

# Child Welfare Expenditures and the Well-Being of Children

Meesook Kim

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**Child Welfare Expenditures and the  
Well-Being of Children**

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# Contents

## CHAPTER 1

Introduction .....	1
1. Background and Purpose of Research .....	3
2. Subjects and Data .....	4

## CHAPTER 2

Current Child Welfare Expenditures in Korea .....	7
1. Current Child Welfare Expenditures .....	9
2. Comparison with Welfare Expenditures in Similar Fields ..	11
3. Implications .....	15

## CHAPTER 3

Current Child Welfare Expenditures by Type of Welfare State ..	17
1. Introduction of Child · Family Welfare Spending .....	19
2. Level of Child Welfare Expenditure by Type of Welfare State .....	20
3. Implications .....	29

## CHAPTER 4

Level of Child Well-Being .....	31
1. Child Welfare Expenditures and Child Poverty Rate ·	33
2. Child Well-Being .....	41
3. Implications .....	56

**CHAPTER 5**

Conclusion and Policy Implications ..... 59

    1. Measures for Expanding the Size of Child Welfare  
        Expenditures ..... 61

    2. Measures to Raise Child Well-Being ..... 64

References ..... 65

## List of Tables

〈Table 2.1〉 Child Welfare Budget of Korea in 2010 and 2011 .....	10
〈Table 2.2〉 Child Care Budget of Korea in 2010 and 2011 .....	12
〈Table 2.3〉 Budget of the Ministry of Gender Equality and Family in 2010 and 2011 .....	13
〈Table 2.4〉 Child and Family Budget of Korea(2010-2011)	14
〈Table 3.1〉 Percentage of Child Welfare Expenditures of GDP by Type of Welfare State .....	21
〈Table 4.1〉 Comparison of Child Poverty Rate by Type of Welfare State .....	34
〈Table 4.2〉 Child Well-Being Indicators Used by UNICEF ....	43

## List of Charts

Chart 2.1: Proportion of Each Item of Child Welfare Budget (2010-2011) .....	11
Chart 2.2: Composition of Child·Family Budget (2011) .....	14
Chart 3.1: Comparison of Child Welfare Expenditures as Percent of GDP by State (2007) .....	22
Chart 3.2: Child·Family Welfare Spendings of Liberalist Welfare States as Percent of GDP .....	23
Chart 3.3: Child·Family Welfare Spendings of Conservative Welfare States as Percent of GDP .....	24

Chart 3.4: Child·Family Welfare Spendings of Social Democratic Welfare States as Percent of GDP ..	25
Chart 3.5: Child·Family Welfare Spendings of Southern European Welfare States as Percent of GDP .....	26
Chart 3.6: Child-Family Welfare Spending by Welfare State Regime as Percent of GDP .....	27
Chart 3.7: Child·Family Welfare Spending as Percent of GDP: Comparison Between Cash and Service .....	29
Chart 4.1: Comparison of Child Poverty Rate by Type of Welfare State .....	35
Chart 4.2: Relationship Between the Proportion of Cash Spending on Child·Family Welfare and Child Poverty Rate .....	36
Chart 4.3: Relationship Between the Proportion of In-Kind Spending on Child·Family Welfare and Child Poverty Rate .....	38
Chart 4.4: Relationship Between the Proportion of Tax Benefit-Related Spending on Child·Family Welfare and Child Poverty Rate .....	39
Chart 4.5: Relationship Between the Total of Child-Family Welfare Spendings and Child Poverty Rate .....	41
Chart 4.6: Level of Material Well-Being of Children in OECD Member States .....	45
Chart 4.7: Level of Health and Safety of Children in OECD Member States .....	47
Chart 4.8: Level of Educational Well-Being of Children in OECD Member States .....	48

Contents

Chart 4.9: Level of Family and Peer Relationships of Children  
in OECD Member States ..... 50

Chart 4.10: Level of Behaviors and Risks of Children in  
OECD Member States ..... 51

