SOCIAL WELFARE PROGRAMS IN KOREA

-A Summary Explanation-

Edited by

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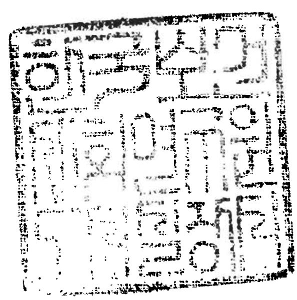

PREFACE

This publication has been prepared for those who are interested in Korea's social welfare programs in an effort to promote their understanding of our national programs and to share information on our experiencce in this field and on the problems we have encountered thus far.

This summary report consists of four chapters. The first chapter is an introduction which describes the development of social welfare programs and their delivery system. The following chapter reviews social insurance programs, public assistance programs and social welfare services. One of the major sources drawn upon in this report is A White Paper on Health and Social Affairs published by the Ministry of Health and Social Affairs.

Editors alone are responsible for the contents explained in this report, which do not necessarily represent the official position of KIHASA or the Korean Government. Finally, special appreciation has to go to the researchers in the Social Affairs Research Division who have provided their expert knowledge and ideas to make this report possible.

August 1991

Dal-Hyun Chi, PhD
President

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I. INTRODUCTION

A. Development of Social Welfare Systems in Korea

Before the establishment of the Korean Government in 1948, social welfare systems consisted mainly of community mutual help to alleviate suffering from disasters and famines, and national policies to relieve the poor or poor invalids were carried out, but a social welfare system, in the modern sense, was not introduced until 1948. The developmental period can be divided into three stages: the first stage 1948-1960 which can be called the passive relief stage, in the sense that it consisted of unorganized welfare activities performed by the state mainly for vetarans of the Korean War, orphans, widows, and the helpless aged, all of whom were provided with care mainly by agencies from foreign countries to assist with medical, educational and institutional relief.

The second stage, 1961-1980, can be labelled "systematization of welfare institutions" and were part of the Five Year Economic Development Plans which resulted in rapid industrialization and economic growth, aimed at eliminating poverty in Korea. The important Social Welfare Laws shown in the Table I-1 were enacted as cornerstones for the current social welfare systems.

The third stage may be said to be the period of embodiment of welfare ideals. Since 1980 the government made the establishing of a welfare society one of its five national development objectives, and has reinforced welfare rights in the Constitution. The Law for the Aged, the Law for the Handicapped, and the Law for the Social Welfare Activities Fund were all enforced.

Table I-1. Social Welfare Laws

Areas	Laws
Social Insurance	Civil Servant Pension Law (1960)
	Industrial Accident Compensation Insurance Law (1963)
	Medical Insurance Law (1963)
	National Welfare Pension Law (1973)
Public Assistance	Livelihood Protection Law (1961)
	Medical Care Protection Law (1976)
Social Welfare Services	Child Welfare Law (1961)
	Disaster Relief Law (1962)
	Social Welfare Activity Law (1970)
	Laws for Welfare of the Aged (1981)
	Law for the Welfare of the Handicapped (1981)

B. Social Welfare Delivery System

Figure I-1 shows Korea's social welfare delivery system. At the central government level, relevant Ministries are in charge of monitoring program implementation. The National Pension and the Medical Insurance Program are managed by the Ministry of Health and Social Affairs (MOHSA), whereas the Industrial Accident Compensation Program is managed by the Ministry of Labor. The pension programs for government personnel, private school teachers and the armed forces are managed by the Ministry of Government Administration, the Ministry of Education and the Ministry of National Defense, respectively. These Ministries have their own program management corporations. In the

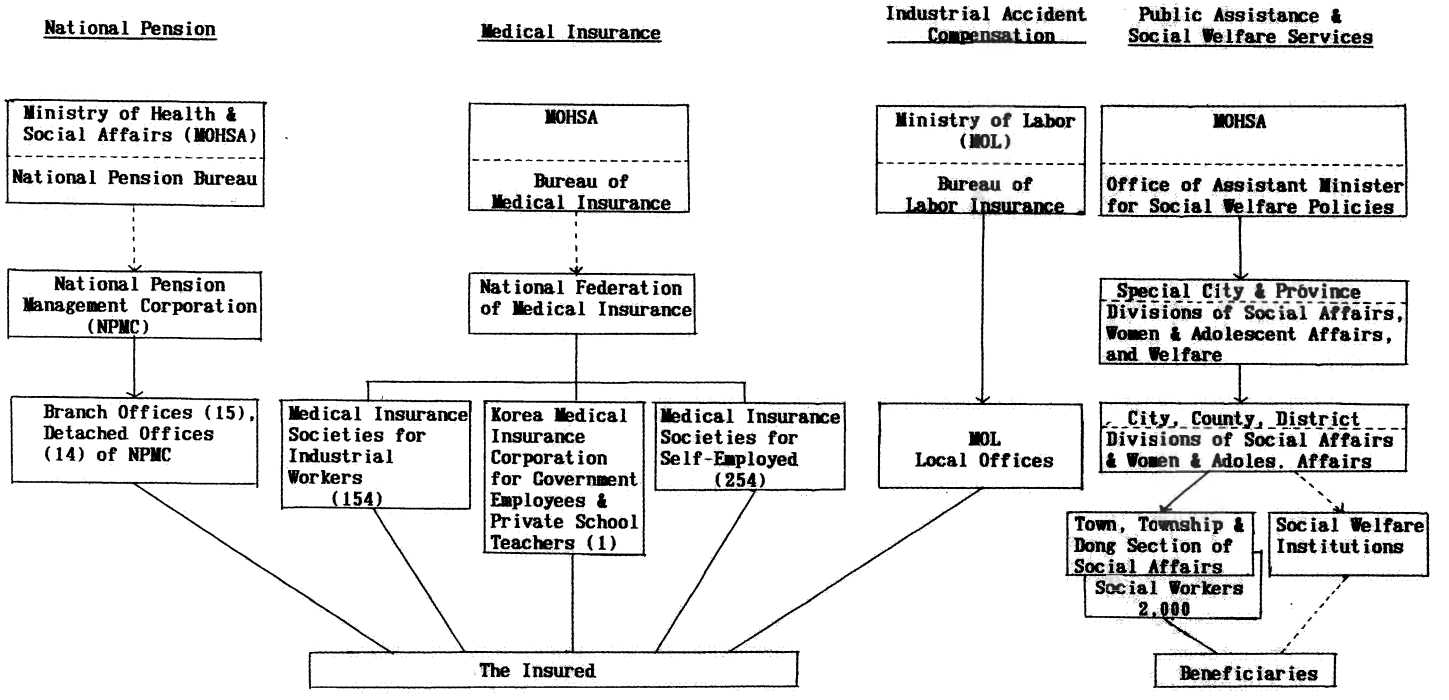
case of National Pension, there are fifteen branch offices and fourteen detached offices under the National Pension Management Corporation which was established in 1987.

