniors in terms of the capability and willingness to work of those seniors. Our analysis defines seniors capable of working as those without physical limits on their activities of daily living (ADL) or instrumental activities of daily living (IADL) and without limits on their cognitive functions. We may also define seniors willing to work as those who wish to work in the future, regardless of whether or not they are currently employed.

Figure 5-1 compares four different groups of seniors. Group A, accounting for 29.5 percent of all seniors, consists of seniors

unable and unwilling to work, and who require policy care services. Group B, 35.8 percent of all seniors, includes seniors who are able but unwilling to work and who show needs for recreational support. Group C, 10.5 percent of all seniors, is made up of seniors who are unable but willing to work. Debate should continue on whether seniors of this group should be supported to participate in economic activities. If the economic and social needs of these seniors outweigh their lack of capability for working full time, appropriate job support should be tailored to their needs, inviting them to work to the extent compatible with their health and providing them with regular check-ups on their physical and cognitive health.

Group D, 24.2 percent of all seniors, consists of seniors who are able and willing to work, and who therefore form the central client group for the old-age employment support policy programs.

[Figure 5-1] Seniors' Demand for Job Support

	Unable to work	Able to work
Unwilling to work	A 29.5%	B 35.8%
Willing to work	C 10.5%	D 24.2%

Source: Chung et al. (2014a). Raw data re-analyzed.

Of seniors who are able and willing to work, more are women than men. Seniors aged 65 to 75 make up almost 80 percent of them, with an average age of 70. Of these seniors, 34.5 percent

had elementary school education, another 20.4 percent had high school education. This group also contained more college graduates than any other groups of seniors. Half of these seniors lived with their spouses, and 25.9 percent lived with their children. The proportion of those living in urban areas was almost triple the proportion of seniors living in rural areas. Seniors in this group also showed the strongest subjective health status.

(3) Diversifying Job Prospects for Seniors

Whereas 68.4 percent of seniors who wish to work in the future want to continue to work or find jobs similar to the current or last ones they held, 31.6 percent showed a greater desire for change. Of these seniors wishing to work, 49.6 percent wanted to find employment at their existing workplaces, 37.6 percent wanted to start their own businesses, 4.5 percent wanted to work in jobs contributing to social causes, 4.8 percent wanted jobs that could afford them enough leisure, and 3.4 percent wanted other forms of employment (Chung et al., 2014a). The fact that almost 80 percent of seniors wish to find employment at existing workplaces or start their own businesses indicates their high demand for jobs that can earn them a suitable living. Yet almost 10 percent of seniors also want jobs through which they can contribute to society or enjoy social activities.

(4) Adequacy of Working Conditions

By examining the disparities between seniors' actual working hours and wage levels, on the one hand, and the desired number of working hours and wage levels, on the other, we can explore appropriate working conditions for seniors in light of their deteriorating health and advancing years.

People aged 65 and older work for 32.7 hours a week on average (38.2 hours per week for those aged 65 to 69; 31.4 hours for those aged 70 to 74; and 24.2 hours per week for those aged 75 and older). However, seniors at age 65 and older wish to work for only 24.2 hours per week on average, over eight hours shorter than their current working hours (27.6 hours per week for those aged 65 to 69; 22.6 hours for those aged 70 to 74; and 19.5 hours for those aged 75 and older). In other words, although the majority of working seniors continue to work to earn a living, they do not want to work for more than 25 hours a week on average.[13)]

Seniors' desired amount of monthly income was KRW 732,000 on average (KRW 913,000 for those aged 65 to 69; KRW 634,000 for those aged 70 to 74; and KRW 481,000 for those aged 75 and older). The desired amounts of income rep-

13) While 71.6 percent of seniors wishing to work said they wanted to work to earn a living, their desired number of working hours and amounts of monthly wage did not diverge significantly from the overall averages. Seniors wishing to work for a living want to work 26.1 hours per week and earn KRW 789,000 per month on average.

resent the amounts of financial means in addition to pensions and other forms of income support that seniors need in order to sustain themselves. Just as the desired number of working hours decreases with age, so does the desired amount of monthly income. Yet the margin by which the desired amount of income drops with age (KRW 910,000 to KRW 480,000) is more dramatic than the margin by which the desired number of working hours falls (27.6 hours to 19.5 hours) (Chung et al., 2014a).

Seniors' desired minimum wage was KRW 7,531 per hour, approximately KRW 2,300 higher than the actual minimum wage of KRW 5,210 in 2014. Seniors aged 65 to 69 called for the highest desired minimum wage, at KRW 8,270, followed by seniors aged 70 to 74 (KRW 7,013) and seniors aged 75 and older (KRW 6,167) (Chung et al., 2014a). The older the seniors, the lower the level of minimum wage they wanted. Considering the wisdom and experience that seniors have accumulated on the job, they should get paid more than the minimum wage. Nevertheless, the wage levels for working seniors should also be based upon the nature and characteristics of the work they do and their general fitness for work.

Men wanted to work approximately 10 hours more than women, but also wanted to get paid almost twice what women wanted (KRW 929,000 vs. KRW 482,000). While no significant correlation was found between seniors' educational levels and the number of hours they wished to work, higher education

generally corresponded to higher desired wage levels. Seniors living in urban areas were also more willing than their rural counterparts to work longer hours and get paid more.

(5) Equity of Participation in Economic Activities

Seniors who are not currently employed, but who wish to work, tend to be younger than currently working seniors, and are mostly concentrated in the 70-74 age group. In addition, whereas elementary school education tends to be the norm among currently working seniors, seniors who wish to work in the future tend to have at least high school education. More seniors wishing to work also live with their children than currently-working seniors. Of all seniors who wish to work, 90.5 percent live in urban areas. Although seniors wishing to work think of their own health in poorer terms than currently working seniors, the former face fewer limits to their physiological functions than the latter. In other words, seniors aged 70 to 74, with high school education or more, living with children, and living in urban areas are the group with the highest desire to work and therefore should form the main target group of the future old-age employment support policy.

We should also examine the characteristics of seniors who are not currently employed, but who sought work over the past 12 months, either via headhunting agencies or through person-

al connections. While more of these seniors are male than female, they were, like the rest of seniors wishing to work, mostly in their early 70s. More had high school education or more and were more likely to live alone than either currently-employed seniors or the rest of those wishing to work. In other words, relatively well-educated male seniors living alone in urban areas without many limitations to their health or physiological functions are more likely than other seniors to look actively for work. This, on the other hand, may indicate that there are not many jobs available that satisfy the work needs of this particular demographic.

VI Old-Age Leisure Support Policy

1. Policy Overview
2. Policy Assessment

VI Old-Age Leisure Support Policy

1. Policy Overview

1) MOHW Programs Catering Specifically to Seniors[14)]

Senior leisure centers, known as gyeongnodang in Korea, are still the main venues where seniors gather together to enjoy social and recreational activities. The first senior leisure center in Korea appeared in 1945, and the first senior welfare center appeared in 1989. Under the Welfare of the Aged Act (WAA), senior leisure and welfare centers form the major hubs through which the Korean government provides recreational and leisure support for the elderly. As of the end of 2015, there were 64,658 senior leisure centers across Korea. In the 1970s, the Korean government also began to provide continuing and lifelong education for seniors. As of the end of 2014, there were 1,361 such classes. Amendment of the WAA in 1989 provided the official legal grounds for operation of senior leisure centers and classes.[15)] As the infrastructure supporting seniors' welfare

14) Evolution of the WAA as discussed here is based upon the information provided by the Legal Knowledge and Information System. The major dates are also found in The Seven Decades of Public Welfare Policy, published by the MOHW.