Chart 4.11: Subjective Well-Being of Children in OECD  
Member States ..... 53

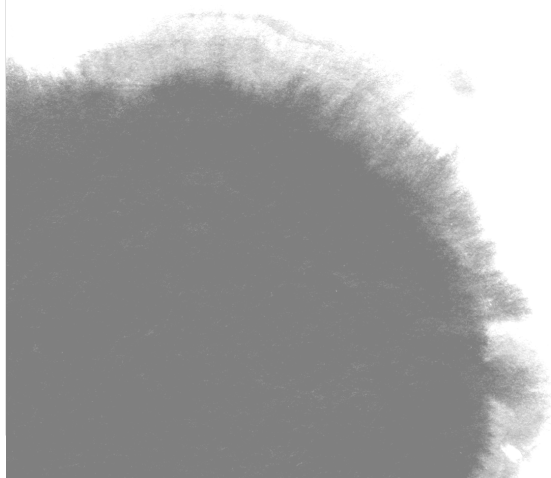
Chart 4.12: Well-Being of Children and Child-Family Welfare  
Spending ..... 55





# 01

## Introduction





# CHAPTER 1

## Introduction

### 1. Background and Purpose of Research

Recently, child care by family members has declined with the diminishing of family size, increases in women's economic activities, weakening family ties and accompanying increase in family breakups, weakening local communities, etc. Also, in a social climate where academic achievements are considered the most important matter in children's life, the number of maladjusted children, outcasts, all kinds of addicts, school dropouts, violent and delinquent children is increasing in schools. Furthermore, not only afflicted children but children who are perpetrators with aggression and lack of anger control, etc. are also on the increase.

With the current system it is difficult for the government to provide protection for all those children who need diverse kinds of support. The current size of child welfare budget, in particular, falls far short of the level of meeting the desire and demand for welfare of children. Child welfare budget of our country is just one fifth of the level of that of advanced countries. While as of 2005, the child and family welfare budget of advanced countries was 2.1% of GDP, that of Korea was a meager 0.458%. Although the

national income has reached USD 20,000, problems like children's meal skipping and child neglect, which are typical social problems in underdeveloped countries, are not disappearing but increasing in our society. Moreover, the problem of people avoiding having children due to the rise in child-rearing and educational expenses is a more serious issue that threatens the sustenance of our society.

As a member country, Korea has to submit a variety of its socioeconomic data to OECD; which has made it an object of international comparison. This means that the child welfare level of Korea has become an issue of international society as well as a domestic problem. From a domestic perspective, at this point in time, when the problems of low birth rate and aging population are becoming more acute, a research intended to diagnose challenges and tasks in child welfare and devise measures to raise child welfare level, is required.

The aim of this research is to examine the level of child welfare expenditures in Korea, compare them to that of advanced countries, thus figure out our current level thereof, analyze the relationship between child welfare expenditures and well-being of children, and finally verify the importance of child welfare spending.

## 2. Subjects and Data

The contents of this research are categorized into four subjects. First, evaluate the current state of child welfare expenditures in Korea and its share in GDP compared to that of such projects in similar fields as infant care, gender

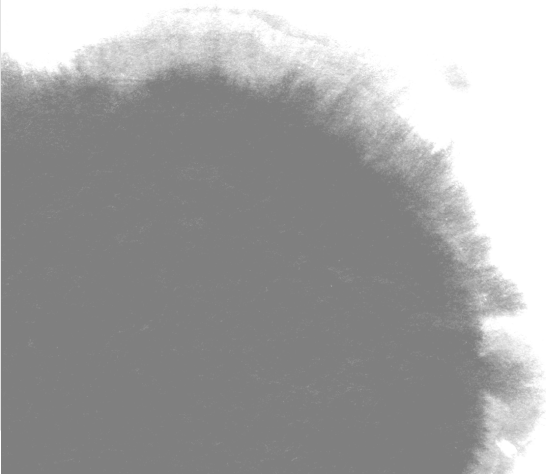
equality and family projects, youth projects, etc. Second, compare the trends in the level of child-family welfare expenditures by the type of welfare state. More specifically, examine the percent of child-family welfare expenditures of GDP in accordance with the regimes suggested by Esping-Andersen (1990) for 27 years from 1980 to 2007. Third, with a view to get hold of children's well-being, the child poverty rates and converted scores in six criteria were compared among OECD member states. Finally, policy implications with regard to the size of child welfare spending and child well-being were suggested.