Two management organizations were organized under the Ministry of Health and Social Affairs to handle the gradual nationwide expansion of medical insurance coverage. The Korea Medical Insurance Corporation is responsible for Government Employees' and Private School Teachers' Medical Insurance, and the National Federation of Medical Insurance is responsible for Industrial Workers' and Regional Medical Insurance.

The Industrial Accident Compensation Programs are implemented by the thirty five local labor offices established under the Ministry of Labor.

Last, public assistance and social welfare services are managed by MOHSA, but delivered by the Ministry of Home Affairs without an independent delivery system. Social workers have been deployed to "dong" offices in low-income areas in big cities since July 1987 to investigate the current status of low-income people and to provide them with counselling services, and to implement livelihood aid and self-support promotion programs. In 1991, a total of 1,676 social workers are planned to be deployed, one to each "dong" with more than 100 low-income households in cities with more than 500,000 population, or to "eup", "myon" and "dongs" with more than 300 low-income households in other small cities and counties, so that 2,000 social workers will be employed including the 324 present workers. Service networks are shown in Figure I-1, but personal social services and the unified delivery system for various social welfare programs are still needed.

Fig. I-1. SOCIAL WELFARE DELIVERY SYSTEM



II. SOCIAL INSURANCE SYSTEMS

A. Pension System

There are four kinds of pension systems in Korea. The Civil Servant Pension Law was enacted in 1960 and following the establishment of the Civil Servant Pension, the Military Pension for noncomissioned officers and higher ranks was established in 1963, and the School Teachers' Pension for all private school teachers in 1975. These three are compulsory pension systems, so at the end of 1989, 810,000 public servants, 155,000 military personnel and 150,000 school teachers were covered, but this number is very small considering the total population of the country, so the government launched the National Pension System for the general public in January 1988. All employees working in firms with 10 or more workers must be insured and employees of firms with less than ten workers and the self-employed can be insured voluntarily. Both groups must be within the age limit of 18 to 60. The number of insured at the end of 1990 was approximately 4,651,000, which is about 10.7% of the total population.

Table II-1. The Number Insured under National Pension System

Dec. 1990

Total		Firms				Self-employed
		Compulsory		Voluntary		
No. of Firms	No. of the Insured	No. of Firms	No. of the Insured	No. of Firms	No. of the Insured	
72,511	4,651 thousand	68,998	4,607 thousand	3,513	33 thousand	11 thousand

Source: '91 Major Program Data, MOHSA, 1991.4.

The Pension Programs are financed by pension contributions, for instance in the case of the Civil Servant Pension, Private School Teachers Pension, and the Military Pension, 11% of monthly average remuneration is collected as contributions, half from employees and half from employers. In the case of the Civil Servant Pension and the Military Pension, the government pays the employer's contribution, whereas in the case of the Private School Teachers' Pension, the school and the government pay 3.5% and 2% of monthly average wages, respectively.

In the case of the National Pension, 3% of the monthly average remuneration is collected for the pension fund half from employees and half from employers. In the case of the self-employed, 3% of the monthly average income is collected for the pension fund, all from the insured himself. Contribution rates will be increased to 6% in 1993 and 9% in 1998.

There are four benefits in all pension programs: retirement insurance benefits, disability benefits, survivors' benefits, and lump-sum withdrawal payments. In the case of the Civil Servant Pension, Private School Teachers Pension, and Military Pension, retirement insurance benefits are payable to an insured who retires with twenty years of contributions. The benefits are in proportion to the number of years and the remuneration level at retirement. The benefit is 50-76% of the final remuneration. Disability benefits are payable to an insured who becomes disabled during the period of his status as insured, with the amount 15-80% of the final remuneration, 40-80% in case of military pensions. Survivors' benefits are payable to the spouses, children and parents of deceased insureds, with the total amount 70% of the retirement benefit, but 55-70% in the case of

Table II-2. Pension Systems: Contribution and Benefits

As of 1991

Classification	Financial Sources & Monthly Contributions	Benefits	Conditions
Civil Servants Pension	11% of monthly remun. Public servant: 1/2 Gov't: 1/2	Retirement benefits: 50-76[40-100][2)]% of final remuneration	Retirement with contribution of 20[15][2)] years or more [and having reached age 60][2)]
Private School Teachers Pension	11% of monthly remun. Teacher: 11/22 School: 7/22 Gov't: 4/22	Disability benefits: 15-80 (40-80)[1)]% of final remuneration [60-100%][2)] of retirement benefits]	Disability occurred during period of insured status
Military Pension	11% of monthly remun. The military: 1/2 Gov't: 1/2	Survivors' benefits: 70(55-70)[1)] [40-60][2)] of retirement benefits	Surviving family dependents of the deceased insured
National Pension - Employed	3%* of monthly remun. Employee: 1/2 Employer: 1/2	Lump-sum withdrawal payments: Contribution amount plus interest	Withdrawal with contribution of less than 20[15][2)] years
- Self-employed	3%* of monthly average income		
	* will be increased to 6% in 1993. will be increased to 9% in 1998.		