15) Prior to this amendment, the WAA merely stated, under Article 10, that

and leisure continued to expand, it became necessary for Korean lawmakers to support that expansion with specific legal provisions.

Table 6-1 summarizes the types and functions of senior leisure and welfare facilities recognized by Korean law. Since the Korean government has delegated the operation of these facilities to local governments, parties wishing to open and run them have had to report to the heads of their respective municipal governments. All these facilities cater to clients aged 60 and older.

〈Table 6-1〉 Types and Characteristics of Senior Leisure & Welfare Facilities under the WAA

Type	Function	Characteristics
Senior welfare centers (SWCs)	Provide a wide range of information and services pertaining to seniors' leisure, hobbies, social participation, health management, income, at-home care services, and so forth.	-Required to hire social workers -Receive funding from local governments, including local subsidies for construction of new facilities
Senior leisure centers	Provide venues where seniors can voluntarily gather together to run hobby clubs and joint	-Subsidized by local governments (with air-conditioning and heating costs subsidized by

national and local government organizations might provide appropriate support for individuals or organizations running programs at senior leisure centers and academies that promote welfare of the elderly. Comprehensive amendment of the law in 1987 included only senior leisure centers, senior classes, and senior lounges into the category of senior leisure facilities to be supported by the government. Senior welfare centers were considered as senior welfare facilities in 1981 and afterward, and came under senior leisure and welfare facilities in 1997.

Type	Function	Characteristics
(SLCs)	workshops, exchange information, and engage in other forms of leisure activities.	national treasury) -Managed by outside parties -Metropolitan support agencies provide managers and instructors to provide programs at SLCs.
Senior classes	Provide opportunities for seniors to learn healthy crafts and hobbies and about other subjects, such as health and finance.	-Run entirely by local governments -No legal grounds for management of these classes are found in law or policy.

〈Table 6-2〉 Changing Number of Senior Leisure & Welfare Facilities

Type	2010	2011	2012	2013	2014	2015
Total	62,469	63,375	64,077	64,983	65,665	66,382
SWCs	259	281	300	319	344	347
SLCs	60,737	61,537	62,442	63,251	63,960	64,658
Senior classes	1,464	1,557	1,335	1,413	1,361	1,377
Senior lounges	9	0	0	0	0	0

Source: MOHW (2016). Current Status of Senior Welfare Facilities (as of December 31, 2015).

The WAA also forms the main legal basis for encouraging volunteerism and charity work among seniors. Comprehensive amendment of the statute in 1997 has introduced legal support for social participation and volunteering by seniors at the local level. The law was amended once again in 2011 to include official support for the Korean Senior Citizens Association (KSCA) and its volunteering programs. The amended WAA also states that the national and local governments may subsidize local volunteering, headhunting, and other such organizations that

encourage and support such social participation and activities. Moreover, the law also states that the national and local governments may appoint respected and experienced seniors as local volunteering leaders. Unlike previous versions, the amended WAA of 2011 specifically provides for the activities of the KSCA, including volunteering, senior classes, and management of SLCs.

Accordingly, the KSCA has been creating and managing local seniors' volunteering clubs via SLCs since 2011. As of 2016, there were 1,831 such clubs (with 33,856 members) across Korea, which together received KRW 42.99 billion in subsidies entirely from the national treasury. Since 2007, the Korea Association of Senior Welfare Centers (KASWC) has also been supporting the specialized volunteering programs of seniors at SWCs across Korea. As of 2016, 5,090 experienced seniors were participating in these programs as volunteers, receiving KRW 660 million in annual subsidies entirely from the national treasury.[16)][17)] SWCs also provide diverse volunteering programs of their own (eight programs and 157 participants per center on average).[18)] In other words, a total of 40,721 seniors were

16) Based on internal MOHW documents.
17) KASWC volunteers previously engaged in volunteering across diverse subjects, including education/counseling, finance/business, echnology/management, and culture and the arts. The KASWC, however, began to focus solely upon preventing depression and suicide in 2016.
18) Based on internal KASWC documents, as of May 31, 2016, and as quoted in Lee (2016).

participating in volunteering via SWCs as of 2016.

The KASWC has been hosting national volunteering festivals for seniors since 2007 with support from the MOHW. Since 2009, the association has also been collecting and publishing manuals of the best practices of the specialized volunteering programs it supports as part of its efforts to organize seniors' volunteer groups nationwide.

2) Policies for Senior Citizens of Other Cabinet Departments

Unlike other areas of policymaking in support of seniors, leisure support requires the involvement of a range of ministries and departments because of the diversity of the leisure activities. The MOHW has been establishing and implementing leisure policies specifically catering to the needs of seniors. Other ministries, on the other hand, have been supporting leisure activities within their respective purviews for all age groups, including seniors. While undertaking such programs, these ministries have come to the realization that it is important to go beyond developing only programs exclusively for seniors, to programs that encourage the participation of all generations together. Tables 6-3 and 6-4 summarize the types, characteristics, and numbers of leisure facilities run or supported by various cabinet departments for seniors.

〈Table 6-3〉 Types & Characteristics of Leisure Facilities Serving Seniors

Type	Function	Characteristics	Legal ground
Local culture institutes	Preserve, utilize, and develop local cultural and artistic resources by organizing exchange with other regions and countries, hosting local cultural events, developing programs promoting local cultures, and providing consulting.	-One institute per city, county, or district -One association of local culture institutes per metropolitan city or province (16 in total) and one national association	Act on the Promotion of Local Cultural Institutes
Lifelong education centers	Establish, operate, and expand nationwide infrastructure of lifelong education, consisting of metropolitan/provincial lifelong education institutes, lifelong cities/counties/districts, and local Happy Learning Centers as well as Damoa Lifelong Education Information Network.		Lifelong Education Act
Volunteering centers	Handle research, public relations, liaison affairs, education and training, insurance, and funding of volunteering activities, as well as creation and management of volunteering bureaus.	One per city, county, or district - supported by local government budgets	Framework Act on Volunteer Service Activities

〈Table 6-4〉 Changing Number of Leisure Facilities Serving Citizens

Type	2010	2011	2012	2013	2014	2015
Lifelong education institutes[1)]	n/a	n/a	n/a	3,965	4,342	4,144
Volunteering centers[2)]	246	246	246	246	245	-

Sources: Ministry of Education (MOE) -Korea Educational Development Institute (KEDI) 2015). Lifelong Education Statistics 2015; Ministry of the Interior and Safety (MOIS) Korea Volunteer Center (KVC), "Current Status of Volunteer Centers 2015 - Part I" (as of December 31, 2014).