This research was conducted mainly through the study of related literature and review of existing OECD data. International comparisons were made on welfare policies, child welfare level, and child well-being level, namely quality of children's life, using such information as OECD SOCX data, government literature regarding OECD child welfare policies, OECD general publications, and Luxembourg Income Study (LIS).



# 02

## **Current Child Welfare Expenditures in Korea**







## CHAPTER 2

# Current Child Welfare Expenditures in Korea

### 1. Current Child Welfare Expenditures of Korea

In this chapter, the size of child welfare expenditures by each spending item in 2010 and 2011 is examined. The total amount of child welfare expenditures in 2011 was about W169.9 billion, which equals to about W14,000 per child. Among the spending items, the expenditure for the support of after-school activities, including operational cost of local child care centers and personnel expenses, was responsible for the biggest share, which shows that a considerable amount is being spent to support the facilities that are rapidly increasing recently. The next biggest spending item was the support for 'Dream Start' project. Although the Dream Start project is not being implemented nationwide yet, the share it takes in child welfare spending is considerable at the present and it seems that it will be responsible for an even bigger share in case the project is expanded.

The share in the total child welfare spending of those traditional child welfare sectors, such as the support for child welfare facilities and family adoption, etc., ranked third behind the child care after school and Dream Start

Project. Recently, with the increase in crime against children, the expenditures on the support for the protection of abused and missing children are on an increasing trend. Child Development Accounts (CDA), an investment program for children, also account for a significant portion in child welfare spending. So, it is found that most child welfare spending of Korea is concentrated on after-school care of children from low-income families, comprehensive support projects, facilities, and foster home system.

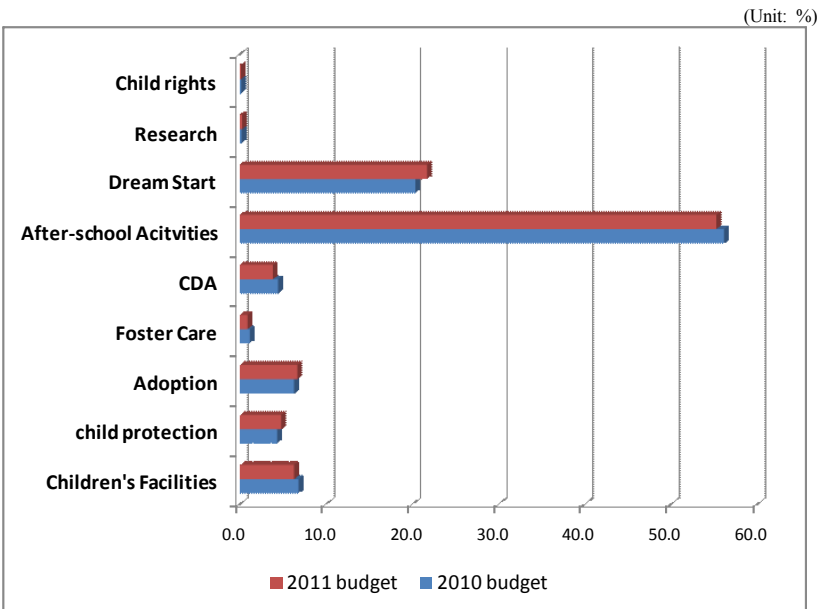
〈Table 2.1〉 Child Welfare Budget of Korea in 2010 and 2011

(Unit: W1million, %)