1) ( ) denote figures only for Military Pension.
2) [ ] denote figures only for the National Pension.

military pensions. Lump-sum withdrawal payments, which consist of the contribution amount plus interest, are payable to those who quit their jobs after less the 20 years employment.

In the case of the National Pension, benefits are similar to those of other pensions except that retirement benefits are payable to those who are 60 or over and benefit levels are in proportion to the period and amount of the contributions. Lump-sum payments are payable to those who withdraw contributions of less than fifteen years. The amount of benefits provided from 1988 to 1990 was 42,301 million won for 319,576 cases (See Table II-3).

Table II-3. Benefits Provided under the National Pension System

Dec. 1990, Unit: cases, million won

Year	Total		Disability Benefits		Survivor's Benefits		Lump-sum Withdrawal Payments	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
1988	3,128	301	-	-	-	-	3,128	301
1989	59,347	6,034	69	54	1,756	753	57,522	5,227
1990	257,101	42,301	501	483	4,762	3,058	251,838	38,760
Total	319,576	48,636	570	537	6,518	3,811	312,488	44,288

Source: '91 Major Program Data, MOHSA, 1991.4.

B. Medical Insurance Systems

With its 93.3 percent of coverage as of January 1991, the medical insurance system has played an increasingly important role in improving national health and welfare. The government enacted a medical insurance law in December 1963, which was based on voluntary medical insurance, including employer-sponsored insurance societies.

In December 1976, however, the original law was amended and compulsory medical insurance as social insurance, was established in July 1977, initially to cover those employed by firms with 500 or more workers. After that, mandatory coverage of industrial workers was extended to firms with five or more employees. A medical insurance program for government employees and private school teachers was established in January 1979.

In 1981, voluntary occupational medical insurance was organized for such self-employed workers as beauty-shop owners, taxi-drivers, doctors, lawyers, artists, and entertainers. In addition, compulsory regional medical insurance to benefit farmers and self-employed workers, has been experimented with in several local regions from July 1981. In January 1988, regional medical insurance was extended to 137 counties nationwide to cover the rural population, and was extended to all self-employed workers in urban areas in July 1989.

Table II-4. Medical Insurance Program Policy Development

Initial Year	Policy Development	Remarks
Dec. 1963	Medical Insurance Law enacted - Medical insurance society established voluntarily for establishments with 300 or more workers.	- Voluntary MI - Employer sponsored
Dec. 1976	Medical Insurance Law amended.	
July 1977	Medical insurance for industrial workers (IWMI) in establishments with 500 or more workers established	- Compulsory as social insurance
	IWMI extended to establishments with 300 workers (1979), 100 workers (1981) 16 workers (1982), 5 workers (1988)	
Jan. 1979	Medical insurance for government employees and private school employees (GPMI) established	- Compulsory
July 1981	Medical insurance organized for the self-employed in 16 such occupations as beauty-shop owners, taxi-drivers, doctors	- Voluntary - Integrated with RMI
	Medical insurance pilot program for farmers and the self-employed (Regional Medical Insurance: RMI) in 3 counties.	- 1st pilot program
	RMI pilot program extended to the 5 counties and one city (1982)	- 2nd pilot program
Jan. 1988	RMI extended throughout 137 rural counties.	- Compulsory
July 1989	RMI extended throughout 117 cities	- Compulsory

As of 1991 40,328,000 persons were covered by the medical insurance program, so total coverage applies to 93.3% of the population. The rest are covered by medical aid and a subsidy program, so that there is 100 percent coverage for medical security. The population covered by various types of medical insurance is shown in Table II-5.

Table II-5. Medical Insurance Coverage

Jan. 1991

Medical Insurance Types	Insured	No. Covered (In thousands)	Percent of Population
Medical Insurance		40,328	93.3
Industrial Workers M.I. (IWMI)	Employees of establishments with 5 or more employees	15,834	36.6
Gov't and Private School employees M.I. (GPMI)	Gov't and private school employees	4,893	11.3
Regional M.I. (RMI)	Farmers and the self-employed	19,601	45.4
Medical Aid and Subsidy Program		2,879	6.7
Total		43,207	100.0

Source: '91 Major Program Data, MOHSA, 1991.4.

The medical insurance program is financed by insurance premiums, the amount of which differs by type of insurance. For industrial workers, 3-8% (average 3.2%) of the monthly remuneration of the insured is the insurance premium, half of which is paid by employers and half by employees. For government and private school employees, 4.6% of the monthly remuneration of the insured is the insurance premium, half of which is paid by employees and the other half by the government in the case of government employees, whereas 2/10 is paid by the government and 3/10 by the school in the case of private school employees. For regional medical insurance, premiums consist of a proportional contribution and a flat rate contribution. The former is levied on the insured with its 30 levels based on cash income and assets and the latter is levied per household based on the number of dependents. In principle, 50% of the premiums must be contributed by

the insured himself, and the government subsidizes the remaining 50%.

Benefits of medical insurance comprise medical care for sickness or injury of the insured and their dependents, and cash benefits in exceptional cases. According to research conducted by KIHASA, medical utilization by the insured was 7.0 days (in-patients 0.5 days plus out-patients 6.5 days) in 1989. Medical utilizations by IWMI and GPMI (7.5 and 8.5 days) are higher than those by RMI, though they increased rapidly every year from 3.8 in 1986 to 5.9 in 1989.

Predetermined coinsurance rates are applied to both out-patient and in-patient services. In the case of out-patient services, patients must pay 40-55% of the consultation fee plus the treatment fee at the hospital level, and 2,300 won or 30% of the treatment fee when the fee exceeds 10,000 won at the clinic level. In the case of in-patient services, patients must pay 20% of the treatment fee at all levels. The bigger the medical institution, the higher the proportion of direct payments levied on users, thus resulting in discouraging the concentration of patients at big hospitals.

Medical insurance benefits comprise medical care for sickness or injury of the insured and their dependents, and cash benefits: delivery expenses covered for home deliveries and funeral expenses.