2. Policy Assessment

1) Adequacy of Aims

The WAA, which forms the legal basis for much of the leisure services for seniors, lacks a clear definition and focus regarding how seniors should ideally spend their leisure time. Article 23 of the statute states that national and local government organizations are to devise policy measures that broaden the available volunteering opportunities and develop and distribute the right career opportunities for seniors, and prioritize providing working opportunities for seniors able to work. The "senior leisure and welfare facilities" defined under Article 36 consist of SWCs, SLCs, and senior classes, all of which are urged to provide a wide range of services that cater to the wellbeing of seniors above and beyond serving their needs for leisure and recreation. In other words, the WAA encourages very active forms of leisure activities and social participation, and does not confine the function of senior facilities to leisure activities only.

In contrast, the Framework Act on the Promotion of Leisure of Citizens (FAPLC) provides a clear definition of leisure as "any activity in which one is not forced to take part during one's free time" (Article 3). Examples include culture and the arts as defined in the Culture and Arts Promotion Act, national tourism as defined in the Framework Act on Tourism, sports in general

and sports for all as defined in the National Sports Promotion Act. The term "leisure facilities," according to the FAPLC, include any facilities and venues "continuously used when people participate in leisure activities for, or related to, culture and the arts, tourism, sports, self-development, social interaction, amusement, recreation, entertainment, etc., indoors, outdoors, or online." The FAPLC focuses on leisure as more broadly understood, i.e., as consisting of spontaneous activities or idleness filling up one's free time. The statute views seniors as a social minority and takes a residual approach to them. Article 14 of the Act includes them in the category of "social minorities" entitled to policy support for leisure activities, along with the disabled, the poor, and immigrant families. The Lifelong Education Act and the Framework Act on Volunteer Service Activities, on the other hand, lack any mention of support for the activities of seniors. In other words, the statutes and policies of cabinet departments other than the MOHW either fail to take a specific interest in seniors' leisure or approach them as one of several social minorities in need of help and support.

Yet some of the plans established by these ministries do reveal at least partial interest in seniors and their leisure. The master plan on lifelong education, for example, provides for programs specifically designed to utilize the retired workforce and catering to the interests of the silver generation, and lays down measures for improving the quality of life and social ful-

fillment of seniors in their 60s and 70s by integrating leisure, welfare, and education services for them. As for volunteering by seniors, the MOHW has organized an extensive network of volunteering programs via SWCs and the KASC. Of Korean citizens participating in the programs of local volunteering centers, 9.3 percent are aged 60 and older. These developments, however, may be spontaneous results of the aging of the Korean population rather than reflect any conscious efforts by diverse cabinet departments to include seniors in social and charity activities.

Experts emphasize the importance of diversity in leisure activities for seniors. Policy and social support is thus crucial. However, experts tend to stress lifelong education (34.0) and cultural and artistic activities (33.5) more than volunteering (28.2). This is because being able to tend to one's own interests and needs is more important to seniors' sense of wellbeing than activities for social causes. However, experts evaluate that public support is the poorest when it comes to volunteering activities by seniors, and call for greater policy resources and support for such acts of charity.

〈Table 6-5〉 Expert Evaluation of Support for Leisure Activities

	(1) Absolute importance	(2) Relative importance	(3) Policy support
	(1) Not important at all (2) Not really important (3) Neutral (4) Important (5) Very important	Distribute points, out of 100, according to importance.	(1) Very inadequate (2) Not really adequate (3) Neutral (4) Adequate (5) Very adequate
1) Cultural and artistic activities	4.2 points avg.	33.5 points	2.7 points
2) Lifelong education	4.1 points avg.	34.0 points	2.3 points
3) Volunteering	4.1 points avg.	28.2 points	2.2 points

Source: An expert survey conducted as part of this study, with 22 experts participating.

2) Sufficiency of Leisure Support Services

We may measure the sufficiency of diverse social and leisure activity support services for seniors according to how well they cater to seniors' needs. Almost three-fourths of seniors want support for cultural and artistic activities, which are understood as forming "leisure" in the narrow sense (Table 6-6).[19]. It is thus important to continue policy support and services in this area. Younger seniors with higher incomes also show greater preference for cultural and artistic activities. Policy programs catering to these seniors therefore need to provide specific measures that satisfy their leisure needs.

19) The table presents statistics on all seniors in general. Discussion of the differing participation patterns and needs of seniors with different characteristics draws upon Chung et al. (2014a).

〈Table 6-6〉 Senior Participation in Leisure Activities

(Unit: %)

Type		Total
Satisfaction with social/cultural/artistic activities		34.8
Demand for hobbies & crafts[1)]		81.8
Lifelong education	Participation rate	13.7
	Demand	25.2
Volunteering	Participation rate	4.5
	Demand	20.7
Programs at SLCs	Participation rate	25.9
	Demand	34.2
Programs at SWCs	Participation rate	8.9
	Demand	19.5

Note: Represents the proportion of seniors who answered on the survey that they wished to engage in the given activities/programs “very strongly”, “quite”, and “if possible”.
Source: Chung et al. (2014a).

Note that the needs of seniors participating in SWC programs are relatively unsatisfied. Seniors living in urban areas also tend to report lower satisfaction rates than their rural counterparts. The fact that seniors earning middle level incomes show greater demand for programs at SWCs indicates that seniors perceive SWCs as venues where they can engage in a variety of leisure activities without taking on significant financial burden. Seniors living in rural areas, earning low levels of income, and experiencing limits to their physiological functions show greater dissatisfaction with programs at SLCs. Policymakers need to tailor their leisure support policies on the basis of these findings.

Approximately 10 percent of seniors have their needs not met by the lifelong education and volunteering opportunities

available to them. These programs may appear to satisfy their needs better than the available programs on cultural and artistic activities, yet the lifelong education and volunteering are important social issues that are not receiving adequate policy attention. Of particular note is the fact that there are almost four times as many male seniors (23.2 percent) who wish to participate in lifelong education than male seniors (8.5 percent) actually participating in it. The demand for lifelong education is also inversely correlated to age, suggesting that younger seniors and soon-to-be-retirees will express greater demand for it in the future. Among seniors aged 65 to 69, 33.7 percent show an interest in lifelong education, as opposed to the 16.4 percent of seniors aged 80 to 85 and 9.1 percent of seniors aged 85 and older. Interest in lifelong education also increases in proportion to household income, suggesting that relatively well-off seniors will harbor greater expectations of lifelong education and the quality of related services. Physical limitations, however, seem to discourage their interest in learning.

Volunteering shows similar patterns. Seniors living in urban areas (22.8 percent) and male seniors (23.8 percent) tend to show a greater interest in volunteering opportunities than average, outrunning the actual participation rate by over 17 percentage points.

Interest in volunteering differs greatly by age. Seniors aged 65 to 69 are far more likely to take an interest in or actually

participate in volunteering than other senior age groups. This pattern will likely persist in baby boomers, who will become seniors in a few years.[20)]

In particular, seniors with high school education or more show the greatest interest in volunteering. Considering that over 70 percent of baby boomers have at least high school education, policymakers will need to devise specific policy measures that cater in a satisfactory manner to the desires of these relatively well-educated seniors for learning and volunteering. Moreover, the interest in volunteering also corresponds in proportion to household income and the lack of physiological limitations.