Classification	Budget for 2010 (A)	Budget for 2011 (B)	Percentage in the Total Budget of 2011	Increase & Decrease rate
Total	147,904	169,913	100.0	14.9
1. Protection and upbringing of children requiring protection	34,125	38,339	22.6	12.4
□ Support for child welfare facilities	10,084	10,690	6.3	6.0
□ Support for protection of abused and missing children	6,444	8,182	4.8	27.0
□ Support for family adoption	9,307	11,349	6.7	22.0
□ Support for foster home system	1,720	1,548	0.9	△10.0
□ Support for child development account	6,570	6,570	3.9	-
2. Support for child welfare	113,175	130,815	77.0	15.6
□ Support for after-school activities	83,066	93,879	55.3	13.0
□ Support for Dream Start	30,109	36,936	21.7	22.7
3. Policies concerning children	604	759	0.4	25.7
□ Researches on policies concerning children and related statistics	344	499	0.3	45.1
□ Promotion of participatory human rights of children	260	260	0.2	-

Note: In the case of 2011, it is the welfare budget bill for 2011.  
Source: Health and Welfare Committee (2010), the National Assembly of Republic of Korea,  
「Examination Report of Budget Bill and Fund Operation Plan for 2011 II. Welfare Sector」.

Chart 2.1: Proportion of Each Item of Child Welfare Budget (2010-2011)



Source: Health and Welfare Committee, the National Assembly of the Republic of Korea (2010).  
「Examination Report of Budget Bill & Fund Operation Plan for 2011: II. Welfare Sector」.

## 2. Comparison with Welfare Expenditures in Similar Fields

For the purpose of grasping the share of child welfare spending of GDP, comparison was made with infant care budget, gender equality and family budget, and youth budget, which are all related to child welfare. Child care budget of Korea was W2.1 trillion in 2010 and for 2011 W2.5 trillion was appropriated, an 16.3% increase from the previous year. The part that take the biggest proportion of child care budget is the support for infant care expenses, accounting for 78.2% of total child care budget as of 2011. Most of child care budget is appropriated for support for

nursery expenses, followed by support for operational expenses of nursery facilities, which is responsible for 16.0% of the total.

〈Table 2.2〉 Child Care Budget of Korea in 2010 and 2011

(Unit: W1million, %)				
Classification	Budget for 2010	Budget Bill for 2011	Percentage in the Total Budget of 2011	Increase & Decrease %
Total of support and reinforcement of child· infant care	2,127,510	2,475,380	100.0	16.3
Support for operation of nursery facilities	349,528	395,023	16.0	13.0
Support for infant care expenses	1,632,204	1,934,611	78.2	18.5
Functional reinforcement of nursery facilities	9,438	11,650	0.5	23.4
Building infant care infrastructure	12,181	16,250	0.7	33.4
Evaluation and certification of nursery facilities	3,401	4,975	0.2	46.2
Support for nursery facilities	55,093	23,077	0.9	△58.1
Support for upbringing of children who are not using facilities.	65,664	89,794	3.6	36.7

Source: Health & Welfare Committee, the National Assembly of the Republic of Korea (2010). 「Examination Report of Budget Bill & Fund Operation Plan for 2011: II. Welfare Sector」.

In Korea, the Ministry of Gender Equality and Family takes charge of the affairs of family, women and youths. The budget of the Ministry of Gender Equality and Family for 2010 was W405.9 billion and was increased by 13.2% to W459.4 billion in 2011. In 2011, the item that took the biggest share of the total budget of the Ministry of Gender Equality and Family was the budget for policies concerning family with 39.4%, followed by the budget appropriated for the policies for youths.