There are insurance societies established by individual enterprises or groups of enterprises, and regional administrative units. IWMI has 154 societies and RMI has 254. GPMI has only one insurance society, the Korea Medical Insurance Corporation. These 409 societies form the National Federation of Medical Insurance to perform joint projects among societies and to review the claims of providers (See Figure I-1).

Table II-6. Medical Insurance Financing

Classification	Insurance Premium	Direct Payments
Industrial Workers' Medical Insurance	3-8% of monthly remuneration - Employers: 1/2 - Employees: 1/2	Out-patients - Hospitals: 40-55% of consultation fee plus treatment fee - Clinics: 2,300 won (or 30% of treatment fee when the fee exceeds 10,000 won) In-patients - 20% of treatment fee
Gov't and Private School Employees Medical Insurance	4.6% of monthly remuneration - Gov't Employee Gov't: 1/2 Employees: 1/2 - Private S.E. Gov't: 2/10 School: 3/10 Employees: 5/10	
Regional Medical Insurance	Amount based on income tax, property tax (proportional contribution) and number of dependents (flat rate contribution)	

Source: '91 Major Program Data, MOHSA, 1991.4.

III. PUBLIC ASSISTANCE

In spite of rapid economic growth during the last 30 years and an increase in per capita GNP from $87 in 1962 to $4,968 in 1990, the income distribution problem still remains one of the most serious issues in Korea. The income share of the bottom 20% rose slightly from 5.8% in 1965 to 7.4% in 1990, which is much lower than that of Taiwan (8.6% in 1979). Furthermore, the subsidies to families and individuals under the poverty line are widely recognized as critical policy problems in our society. In 1990 5.3% of the population barely subsisted under the minimum standard of ₩48,000, per month which is one third of the monthly average living standard.

Table III-1. Public Assistance Program Background

Year	Per Capita GNP ($)	Income Distribution		Poverty Population (%)	Monthly Minimum Living Standard (Won/Person)	Monthly Average Living Standard (Won/Person)
		Top 20%(%)	Bottom 20%(%)			
1965	$125[1)]	41.9	5.8	40.9	1,720	4,442
1976	803	45.3	5.7	14.8	9,432	21,435
1980	1,592	45.4	5.1	9.8	19,687	53,739
1985	2,194	42.7	7.0	5.5	38,000	97,770
1990	4,968[3)]	42.2[2)]	7.4[2)]	5.3	48,000	148,704[3)]

Notes: 1) denotes figure for 1966,
2) denote figures for 1988
3) denotes figure for 1989

Source: Social Indicators in Korea, 1990, Economic Planning Board.

A. Livelihood Aid Program

The basic idea of the public assistance program for protection of the livelihood of low-income people, has its origin in the national right to live stipulated in Article 34 Clause 5 of the Constitution. It is also based on the National Security for a Minimum Standard of Living stipulated in the Livelihood Protection Law. On December 31, 1961, when the Livelihood Protection Law was enacted, however, it was only partially implemented due to the national financial situation. On July 23, 1968 the Provisional Law for Self-support Guidance was enacted, encouraging low-income people to go to work for wages. Along with continued economic growth, financial improvement and the expanded implementation of welfare policies for low-income people in the 1970s, the Medical Care Protection Law was enacted on December 31, 1977 for the medical protection of livelihood protection beneficiaries. The Regulation on the Provision of Coverage of Educational Expenses for Middle School costs for Livelihood Protection Beneficiaries family members in middle school, was enacted, and since March 1, 1981 the Vocational Training Program has been implemented for the livelihood protection of beneficiaries who could not be employed due to a lack of skills, thus giving them skills and work and finally making them self supporting. The Fifth Republic of Korea, standing for the establishment of a welfare state as one of five national policy priorities, formulated the Master Plan for the Support of Low-income People on January 27, 1982, not only to evaluate livelihood protection achievement, but also to establish positive self-support promoting measures for low-income people. On December 31, 1982, the Livelihood Protection Law was fully amended to regulate not only livelihood

protection but also active self-support promotion for the beneficiaries and to establish a basic welfare system for them. Measures for National Welfare Promotion were promulgated on September 1, 1986 for the expansion of the social welfare system and the improvement of the living standard of low-income people, and included the expansion of the medical insurance system to cover the whole population, establishment of a national pension system, and introduction of a uniform minimum wage system.

Table III-2. Public Assistance Program Policy Development

Year	Policy Development
Dec. 1961	Livelihood Protection Law enacted
July 1968	Provisional Law for Self-support Guidance enacted
Dec. 1977	Medical Care Protection Law enacted
	Regulation on Provision of Education Expenses for Middle School promulgated
Mar. 1981	Vocational Training Program established
Jan. 1982	Master Plan for the support of low-income people formulated
Dec. 1982	Livelihood Protection Law amended
Sept. 1986	Measures for national welfare promotion promulgated

In 1991, the government defined "people in need of public assistance" to maintain a minimum standard of living for those whose monthly income is less than 65,000 won, and whose household property is less than 6,000,000 won. They are classified in three categories: 1) home care recipients, 2) institutional care recipients, and 3) the self-supporting. Home care recipients are those who have neither the

ability to work nor other supporters, and are 65 or over, or 18 years old or under, or are disabled or handicapped. Institutional care recipients are those who are institutionalized in one of the social service institutions. The self-supporting are those who have the ability to work, but have difficulty in earning a livelihood due to unemployment or loss of the means of livelihood. The total number of all categories of recipients are 2,246,000, 5.2% of the total population, and includes institutional care recipients, 82,000; home care recipients, 338,000; and the self-supporting, 1,826,000.

Home care or institutional care recipients are provided monthly livelihood aid to maintain a minimum standard of living and first category medical aid. The self-supporting, who are active and have a willingness to support themselves, have been provided rehabilitation loans since 1982, vocational training since 1981 and public work to earn wages since 1977. Between 1982 to 1989, under a relocation project for low-income people residing in big cities, the government covered the costs of relocation and resettlement for those who moved to local areas. This project was initiated to assist low-income groups eventually to achieve self-support as well as to decentralize the population. Educational expense coverage has been provided to the children of low-income people entering middle school since 1979 and vocational high school since 1987.