3) Adequacy of Leisure Support Services

It is notoriously difficult to measure the adequacy of policy services supporting the cultural, artistic, and other leisure activities that seniors participate in on a very informal basis. Even if they were to resort to certain programs for such activities, they may do so in the private sector without using any government services. Moreover, there is no centralized database or infrastructure collecting information on the leisure support policy programs of different government departments. Criticism continues, meanwhile, regarding the failure by poli-

20) A survey on baby boomers in 2010 shows 44.0 percent of respondents to be interested in volunteering (Chung et al., 2010).

cymakers to introduce services that cater to specific needs (Lee et al., 2015; Yun, 2016).

We may indirectly measure the adequacy of leisure support services by polling seniors on their level of satisfaction with given leisure activities. According to a national survey on leisure, the vast majority spend their leisure time watching TV, but are quite dissatisfied with this. On the other hand, there are few seniors who listen to music in their leisure time, yet when they do, they are greatly satisfied with it (MCST, 2014). Chung et al. (2014) also shows that, of the diverse leisure activities one could enjoy, such as appreciating artwork and concerts, participating in creative activities, watching sports, playing sports, traveling, cultivating hobbies and crafts, engaging in social activities, and just relaxing, relaxing was the most popular way to spend leisure time (90.2 percent), followed by hobbies and crafts (42.5 percent), social activities (40.1 percent), playing sports (10.2 percent), creative activities (5.8 percent), traveling (4.0 percent), watching sports (1.2 percent), and appreciating artwork and concerts (0.9 percent). The overwhelming popularity of certain leisure activities may be a result of personal choice, but may also reflect the shortage of leisure programs that seniors can easily access and participate in.

The Korean government provides cultural and artistic programs for the general public in six areas: traditional Korean music, other music, theater, cinema, dance, and fine art.

However, programs open to seniors involve only three—music, theater, and dance (Han and Yun, 2011). The same study also points out the lack of diversity in the available leisure support programs as the greatest obstacle to the progress of creative education for seniors in Korea.

The fact that lifelong education programs in Korea, too, are largely concentrated on health management, exercise, and culture and the arts also attests to this lack of diversity. Volunteering opportunities for seniors, likewise, are concentrated on social service and environmental protection (Chung et al., 2014a).

4) Equity of Access to Leisure Support Services & Infrastructure

The amount of money seniors spend on leisure activities significantly differs by gender, age, education, and income level (Table 6-7). These significant differences translate into significant differences in the extent to which different groups of seniors participate in these activities. In other words, the ability to pay exerts a dramatic influence on participation. This much seems evident in the fact that, while male seniors are relatively more eager than female seniors to participate in leisure activities that involve spending, female seniors are more eager than male seniors to participate in free or affordable lifelong education programs. The only policy solution that the Korean government has introduced so far to reduce the effect of different

amounts of wealth on the use of leisure services is the Integrated Cultural Activities Voucher, known as the Munhwanuri Card.

〈Table 6-7〉 Seniors' Spending on Leisure Activities

(Units: %, KRW 10,000)

Senior characteristics	Proportion of seniors spending money on leisure activities	Amount of money spent on leisure activities
Overall[1]	63.8	4.4
Regions		
Urban areas	64.3	4.8
Rural areas	62.2	3.1
Gender		
Male	68.7	6.2
Female	60.3	3.1
Age group		
65 to 69	75.0	6.9
70 to 74	67.2	4.3
75 to 79	59.5	2.6
80 to 84	53.2	3.2
85+	35.6	1.1
Annual household income		
Quintile 1	50.1	2.0
Quintile 2	58.8	2.4
Quintile 3	66.2	3.3
Quintile 4	67.9	4.6
Quintile 5	76.2	9.6

Notes: 1) The total number of samples was 10,451.
2) Spending was tracked from January 1 to December 31, 2013.
Source: Chung et al. (2014a) (Table 7-24).

The public infrastructure supporting leisure activities is quite unevenly distributed across Korea. Measuring in each region reveals that the average number of clients per SWC in Jeju, for example, is almost nine times greater than that of Ulsan. The same pattern is observed with respect to SLCs as well. While the number of available lifelong education venues also differs from

region to region, the difference is not as prominent as for senior leisure and welfare facilities as defined by the WAA.

〈Table 6-8〉 Public Infrastructure for Seniors' Leisure Activities

Region	Elderly population size (65+)[1]	Exclusively serving seniors						Open to all age groups		
		SWCs[2]		SLCs[2]		Senior classes[2]		No. of local culture institutes[3]	No. of lifelong education institutes[4]	No. of volunteering centers[5]
		No.	No. of clients per center	No.	No. of clients per center	No.	No. of clients per center			
Total	6,919,551	347	1,994,107	64,568	10,717	1,377	502,509	228	11,115	245
Seoul	1,285,551	74	1,737,231	3,333	38,570	370	347,446	25	3,687	26
Busan	528,565	24	2,202,354	2,235	23,649	171	309,102	14	754	17
Daegu	324,132	14	2,315,229	1,437	22,556	51	635,553	8	547	9
Incheon	320,510	18	1,780,611	1,445	22,181	42	763,119	8	439	11
Gwangju	170,542	11	1,550,382	1,297	13,149	43	396,609	5	580	6
Daejeon	169,463	7	2,420,900	801	21,156	18	941,461	5	428	6
Ulsan	106,808	11	970,982	774	13,799	22	485,491	5	214	6
Sejong	23,718	0	-	423	5,607	8	296,475	1	16	1
Gyeonggi	1,355,378	54	2,509,959	9,248	14,656	167	811,604	31	1.826	32
Gangwon	264,862	13	2,037,400	3,049	8,687	39	679,133	18	268	19
Chungbuk	238,433	16	1,490,206	4,051	5,886	6	3,973,883	11	278	12
Chungnam	346,761	15	2,311,740	5,617	6,173	69	502,552	16	320	16
Jeonbuk	338,644	22	1,539,291	6,567	5,157	71	476,963	14	440	15
Jeonnam	396,239	31	1,278,190	8,837	4,484	60	660,398	22	258	23
Gyeongbuk	487,618	17	2,868,341	7,800	6,252	111	439,295	23	415	24
Gyeongnam	474,252	19	2,496,063	7,237	6,553	102	464,953	20	565	19
Jeju	88,075	1	8,807,500	417	21,121	27	326,204	2	79	3

Sources: 1) Resident registration records on the national population as of December 31, 2014.
2) MOHW (2016). "Status of Senior Welfare Facilities 2016" (as of December 31, 2015).
3) Federation of Korean Cultural Centers (KCCF) website (www.kcf.or.kr), retrieved on October 3, 2016.
4) MOE-KEDI (2016).
5) MOIS-KVC (2015).