〈Table 2.3〉 Budget of the Ministry of Gender Equality and Family in 2010 and 2011

(Unit: W1million, %)

Classification	Budget for 2010	Budget Bill for 2011	Percentage in the Total Budge for 2011	Increase & Decrease %
Total Budget	405,900	459,400	100.0	13.2
Gender Equality · Manpower Development Policy	31,200	37,000	8.1	18.6
Youth Policy	146,800	142,000	30.9	△3.3
Family Policy	144,700	181,000	39.4	25.1
Promotion of Rights and Interests	59,300	65,000	14.1	9.6
Administrative Support	23,900	34,400	7.5	43.9

Note: Lottery funding project was included in the budget for family policy for 2010

Note: The project for funding crime victim protection was included in the budget for promotion of rights and interests of 2011.

Source: Gender Equality and Family Committee, the National Assembly of the Republic of Korea (2010). 「Budget Bill & Fund Operation Plan for 2011」.

The sum of the mentioned child welfare budget, infant care budget, and budget for gender equality, family and youths equals to the total of child·family welfare budget. The total budget of 2011 is known to be W3.1 trillion, which is about a W400 billion rise from W2.7 trillion of 2010. Infant care budget is responsible for the biggest share of 79.3% of child·family welfare budget, which is followed by family and youth sector with 15.1%. Accordingly, the share of child welfare budget in child·family welfare budget is just 5.5%.

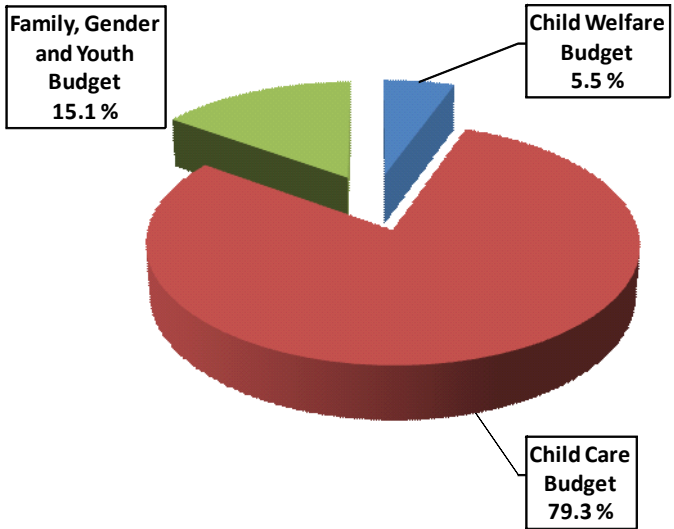
〈Table 2.4〉 Child and Family Budget of Korea(2010-2011)

(Unit: W1million, %)

Classification	Budget for 2010	Percentage in the Total Budget for 2010	Budget Bill for 2011	Percentage in the Total Budget for 2011
Child Welfare Budget	147,904	5.5	169,913	5.5
Infant Care Budget	2,127,510	79.7	2,475,380	79.3
Budget of the Ministry of Gender Equality and Family(Family, youth)	405,900	14.8	459,400	15.1
Total	2,681,314	100.0	3,104,693	100.0

Source: Gender Equality and Family Committee, the National Assembly of the Republic of Korea (2010). 「Budget Bill & Fund Operation Plan for 2011」

Chart 2.2: Composition of Child·Family Budget (2011)



Source: Gender Equality and Family Committee, the National Assembly of the Republic of Korea (2010). 「Budget Bill & Fund Operation Plan for 2011」

### 3. Implications

Most of child and family welfare expenditure in Korea goes to infant care. In the case of family welfare spending, the focus is on the support of socially vulnerable bracket, including the support for single-parent families. For the welfare of children and youths, most of spending are made on after-school projects. On the other hand, in the case of infant care service, it shows the aspect of universal welfare in a sense that the objects thereof are extended to the middle class as part of the effort to solve the problem of low birth rate. However, when it comes to child welfare, many point out the fact that the area carries many blind spots since most of spending is concentrated on the children requiring protection.