Table III-3. Public Assistance Program

As of 1991

Classification	Home Care	Institutional Care	Self-support
Number of Beneficiaries*	338,000	82,000	1,826,000
Eligibility	Those who have neither ability to work nor supporters, are 65 years or more, or 18 years or less, or disabled or handicapped.	Those who are institutionalized in various social service institutions.	Those who have ability to work but are in need of livelihood aid due to unemployment or loss of livelihood means.
Assistance	Livelihood aid: ₩43,000/person/month including medical aid (1st category) and educational assistance	Livelihood aid: ₩52,000/person/month including medical aid (1st category) and educational assistance	- Rehabilitation loan - Vocational training - Educational assistance - Daily labor - Medical aid (2nd category)
Criteria	Those whose monthly income is less than ₩65,000 and whose household property is less than ₩6,000,000.		

* Number of Beneficiaries totaled 2,246,000; 5.2% of total population
Source: Major Policies in Social Welfare, MOHSA, 1991

B. Medical Care Assistance Program

The medical care assistance program, a public assistance program, provides medical aid and medical subsidies for low-income people. In 1991, the government selected 2,879,000 persons, 6.7% of the total population, as beneficiaries of the medical assistance program. The beneficiaries are divided into three categories: yellow, green, and blue card holders.

The beneficiaries in the first category are home care recipients, institutional care recipients, human cultural assets, persons who have performed distinguished service for the Government and disaster victims. Second category beneficiaries are recipients of welfare services of self-support category. The people in the last category are blue card holders are not so economically deprived as people in the first or second categories, but fall into a bordeline category of public assistance eligibility. Green and blue card holders will have to share different proportions of the medical fees for both out-patient and in-patient care, subject to where they live. The differences are shown in Table III-4. Blue card holders also have to pay the same amount of medical insurance fees for out-patient care services.

Table III-4. Medical Care Assistance Program

As of 1991

Classification	Medical Aid		Medical Subsidy (Blue Card Holder)
	1st Category (Yellow Card Holder)	2nd Category (Green Card Holder)	
No. of Beneficiaries* (Unit: 1,000)	692	1,827	360
Eligibility	- Home Care Recipients - Institutional Care Recipients - Human Cultural Assets - Persons who performed Distinguished Services for the Gov't - Disaster Victims	- Self-Supporting	Low-income People at Boarderline of Eligibility for Public Assistance
Assistance			
- Outpatient care	Free of Charge	Free of Charge	Same Medical Insurance Fees
- Inpatient Care	Free of Charge	- Residents of Large Cities 30% of Total Medical Fees - Residents of Other Areas 20% of Total Medical Fees	- Residents of Large Cities 40% of Total Medical Fees - Residents of Other Areas 30% of Total Medical Fees

* Number of beneficiaries totaled 2,879,000; 6.7% of total population.

IV. Social Welfare Services

A. Child Welfare Services

As of the end of 1990, the number of children aged 18 years or under was 13,677,000, 31.9% of the total population. This will decrease to 26.1% by 2000. The number of children in need of welfare assistance is around 599,000, 4.4% of the total children. Of these, children in minor heads of households is 13,778; those in low-income households, 598,926 and the remaining 23,450 are institutionalized in 278 welfare facilities.

Table IV-1. Number of Children Needing Welfare Assistance

Dec. 1990

Classification	Number	%
Total population (A)	42,793,000	
No. under 18 years of age (B)	13,677,000	31.9 (B/A)
No. in need of welfare assistance (C)	598,926	4.4 (C/B)
- Children who are minor heads of households	13,778	
- Children in low-income households	561,698*	
- Children in welfare facilities	23,450	

* Children in home care recipient, self support bracket households.
Source: '91 Major Program Data, MOHSA, 1991.4.

Child welfare services in Korea started with the protection of orphans resulting from the Korean War by welfare institutions supported by external funds or through overseas adoption.

In December 1961, legal grounds for child protection were formulated in the Minor Protection Law and the Child Welfare Law.

In the 1970s, child welfare services became institutionalized with government support. Policy measures for supporting children in

adverse circumstances were formulated in 1976, resulting in the establishment of a government child welfare support system by providing support for welfare institutuions by covering personnel expenses, the readjustment of livelihood aid to a realistic level, and reconstruction or enlargement of worn-out facilities. A sponsorship program for children in adverse circumstances was established in 1976, to match them with sponsors and a job-providing program for adult orphans was established in 1979 to help adult orphans of 18 years and over to get stable jobs and live on their own after leaving their institutions.

On 13 April 1981, the original Child Welfare Law was fully amended to broaden welfare services from children in need to all children. The revised Charter for Children was promulgated in 1988 to cultivate society's affection for all children. Day care programs for children of working couples initiated in 1990. The policy measures for protection of families headed by minor was established to support the minor heads of families who attend school and are also responsible for their families' livelihoods.

Future child welfare services are directed at: 1) supporting every child to grow up in a sound home, 2) prevention of needy children, and 3) supporting needy children to help them live on their own outside the protection of institutions.

Table IV-2. Child Welfare Program Policy Development

Year	Policy Development
1961	Minor Protection Law & Child Welfare Law enacted
	Policy measures for supporting children in adverse circumstance formulated
1976	Sponsorship program for children in adverse circumstances established
1976	Special Adoption Law enacted
1979	Job-providing program for adult orphans established
1981	Child Welfare Law amended
	Policy measures for protection of minor-heads of households established

There are 51 child counselling centers, 13 public and 38 private, and a Missing Child Search Center attached to the Korea Children's Fund. Counselling along with guidance for abandoned or missing children and their parents is given by 380 child welfare workers deployed in the centers.

There were 5,721 abandoned or missing children in 1990, among whom 1,289 or 23% were returned to their homes or relatives, 2,290 or 40% were institutionalized, and 1,987 were entrusted to foster mothers.