VII Conclusion

1. Assessment Overview
2. Policy Tasks

VII Conclusion

1. Assessment Overview

1) Assessment by Dimension

(1) Systemic Infrastructure for Old-Age Welfare Services

Figure 7-1 and Tables 7-1 and 7-2 summarize the policy programs so far implemented by the Korean government to support the welfare of seniors and assessment thereof. There are several milestones marking watershed moments in the historical evolution of elderly welfare policies. The first of these is enactment of the WAA in 1981. Introduction of this legislation finally paved the legal grounds upon which the government could centralize and implement diverse senior welfare programs. Introduction of the National Pension Scheme (NPS) in 1988 has also given Koreans a secure source of income in their old age. In the meantime, the number of SLCs, first created in 1945, has been steadily increasing, as has the number of SWCs since 1989. The 347 SWCs across Korea today serve as centers for leisure and welfare services for local seniors. Volunteering centers were also introduced in 1996 at the mu-

nicipal level, numbering 245 as of 2014. Lifelong education institutes, first established in Korea in 2000, now number 11,115 across Korea, while the number of local culture institutions has also risen to 228 since 2001. The volunteering, lifelong education, and local culture institutes, however, are not tailored to the specific needs of seniors.

Establishment of the National Master Plan on the Low Birth Rate and Population Aging in 2005 has sparked enactment of a series of supporting statutes, including the Lifelong Education Act of 2007, and the Act on Prohibition of Age Discrimination in Employment and Elderly Employment Promotion of 2016. The increasing size of the elderly population and the growing importance of old age in the individual lifespan have also led policymakers to introduce diverse new policy programs, including the Jobs for Seniors Program (JSP) in 2004 and the Lifecycle Health Checkup Service Program (LHCSP) in 2006.

Although the Master Plan on the Low Birth Rate and Population Aging has awakened social attention to the diverse issues of Korea's aging (and now aged society, as of September 2017), it still falls short of providing a comprehensive legal basis upon which Korean policymakers can actively tackle the problems of aging at the personal level. As a matter of fact, the Korean government has not produced another plan focusing on the effects of aging on individuals since its Mid- to Long-Term Plan for the Improvement of Elderly Welfare in 1999.

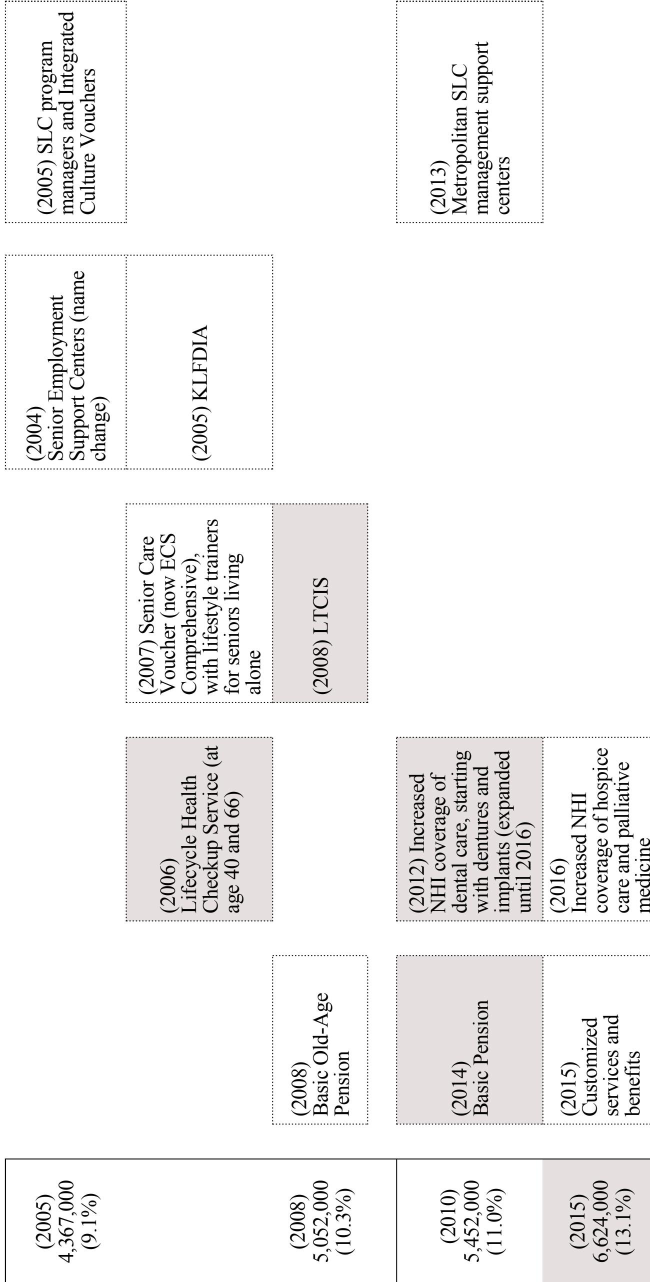
2) Delivery System

Figure 7-2 summarizes the system by which diverse policy welfare services are delivered to individual seniors in Korea. While the majority are developed and delivered through a multi-level administrative system encompassing the central, metropolitan, provincial, and local governments, there are also programs affiliated with special-purpose organizations, such as the National Institute for Lifelong Education (NILE) and the Korea Labor Force Development Institute for the Aged (KLFDIA), which cooperate with local governments and NGOs to provide specialized services.

Programs run by social insurance schemes, such as the NPS and the Long-Term Care Insurance for Seniors (LTCIS), feature separate systems of delivery centered on the public corporations managing these schemes. These public corporations provide their services for seniors via their local headquarters or branch offices.

[Figure 7-1] Milestones in the Evolution of Elderly Welfare Policies in Korea

Aged population (% of total population)	Income security	Health support	Care service	Employment supp	Leisure support
	(1962) Livelihood Security Program	(1980) NHI	Old people's homes (1981) WAA	(1981) Able seniors' banks	(1945) SLCs (1989) SWCs
(1980) 1,456,000 (3.8%)	(1988) NPS	(1983) Free checkups for seniors	(1989) At-home care services	(1986) Joint workshops for seniors	
(1990) 2,195,000 (5.1%)	(1991) Old-Age Allowance			(1992) Act on Promotion of Elderly Employment	
(1995) 2,660,000 (5.9%)		(1995) Reduction of seniors' medical co-payments		(1997) Headhunting centers for seniors	(1996) Volunteering centers
	(1998) Old-Age Pension				
	(1999) NPS reform				
(2000) 3,395,000 (7.2%)	(2000) NBLSP	(2000) NHI management system centralized (2003) Finance merged			(2000) Lifelong education centers (2001) Local culture institutes
		(2002 onward) Community-centered local senior health support policy		(2004) JSP	(2002) Volunteering centers in 247 municipalities nationwide