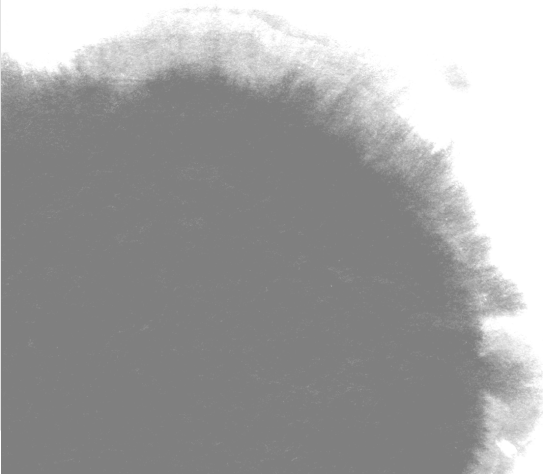
Therefore, the scope of objects of child welfare policy henceforth needs to be extended to those children who have desire for welfare as well as children of low-income families. In addition, the qualitative level of supports being provided needs to be upgraded. In short, child welfare system of Korea has its frame prepared, but is not sufficient enough in terms of providing substantive welfare services, and accordingly, efforts to add flesh to the frame should be stepped up.





## 03

**Current Child Welfare  
Expenditures  
by Type of Welfare State**





## CHAPTER 3

# Current Child Welfare Expenditures by Type of Welfare State

### 1. Introduction of Child · Family Welfare Spending

OECD produces Social Expenditure Database (SOCX database), one of whose items is child·family welfare spending.<sup>1)</sup> Since the SOCX database suggests child welfare spending combined with family welfare spending, this research inevitably has to make comparison with that combined item.

The items of child·family welfare spending suggested in the SOCX database differ by country. However, child·family welfare spending, in principle, refers to the sum of expenditures including cash allowance and in-kind services for families with child. The item of tax benefit is not included among the child·family welfare expenditure items, whereas the items of cash and in kind are included. These items include family allowances, parental leaves and related benefits, other cash benefits, child-care and home-help services, and other in-kind services(OECD, 2004).

The researcher of this report has suggested this data every

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1) OECD named the item as public spending on family, however, with the purpose of emphasizing child welfare, it was renamed as child·family welfare spending in this research.

five years from 1980 to 2005 and in every year from 2006. In this report, the child-family welfare spendings of the past 27 years were examined focusing on eight points in time.

## **2. Level of Child Welfare Expenditure by Type of Welfare State**

According to the result of the analysis, the type of welfare state that spends the most for child welfare is social democracy. As of 2007, social democratic states were spending 3.071% of GDP for child welfare (OECD, 2010), followed by conservative states with 2.339%; liberalist states were spending the least with 1.426%. For reference, the average of Southern European states was 1.217%, lower than that of liberalist states.

Notable findings are that the rates of child welfare spending of Britain and Australia were quite high among liberalist states with 3.243%, 2.449%, respectively. On the other hand, Germany, Switzerland and the Netherlands, generally regarded as conservative states, were spending rather low with 1.831%, 1.262%, 1.990%, respectively. That of Korea is 0.458%, the lowest of all the states compared in this research. The rate of Korea is even lower than all the Southern European states, all of which showed the rates higher than 1%; and even lower than those of the United States (0.657%) and Japan (0.956%).

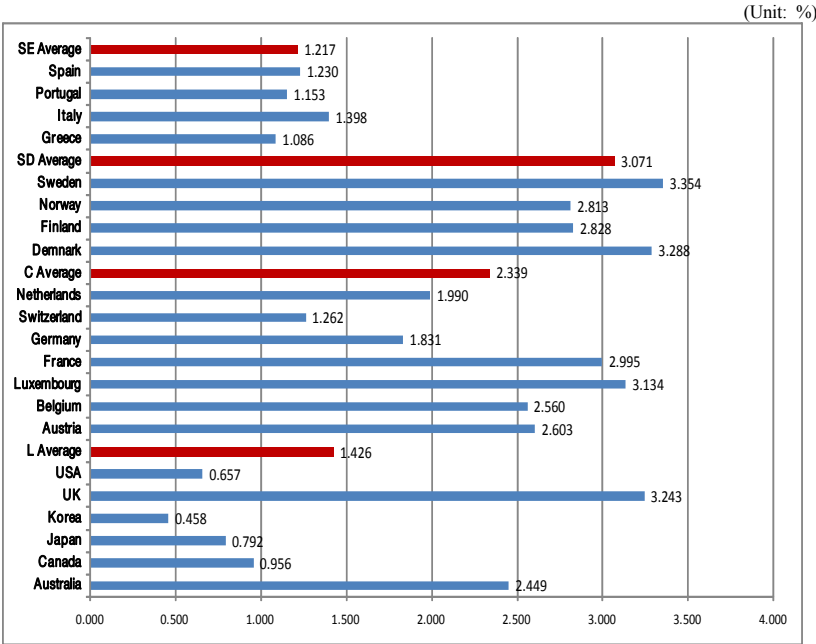
〈Table 3.1〉 Percentage of Child Welfare Expenditures of GDP by Type of Welfare State