Table IV-3. Abandoned or Missing Children

Classification	1986	1987	1988	1989	1990
Total	17,788	17,319	13,598	11,167	5,721
Abandoned	13,887	13,304	9,136	5,209	4,213
Missing	3,901	4,015	4,462	5,958	1,508

As a result of the sponsorship and job-providing programs, 39,414 children were provided with sponsors and 1,207 children found jobs in 1990, and from 1981 through 1990 a total of 13,612 found jobs. Since December 1976 when the Special Adoption Law was enacted, many children have been adopted by their foster parents, and recently the government has placed greater emphasis on domestic adoption then foreign. In 1989, 1,872 orphans were adopted within the country.

Table IV-4. Number of Domestic Adoptions

Classification	1983	1984	1985	1986	1987	1988	1989
Number Adopted	3,004	3,000	2,855	2,854	2,382	2,324	1,872

Source: White Paper on Health and Social Affairs, MOHSA, 1990.

There were 6,696 minor heads of households with a total of 13,778 family members composed of 142 in pre-school, 3,593 in elementary school, 4,009 in middle school, 2,998 in high school, and 3,036 in other situations in 1991. They are provided with livelihood aid and medical aid, educational assistance and appropriate support for clothing, food and transportation.

There were 23,450 children accommodated in 278 welfare facilities as of December 1990; the details are given in Table IV-5.

There were 1,919 day care centers with 47,500 children benefitting from their services in December 1990, as shown in Table IV-6, but since the number of centers falls far short of need, the Government plans to increase them yearly.

Table IV-5. Child Welfare Facilities by Category

Dec. 1990

Classification	Total	For Infants	For Children	For Self-Reliance	For Correction	For Vocational training
No. of Facilities	278	38	223	3	7	7
No. of Children Accommodated	23,450	2,388	20,147	54	417	444

Source: '91 Major Program Data, MOHSA, 1991.4.

Table IV-6. Day Care Centers

Dec. 1990

Classification	Total	National Public Centers	Private Centers	Worksite Attached Centers	Home Centers
Number of Centers	1,919	360	39	20	1,500
Number of Children Benefitted	47,500	25,000	1,500	1,000	20,000

Source: '91 Major Program Data, MOHSA, 1991.4.

B. Welfare Services for the Aged

As of the end of 1990, the population aged 65 or over was 2,016,000, 4.7% of the total population. By the year 2000 this is expected to increase to 2,972,000, 6.3% of the total population. Compared with other developed countries, the number of aged is not yet a serious problem, but our country will face an aging society because of increased life expectancy thanks to better medical care and living environment. Life expectancy at birth was 70.2 in 1990 and is expected to be 72.7 in 2000.

Table IV-7. Changes in Population Aged 65 or Over

Classification	1980	1990	1995	2000	2020
Total Population	38,124	42,793	44,870	46,828	50,193
Population aged 65 or over	1,456	2,016	2,397	2,972	5,746
Proportion of aged population(%)	3.8	4.7	5.3	6.4	11.5

* Proportion of aged population in other countries ('90)
Japan 11.9%, U.S.A. 12.6%, France 13.8%
U.K. 15.5%, West Germany 15.5%, Sweden 18.3%
Source: '91 Major Program Data, MOHSA, 1991.4.

The Welfare Law for the Aged was enacted on 5 June 1981 to establish legal grounds for the improvement of welfare for the aged. The Law was amended on 30 December 1990. The Division of Welfare for the Aged, which is independent of the Division of Family Welfare, was established to improve welfare program for the aged efficiency in November 1990.

Though the problem of the aged is not a serious one yet, efforts have been made since 1980 to prevent expected problems due to the increase in the aged population and changes in the family structure. From Parents' Day on 8 May 1980, an incentive system for the aged has been implemented for those 70 years or over; it provided eight such types of free services as railway transportation and use of public baths. The system was expanded to cover those 65 years or over in 1982, and provides thirteen types of free welfare services, having added five such types as public bus transportation and theater fees. Since 1990, however, private service facilities have implemented the program in a self-regulating fashion. The aged are provided with twelve public bus tokens per month. As of the end of 1990, 1,795,000

of the aged had benefitted from the incentive system.

On 8 May 1982, Parents' Day, a Charter of Respect for the Aged was promulgated, inculcating national interest in respect for the aged, and since then dutiful sons and filial daughters-in-law have been officially honored annually throughout the country, as fine examples.

Since 1983, free health examinations for the aged have been provided with priority given to the low income group. It was planned that 190,000 of the aged would be examined in national or public hospitals or health centers in 1991.

In line with the generation of income for the aged, job-providing programs have been implemented with The Bank of the Aged's Ability being operated by local associations of the aged. From 1984 through 1990, more than 521,145 of the aged have been provided with jobs through the 264 banks.

Cooperative worksites are being established where the aged can work together for pocket money. There are a total of 212 worksites including sixty which are to be constructed in 1991. Kyung-Ro Dang, leisure centers for the aged located within residential areas, are one aspect of the Korean social system. As of Dec. 1990, there were 18,264 such centers, being utilized by 855,220 aged. The government has supported them with 500 coal briquets and 12,000 won for operating costs per month per center. The government has designated fine examples of the centers for the aged and honored the highly evaluated centers annually to encourage the aged to participate voluntarily in sound community activities through these centers. According to the result of their achievement evaluations 54 centers are honored annually.

Free cafeterias for the aged are being operated by welfare corporations and comprehensive welfare centers in public parks where the aged gather or low-income areas to provide them with meals. As of the beginning of 1991, there are 26 such facilities in operation.

From 1990 old age allowances, 10,000 won per month per person have been provided to home care recipient householders and institutional care recipients aged 70 or over, and it is planned that 75,581 of the aged are to be provided with the allowances in 1991.