(2005) 4,367,000 (9.1%)
(2008) 5,052,000 (10.3%)
(2010) 5,452,000 (11.0%)
(2015) 6,624,000 (13.1%)
(2008) Basic Old-Age Pension
(2014) Basic Pension
(2015) Customized services and benefits
(2006) Lifecycle Health Checkup Service (at age 40 and 66)
(2012) Increased NHI coverage of dental care, starting with dentures and implants (expanded until 2016)
(2016) Increased NHI coverage of hospice care and palliative medicine
(2007) Senior Care Voucher (now ECS Comprehensive), with lifestyle trainers for seniors living alone
(2008) LTCIS
(2004) Senior Employment Support Centers (name change)
(2005) KLFDIA
(2005) SLC program managers and Integrated Culture Vouchers
(2013) Metropolitan SLC management support centers

〈Table 7-1〉 Old-Age Welfare Policy Infrastructure & Programs

Income security	Health support	Care service	Employment support	Leisure support
(1962) Livelihood Security Program (1987) National Pension Corporation	(1983) Free health checkups for seniors (65+) earning low incomes	Old people's homes (1989) At-home care services	(1981) Able seniors' banks (later changed to Senior Employment Support Centers)	
(1988) NPS				
(1999) NPS expanded to entire population				
			(1996) 60 able seniors' banks	
	(2006) Lifecycle Health Checkup Services (at age 40 and 66)	(2007) Senior Care Voucher (now ECS Comprehensive), with lifestyle trainers for seniors living alone (2008) LTCIS facilities designated	(2004) 248 senior headhunting agencies (2006) Senior Employment Support Centers (name change) (2005) KLFDIA (6 divisions)	(2008) NILE
	(2012) Suicide Prevention Center (2013) Integrated Health Improvement Program centered on local public healthcare centers	(2011) Centers Supporting Seniors Living Alone		

〈Table 7-2〉 Laws & National Plans Supporting Old-Age Welfare Policies

Income security	Health support	Care services	Employment support	Leisure support	Overall
(1986) National Pension Act				(1982) Social Education Act	(1981) WAA (with emphasis on filial duty and respect for elderly)
			(1992) APAE		(1997) Amended APAE
	(1995) Local Health Act			(1999) Lifelong Education Act	(1999) Mid- to Long-Term Plan for Improvement of Seniors' Welfare
(2000) ANBLSP	(2002) Master Plan on Elderly Illnesses				
	National Healthcare Development Plan (2004~2008)				
(2008) Basic Old-Age Pension Act	(2007) Health Investment Strategy	(2008) ALTCIS		(2007) Amended Lifelong Education Act	(2005) Framework Act on Low Birth Rate and Population Aging
	Master Plan on Strengthening Seniors' Health				
	National Plans on Suicide Prevention (2004-2007, 2008-2013)				
(2014) Basic Pension Act	National Senile Dementia Management Plans (2008-2012, 2013-2015, 2016-2020)	(2013-2017) First Master Plan on LTCIS	(2014) Middle-Aged Employment Master Plan (2016) APADEAEP	(2011) Act on Support for KSCA	Master Plans on Low Birth Rate and Population Aging (2006-2010, 2011-2015, 2016-2020)
	(2011) Act for the Prevention of Suicide				
	(2016) NHI Coverage Expansion Policy				

[Figure 7-2] Old-Age Welfare Policy Service Delivery System

Elderly welfare policies
Service System
National government
Metropolitan/ provincial governments
Local governments

Income security
National Pension
National Pension Service (NPS)
7 regional HQs
107 local offices
Government Employee Pension
Government Employee Pension Service (GEPS)
8 regional HQs
Military Personnel Pension
Division of Military Personnel Pension (MND)
Housing security
Old people's homes
Housing for seniors
Group homes

Healthcare
National Health Insurance
National Health Insurance (NHIS)
6 regional HQs
178 local offices
Treatment/management/prevention of diseases and health management
Hospitals and clinics
Public healthcare clinics
Senile dementia management
National Institute of Dementia (NID)
Regional senile dementia centers
Senile dementia counseling centers

Care service
Long-Term Care Insurance for Seniors (LTCIS)
Care facilities
Group homes
Elderly Care Service (Comprehensive)
Care on visit
Nursing on visit
Day/night care
Bath on visit
Care for disabled seniors living alone
Short-term protection
Auxiliary devices
At-home care service centers and agencies

Protection of neglected seniors
Protection against elder abuse
Korea Association of Senior Welfare Centers
Korea Elder Protection Agency
Local elderly protection agencies
Support for seniors living alone
Comprehensive Support Center for the Elderly Living Alone
15 local chapters
Regional officers
Lifestyle coaches for seniors living alone
Welfare centers for seniors

Support for leisure and social participation
Jobs for seniors
Korea Labor Force Development Institute for the Aged
6 regional HQs
Senior clubs
Social welfare centers
Employment Support HQ
15 regional employment support centers
174 local headhunting centers
Support for leisure and social participation
National HQ for Elderly Welfare Centers
Regional support centers for senior leisure centers
Senior leisure center program managers
Korean Senior Citizen Volunteers Support Center
16 regional management centers
Volunteer clubs
Happy Learning Centers
Lifelong education agencies
National Institute of Lifelong Education (NILE)
Regional lifelong education centers
Federation of Korean Cultural Centers
16 regional cultural centers
Local cultural centers

3) Allocation of Fiscal Resources

The welfare policy programs for seniors are funded in diverse ways. Some, like the Basic Pension Scheme (BPS), are run by the national and local governments sharing the financial burdens. Other services are partially funded by the national and local governments, but still require individual clients to pay part of the cost. There are programs that sprang up first in the private sector, and have since been taken up by either the national or local governments. Some programs are run solely on the financial resources of local governments, while others are run by private-sector parties subsidized by the government. There are also social insurances, such as the NPS and LTCIS, that collect monthly premiums from citizens to minimize society-wide risks against various problems of aging.

The programs of the Korea Senior Citizens Association (KSCA), the JSP, the Prevention of Blindness in Seniors Program and the Knee Arthroplasty Support Program are all funded in entirety by the national treasury. Other programs vary widely in the proportions of co-funding by both the national and local governments, in accordance with which financial burdens are shared. Programs funded entirely by local governments include free health checkups, free meals from SLCs, the At-Home Senior Support Service (AHSSS) Program, and the creation and management of SWCs. Local governments fund programs that

require locally-based services. Yet the quality and accessibility of these services can differ widely depending on the fiscal resources local governments can afford to use in this way. This remains a source of possible inequity.