Table IV-8. Welfare Program Policy Development for the Aged

Year	Policy Development
1980	Incentive system for the aged established
1981	Welfare law for the aged enacted
1982	Incentive system for the aged expanded
1982	Charter of Respect for the Aged promulgated
1983	Free medical examination for the aged implemented
1984	Job-providing program for the aged & The Bank of the Ageds' Ability established
1990	Division for Ageds' Welfare established independent of the Division of Family Welfare
1990	Welfare Law for the Aged amended Old Age Allowances Provided to Low-income Aged

As of the end of 1990, about 7,000 of the aged were protected at such facilities as free nursing homes, sanitoriums, and unsubsidized nursing homes. As of 1990, 4,742 had relationships with sponsors. The details of facilities and the aged shown in Table IV-9.

Table IV-9. Welfare Facilities for the Aged

Dec. 1990

Classification	Free Nursing Homes	Sanitoriums	Low Cost Nursing Homes	Low Cost Sanitorium	Pay for Nursing Homes	Seoul City Comprehensive Welfare Centers
No. of Facilities	71	18	1	6	2	2
No. of the Aged Accommodated	4,962	1,447	8	114	62	320

Source: '91 Major Program Data, MOHSA, 1991.4.

C. Welfare Services for the Handicapped

The number of handicapped has been estimated at 915,000, 22.2 per 1,000 persons according to a survey by KIPH. Details are shown in Table IV-10.

Table IV-10. Estimated Number of Handicapped

Dec. 1985

Classification	Total	Physical	Mental	Visual	Auditory & Aphasic
No. of Handicapped (1,000 pers.)	915	533	79	59	244
Prevalence Rate (1,000 pers.)	22.2	12.9	1.9	1.4	5.9
Percent Distribution (%)	100	58.3	8.6	6.4	26.7

Source: KIPH, National Survey on the Handicapped, 1985

Welfare services for the handicapped in Korea increased remarkably starting in 1981, the World Year of the Handicapped as defined by UN. The Welfare Law for the Handicapped was enacted on June 5, 1981. In November 1981, the Rehabilitation Division was

organized within the Bureau of Social Affairs, MOHSA, and this brought about the strengthening of the welfare functions of existing facilities from simply institutionalized protection to medical and employment rehabilitation of the handicapped. The 1988 Para Olympics provided an opportunity for people to improve their understanding of the handicapped.

Since November 1988, a registration of the handicapped program has been implemented throughout the country. The handicapped are encouraged to register themselves in their residential area office in an effort to achieve an exact understanding of their current status and better provide pertinent services.

From September 1988 through August 1989, a Comprehensive Welfare Plan for the Handicapped was prepared by the Committee on Welfare for the Handicapped organized under the President, with twenty four members from the professions for this purpose. The Plan covers all the necessary areas specified in 77 detailed projects and has been translated into action by the concerned ministries.

In December 1989, the Welfare Law for the Mentally and Physically Handicapped was renamed the Welfare Law for the Handicapped and was largely revised to prepare an institutional basis for implementing the policy measures for the handicapped.

In January 1990 the Employment Promotion Law for the Handicapped was enacted, and according to it central and local governments, and enterprises with 300 employees or more must employ handicapped for 2% of their total employees.

Table IV-11. Major Handicapped Welfare Program Policy Development

Year	Policy Development
1981	Welfare Law for the Mentally and Physically Handi capped enacted
1981	Rehabilitation Division organized within the Bureau of Social Affairs, MOHSA
1984	Installation or Expansion of Convenient Facilities for the Handicapped regulated
1988	Olympics for the Handicapped held
1988	System for Registration of the Handicapped established
1989	Comprehensive Welfare Plan for the Handicapped Made by the Committee on Welfare of the Handicapped
1989	Welfare Law for the Mentally and Physically Handicapped revised and renamed Welfare Law for the Handicapped
1990	Employment Promotion Law for the Handicapped enacted

The government's policy directions for the welfare of the handicapped are: 1) to give livelihood aid or public assistance to the severely handicapped who can not work, 2) to develop pertinent rehabilitation measures and to found self-support bases in terms of medical treatment, education, and employment for the handicapped who could support themselves, 3) to promote social participation of the handicapped by improving various restricting elements such as laws and ordinances, public prejudice and public facilities for their use.

The severely or multipely handicapped are given 240,000 won per person per year as a livelihood aid allowance, and sixty-eight hundred handicapped will have been given this amount by the end of 1991.

The government has recruited and trained rehabilitation professionals such as physiatrists, physical therapists, operational

therapists annually since 1981 to provide medical rehabilitation services for the handicapped, and has supported attached medical centers at welfare institutions by covering operation costs. The low-income handicapped are supported by having medical expenses covered and are supplied with such supplementary aid as artificial limbs, hearing aids, and wheel chairs.

Fifty types of aptitude or technical vocational training such as iron and steel, electronics, construction, fibre, printing, industrial arts, have been developed and provided to the handicapped in rehabilitation and comprehensive welfare centers. The Korean Association for the Rehabilitation of the Handicapped arranged jobs for 9,235 handicapped from July 1982 to December 1989. For the handicapped who could not get jobs in private enterprises, five worksites have been established, and the rehabilitation facilities, comprehensive welfare centers, and social welfare facilities for the handicapped have been given financial support to operate their own sheltered worksites. Their number has reached 132 with 2,300 handicapped employed as of December 1989. To encourage social participation of the handicapped, such elements as laws and ordinances, public facilities and public prejudice related to the handicapped have been improved. Various job qualifications have been eased or removed according to the type and level of handicap, and various legal and social terminology disregarding the handicapped have been changed. So far, twenty-nine related laws and ordinances have been revised to provide such benefits as reduction of or exemption from such taxes, as income tax, inheritance tax, customs for importing goods for the handicapped's use, special consumption tax, and car tax, issuance of drivers licences, exemption from physical examination for

army service, and introduction of a compulsory employment system, priority in becoming monopoly goods sellers or vending machines or stall owners within public places, and covering education costs for vocational middle and high school children of the low-income handicapped.