〈Table 7-3〉 Funding of Old-Age Welfare Policy Programs

<table>
<tr><th>Source</th><th>Area</th><th colspan="2">Program</th><th>Remark</th><th>Budget (2016)</th></tr>
<tr><td rowspan="10">Shared by national & local governments</td><td rowspan="2">Income</td><td colspan="2">NBLSP</td><td>Local governments (23.3%)</td><td>KRW 3.3882 trillion</td></tr>
<tr><td colspan="2">Basic Pension</td><td>Local governments (31.0%)</td><td>KRW 7.8691 trillion</td></tr>
<tr><td>Health</td><td colspan="2">Health Promotion
- Some local governments began to provide visiting checkups in 1990.
→ Program expanded onto all local governments in 2013.</td><td>National government subsidizes 100% of private-sector services and 50% of local government services.</td><td>KRW 85.4 billion</td></tr>
<tr><td rowspan="5">Care</td><td rowspan="4">ECS (local government subsidized)[1]</td><td>ECS Standard</td><td rowspan="4">Local governments (46.1%)
* ECS Comprehensive (co-payment rates: 0 to 33%)</td><td rowspan="4">KRW 153.4 billion</td></tr>
<tr><td>Funerary services for seniors dying alone</td></tr>
<tr><td>Charity for seniors living alone</td></tr>
<tr><td>ECS Comprehensive*</td></tr>
<tr><td colspan="2">Support for old people's homes</td><td>National government subsidizes 50% of Seoul's cost and 70% of other local governments' costs.</td><td>KRW 32.3 billion</td></tr>
<tr><td>Employment</td><td colspan="2">Support for seniors' social participation (talent sharing and public works)</td><td>National:local = 47:53</td><td>KRW 219.4 billion</td></tr>
<tr><td>Leisure</td><td colspan="2">Metropolitan SLC support centers</td><td>50:50</td><td>n/a</td></tr>
<tr><td rowspan="2">Former private programs taken up by local/nation</td><td rowspan="2">Health</td><td rowspan="2">Senile Dementia Management Program (2006-2007)</td><td>Checkups at public healthcare centers</td><td rowspan="2">National government subsidizes 100% of private-sector services and 50 to 70% of local</td><td rowspan="2">KRW 15.8 billion</td></tr>
<tr><td>Regional dementia centers</td></tr>
</table>

Source	Area	Program		Remark	Budget (2016)
al governments		(checkups and case management	Dementia Counseling Call Centers	government services.	
			Public dementia hospitals		
			BTL subsidies for public dementia hospitals		
			Dementia treatment subsidization		
Formerly shared between national & local governments, but not funded by local governments	Health	Senior Health Checkups (part of National Health Checkup Program)		Local governments only	n/a
		Dementia counseling centers and registered patient management		Local governments only	n/a
	Care	Repair and financial support for LTCIS facilities		Local governments only	n/a
		Free meals at SLCs and meal delivery service for seniors earning low incomes		Local governments only	n/a
		AHSSS (since 2010)		Local governments only	n/a
Local governments	Leisure	Creation and management of SWCs		Local governments only (since 2015)	n/a
		(MOI) Volunteering centers		Subsidies for local governments	n/a
National government	Leisure	Central SLC Support HQ		National government only	n/a
		Support for senior volunteering clubs		National government only	KRW 4.3 billion
		Local culture institute senior programs		National government only	KRW 4.7 billion
National government (subsidizing private-sector programs)	Employment	(Pro-market) JSP		National government only	KRW 38.9 billion (2015)
		KSCA Seniors Employment Support Center		National government only	KRW 8.1 billion (2015)
	Health	Prevention of Blindness in Seniors		National government only	KRW 1.6 billion
		Knee Arthroplasty Support		National government only	KRW 2.9 billion
Various	Leisure	Lifelong	Creation of municipal	National	KRW 18.3

Source	Area	Program		Remark	Budget (2016)
sources		education institutes[4]	lifelong education networks	government (matching local government investment by 50 to 100%)	billion
			Lifelong Learning Cities		
			Happy Learning Centers		
			Damoa Lifelong Education Information Network		
			Textbook development & performance management		
			Adult literacy education		
Social insurances	Income	NPS – contributions		9.0% (4.5% from workers, 4.5% from employers)	
		NPC (administrative expenses)		National government only	KRW 137 million
	Care	LTCIS - contributions		6.55% of NHI premiums	
		LTCIS - subsidies		National government only	KRW 634.2 billion
	Health	NHI – contributions		6.12% (3.06% from workers, 3.06% from employers)	
		NHI (administrative expenses)		National government only	KRW 5.2054 trillion

Sources: 1) Republic of Korea Government (2016). Guide on Tax Revenue and Spending Estimates by Program – General MOHW Accounting; 2) MOSF (2016). Report on the Evaluation of Fund Management for Fiscal Year 2015 – Business Operations (MOHW's National Health Promotion Fund); 3) MOHW (2016); 4) Republic of Korea Government (2016). Action Plan 2016 for the Third Master Plan on the Low Birth Rate and Population Aging; 5) KSCA website (http://www.koreapeople.co.kr, retrieved on October 20, 2016); 6) Ministry of the Interior (MOI) (2016). Guide on the Operation of Volunteering Centers.

2) Conclusion

Table 7-4 summarizes the conclusion this study has reached regarding the assessment of programs in each area of old-age welfare policymaking. Old-age income security policy has been geared toward establishing a multi-tiered system for guaranteeing income for retirees, but has yet to provide a system of sufficient income for old age. The individual programs of this policy have failed to achieve the target rates of people receiving benefits. The analysis of poverty rates and gaps among seniors reveals that the elderly poverty rate remains in the staggering 40-percent range despite policy efforts to reduce it. Poverty gaps are also prominent along socio-demographic lines (urban-rural divide, gender, and age), reflecting significant flaws with the design of public pension programs.

The old-age health support policy has significantly improved seniors' access to medical services by expanding NHI coverage, but it has yet to substantially improve the health of seniors. Although the financial assistance provided by the Korean government for medical services has increased dramatically, there is still the problem of seniors over-using the healthcare system. Healthcare resources have also increased noticeably, but not in a way that enhances access for seniors. The sufficiency of medical benefits varies greatly from program to program, and few systematic health programs exist that cater to the specific and

diverse range of senior needs. Service quality also remains inadequate. The service personnel and local governments lack expertise over health support services for seniors, and the dearth of public information has led to widespread overuse of medication. The excessive focus of policy programs on physical health has also left the risks of depression and suicide unattended. The overall old-age health support policy system is thus plagued with the problem of inadequacy.

The old-age care policy intends to provide proper care and protection for seniors suffering from various forms of debilitation. Although the programs of this policy reflect appropriate concerns of recent policymaking, they are not operated to reduce and eliminate these concerns. The elder care system itself has been designed in thorough consideration of seniors' varying needs, income levels, and household settings, but the system still has blind spots with regards to some seniors. The amount of at-home care offered for seniors in LTCIS Grades 1 and 2 remains insufficient, while there are few programs that work to slow down the weakening of physiological and cognitive functions. The quality of services provided by care facilities has declined over the years. There are still disparities in the availability of different types of services, while the co-existence of geriatric care facilities and hospitals adds to the confusion for clients. The LTCIS and the ECS still raise issues of equity in the fees they charge. The number of

available services also differs significantly from region to region.

The old-age employment support policy system is largely divided between employment support and welfare services. The demand for jobs far outnumbers the opportunities available (almost fourfold). The jobs this system provides also grossly mismatch participants' actual needs, mostly because the job opportunities are concentrated in the public sector only.

The old-age leisure support policy is the newest of all such welfare policies and therefore lags far behind other policies in terms of sufficiency and adequacy. The need for a variety of leisure activities remains largely unsatisfied under this policy system. The lack of diversity in leisure support resources, however, cannot be overcome by the public sector alone. In addition, the support infrastructure remains unevenly and inequitably distributed along regional, gender, and income lines.

〈Table 7-4〉 Assessment of Old-Age Welfare Policy Programs

Area	Aim	Sufficiency (quantitative)	Adequacy (qualitative)	Equity
Old-age income security	• To establish a multi-tiered income security system (but target benefit rates have not yet been met)	• The rates of people benefitting from individual programs have not yet reached target levels.	• Poverty rates and gaps: Despite active policy efforts, the old-age poverty rate remains in the 40-percent range.	• Poverty gaps persist along regional, gender, and age lines due to design of the public pension system.
Old-age health support	• Increasing NHI coverage has dramatically improved access to medical services, but has yet to improve senior health.	• Financial assistance with medical costs is sufficient, but has also invited over-use. • There are sufficient public healthcare resources, but these are still inaccessible to seniors. • The number of services available differs from program to program.	• Qualitative inadequacy: Shortage of systematic health enhancing programs catering to seniors' specific needs. • Lack of personnel and capabilities in local governments • Drug overuse due to lack of information • Lack of interest in mental health issues (e.g., suicide)	• Disparities in access to medical services along income lines • Disparities in the availability of public healthcare from region to region
Old-age care	• Care services appropriately reflect recent concerns in policymaking, but are not run to reduce such concerns.	• The programs are designed well, taking into account various factors (different needs, income levels, and household settings), but blind spots remain.	• Quantity: Shortage of available services for LTCIS Grade 1 and 2 clients • Lack of programs strengthening physiological and cognitive functions • Declining service quality • Disparities in service supply from program to program; Confusing presence of geriatric care facilities and hospitals	• Disparities in the number of facility and at-home care services available charging the same fees • Disparities in the availability of services from region to region

Area	Aim	Sufficiency (quantitative)	Adequacy (qualitative)	Equity
Old-age employ ment support	• Programs designed without serious consideration of why seniors require job opportunities. • Divided between employment support and welfare services.	• Supply of job opportunities overwhelmed by demand (fourfold). • Mismatch between seniors' needs and program structures.	• Shortage of jobs available to seniors.	• Shortage of jobs for relatively well-educated male seniors in relatively good health, living alone in urban areas.
Old-age leisure support	• Lack of clear definition and focus on leisure for seniors - approaching seniors as passive minorities.	• Needs for diverse leisure activities left unsatisfied.	• Shortage of public programs providing a wide range of leisure activities.	• Great disparity in infrastructure along regional lines • Significant gender and income gaps in access to leisure activities that cost money

2. Policy Tasks

Table 7-5 sums up the remaining policy tasks that ought to be addressed over the next decade on the basis of the analysis and assessment provided in this study. First, the old-age income security policy ought to focus more on reducing the poverty rate among seniors by increasing the income replacement function of the NPS, increasing benefit amounts provided under the BPS, relaxing the family support obligation under the NBLSP, and reforming the NPS and other public pension schemes for greater equity.

Second, issues related to adequacy of the old-age health support policy have appeared. To improve on this, it is important for policymakers to research and develop health-promoting programs catering to senior clients' specific needs, improve the quality of personnel and infrastructure, and provide measures that support "aging in place."

Third, the old-age care policy is in need of a system that ensures continuous and adequate care, expansion of at-home care services, and improvement of service quality.

Fourth, the perception of senior economic activities by the old-age employment support policy needs to be redefined, and more effort made to provide satisfactory jobs for seniors in the private sector and also achieve effective collaboration between the MOHW and the MOEL. Services need to be suited to the dif-

ferent health and financial needs of seniors in order to enhance service adequacy and equity.

Fifth, attention should be given to redefining the roles of the public and private sectors in old-age leisure support policy. A balanced approach should be taken toward supporting more leisure activity diversity, and introducing more senior-friendly services.

Finally, lawmakers should amend the WAA to include provisions requiring systemic and periodic assessment of the administrative system and agencies involved in providing elderly services pursuant to the Elderly Health and Welfare Master Plan.

〈Table 7-5〉 Policy Tasks for Elderly Welfare Policies

Area	New aims	Sufficiency (quantitative)	Adequacy (qualitative)	Equity
Income security	- Maintain the current multi-tiered income security system. - Establish a plan, based on social consensus, for reforming the NPS toward enhancing its ability to provide sufficient income for the senior years. - Consider changes in family structure and functions.	- Relax family support obligation required by the NBLSP (in the long run).	- Prioritize the reduction of absolute poverty among seniors. - Readjust (upwards) the amount of Basic Pension benefits and tie these increases to the wage increase rate rather than the inflation rate. - Raise the income replacement rate of the NPS (in the long run).	- Eliminate blind spots in the NPS by increasing benefits for the low-income class.
Health support	- Establish an interdepartmental and integrated system of comprehensive health support. - Establish an interdisciplinary public healthcare system. - Design the public healthcare system toward supporting "aging in place."	- Introduce specific and customized health support programs catering to frail seniors	- Enhance client-centered focus by increasing customized programs and introducing family doctors. - Expand the scope of health services for seniors, particularly regarding mental health.	- Reduce regional disparities in the quality and availability of medical resources and personnel.
Care services	- Clarify the roles and responsibilities of care-providing institutions (e.g., tax revenue-based services vs. social insurance programs, geriatric care facilities vs. geriatric hospitals) to ensure the continuity of care services.	- Eliminate blind spots by better matching the care system and actual needs.	- Improve the quality of care services through reinforced monitoring and assessment of care facilities and personnel.	- Reduce disparities between at-home care and care facilities. - Reduce regional disparities in the quality and

Area	New aims	Sufficiency (quantitative)	Adequacy (qualitative)	Equity
	- Establish a client-centered system of service delivery. - Increase the amount of at-home care and family support available to center the system on at-home care			availability of ECS Comprehensive services.
Employment support	- Ensure active collaboration between the MOHW and MOEL. - Switch attention from jobs in public works to jobs in the private sector. - Enhance capability to work and establish senior-friendly physical, institutional, and cultural environments for work.	- Increase policy support and job opportunities available to meet demand.	- Reform the JSP to reflect changes in senior needs and policies. - Diversify working conditions and job programs (including support for entrepreneurship and social work) - Tailor job support services to seniors' health and financial needs - Develop diverse models of employment through the participation of diverse stakeholders.	- Provide diverse job opportunities to reduce the impact of gender and education gaps on in the senior job market.
Leisure support	- Clarify and redefine the roles of the public and private sectors. - Clarify the mechanism of interdepartmental collaboration. - Establish a more senior-friendly leisure infrastructure.	- Cater to the needs of more diverse groups of seniors for variety in leisure activities.	- Enhance civic and market participation in supporting senior leisure activities. - Introduce leisure support policies that cater to more diverse age groups.	- Enhance public support for seniors unable to afford leisure activities. - Make public efforts to reduce regional disparities in leisure infrastructure.

Area	New aims	Sufficiency (quantitative)	Adequacy (qualitative)	Equity
Infrastructure development	- Include relevant provisions in the WAA, including: ● the establishment and updating of the Elderly Health and Welfare Master Plan; and ● provisions requiring systematic and periodic assessment of the administrative system and agencies involved in providing services.			

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