Such public facilities as audible traffic signals for the blind, ramps, special public telephones, lowered street crossing curbs have been installed for the convenience of the handicapped. The Construction Law revised in May 1984 made it obligatory to install or construct elevators, ramps, and toilets for the use of the handicapped in public buildings, medical institutions, hotels, and performance centers.

Errand centers have been operated for the blind since Dec. 1984 by the Korean Welfare Association for the Blind to help them in their day to day lives, and braille newspapers, tape-recorded books, and household equipment are distributed by the Korean Welfare Society for the visually handicapped.

To eliminate the prejudice against and misunderstanding of the handicapped, IEC activities have been conducted by welfare societies for the handicapped, and such regular events as rallies for rehabilitation of the handicapped, sports meets, exhibition of works by the handicapped, and skill competitions have been held. Especially the Olympics for the Handicapped held in October 1988 in Seoul, with more than 4,000 participants from fifty countries, was an occasion for improving one aspect of welfare for the handicapped.

As of December 1990, there were about 146 welfare facilities for the handicapped, most of which were institutional facilities in which about 12,759 handicapped were accommodated. The rest were single

specialized or comprehensive welfare centers for the use of the handicapped staying at home, giving them such services as counselling, medical treatment, education and vocational training. The details of these facilities are given in Table IV-12.

Table IV-12. Welfare Facilities for the Handicapped

Dec. 1990

Classification	Total	Physical	Mental	Visual	Auditory & Aphasic	Sanitoriums	Welfare Centers	Others
No. of Facilities	146	35	37	11	13	24	11	17
No. of Handicapped Accommodated	12,759	3,424	5,625	948	1,370	1,392	-	-

Source: '91 Major Program Data, MOHSA, 1991.4.

D. Women's Welfare and Others

The status of women has been enhanced and their participation in social activities has increased. Inequality between men and women under the law has been reduced, but sex discrimination still remains in various spheres of social activities. Above all the increase in the number of widows, unmarried mothers, run aways and prostitutes, due to family dissolution and social accidents, reveal a serious problem in this country. As of December 1990, the number of women in need was 92,524. Details are shown in Table IV-13.

Table IV-13. Women in Need of Welfare Assistance

Dec. 1990

Classification	Total	Widows	Unmarried mothers	Run aways	Prostitutes
Number	92,524	75,889	4,760	4,424	7,451
(%)	(100.0)	(82.0)	(5.1)	(4.8)	(8.1)

Source: '91 Major Program Data, MOHSA, 1991.4.

To prevent the occurrence of women in need and to guide women in need, there are a total of 109 women's counselling centers being operated: 22 centers in city/provincial offices and city/county/district offices, and 87 local centers in such vulnerable areas as railway stations, terminals, red-light districts and towns adjacent to military camps. As of the end of 1990, 649 women counsellors were working full-time or travelling to vulnerable areas to give counselling and guidance, and voluntary workers were being used for counselling if professional counsellors were lacking. After counselling on women's personal affairs, employment and family life, counsellors take pertinent action for each woman such as providing jobs, institutionalization, livelihood aid, return to their homes, education and advice, and medical treatment referral.

Low-income mothers of single parent families receiving public assistance are institutionalized in Mother and Child Centers for 3-4 years to help provide basic livelihood aid and to develop their self-support capabilities by counselling and guidance on their mental or psychological troubles, childrens' affairs, and vocational training. Families leaving the centers are provided with one million won as a self-support fund.

For those who are low-income mothers of single parent families but who can not be institutionalized or who cannot support themselves even after leaving the centers, there are four Mother and Child Self-support Centers.

Those who are classified as women in need of protection and guidance are institutionalized in Women's Vocational Guidance Centers for from six months to one year to give moral education and counselling as well as vocational training in such skilled areas as

Korean or western style dressmaking, beauty treatment, and industrial arts.

As of December 1990, the number of women's welfare facilities was 212, but the government was increasing those women's welfare facilities to meet the increasing needs of women in adverse circumstances.

Table IV-14. Number of Women's Welfare Facilities

Dec. 1990

Classification	Number of Facilities	Beneficiaries
Women Counselling Center	109	
Mother & Child Protection Center	37	2,809 (987 households)
Mother & Child Self-Support Center	4	
Women's Vocational Guidance Center	22	1,172
Women's Center	40	
Total	212	

Source: '91 Major Program Data, MOHSA, 1991.4.

In an effort to promote the welfare of single mothers of single parent families in a comprehensive and systematic way, the Mother and Child Welfare Law was enacted in April 1989 and its Enforcement Ordinance and Regulations in December 1989 and June 1990, resulting in the institutional establishment of welfare policy measures for women in need.

To promote women's welfare in general as well as the welfare of women in need, the government established a Five Year Women's Development Plan as part of the Sixth Five Year Social and Economic Development Plan covering the period 1987-1991. It included the equal distribution of employment opportunities to women, improvement of women's labor conditions, expansion of part-time jobs for women, development and utilization of women's capabilities, formulation of

happy and sound family norms, and improvement of the welfare of rural women and women in need.

The Korean Women's Development Institute was established in April 1983 to conduct research and development of women's affairs. In December 1983 the Women's Policy Deliberation Committee was established under the Prime Minister and in 1984 the voluntary women's capabilities power banks were organized in thirteen areas throughout the country to utilize women's capabilities and resources.

There were seventy women's associations as of Dec. 1990, the members of which totaled 8,152,000. The associations conduct activities aimed at the development of women's capabilities, enhancement of women's status, protection of women's interests, inducement of economy in consumption and rationalization of life, promotion of the welfare of women in need, and their own social participation.

There were 78,910 Saemaul Women's Associations as of December 1989, the members of which totaled 3,329,568. These implemented cultural programs, neighborhood activities, income generation and saving activities, living environment improvement, and family planning programs.

Beside welfare services for children, the aged, handicapped and women, there are welfare services for vagabonds and the mentally deranged, which are mainly institutional services. As of December 1990, 13,284 vagabonds were institutionalized in 38 facilities.