(Unit: %)

tion		1980	1985	1990	1995	2000	2005	2006	2007
L	Australia	0.929	1.127	1.483	2.698	2.891	2.735	2.582	2.449
	Canada	0.749	0.699	0.589	0.786	0.958	1.050	0.949	0.956
	Japan	0.472	0.446	0.364	0.516	0.646	0.810	0.791	0.792
	Korea	-	-	0.031	0.064	0.110	0.256	0.511	0.458
	Britain	2.275	2.253	1.892	2.314	2.686	3.156	3.162	3.243
	America	0.792	0.626	0.472	0.613	0.738	0.655	0.662	0.657
	<b>Average</b>	<b>1.043</b>	<b>1.030</b>	<b>0.805</b>	<b>1.165</b>	<b>1.338</b>	<b>1.444</b>	<b>1.443</b>	<b>1.426</b>
	<b>Britain Excluded</b>	<b>0.736</b>	<b>0.725</b>	<b>0.588</b>	<b>0.935</b>	<b>1.069</b>	<b>1.101</b>	<b>1.099</b>	<b>1.062</b>
C	Austria	3.143	2.807	2.555	3.072	2.805	2.833	2.724	2.603
	Belgium	2.992	2.593	2.253	2.269	2.658	2.607	2.596	2.560
	<b>Luxemburg</b>	<b>1.718</b>	<b>1.543</b>	<b>1.948</b>	<b>2.624</b>	<b>3.117</b>	<b>3.569</b>	<b>3.372</b>	<b>3.134</b>
	France	2.428	2.684	2.495	2.713	3.017	3.006	3.006	2.995
	Germany	1.856	1.372	1.522	2.120	2.054	2.081	1.775	1.831
	Switzerland	1.018	0.977	1.006	1.162	1.280	1.347	1.303	1.262
	Netherlands	2.503	2.143	1.666	1.323	1.480	1.688	1.876	1.990
	<b>Average</b>	<b>2.237</b>	<b>2.017</b>	<b>1.921</b>	<b>2.183</b>	<b>2.344</b>	<b>2.447</b>	<b>2.379</b>	<b>2.339</b>
S D	Denmark	2.793	2.596	3.250	3.838	3.281	3.383	3.382	3.288
	Finland	1.853	2.557	3.200	4.052	3.026	2.967	2.927	2.828
	Norway	1.802	1.884	2.738	3.550	3.049	2.835	2.743	2.813
	Sweden	3.902	4.103	4.417	3.772	2.950	3.264	3.394	3.354
	<b>Average</b>	<b>2.588</b>	<b>2.785</b>	<b>3.401</b>	<b>3.803</b>	<b>3.077</b>	<b>3.112</b>	<b>3.112</b>	<b>3.071</b>
S E	Greece	0.310	0.321	0.676	1.039	1.013	1.104	1.082	1.086
	Italy	1.077	0.906	0.761	0.555	1.156	1.310	1.390	1.398
	Portugal	0.647	0.609	0.697	0.713	0.984	1.176	1.159	1.153
	Spain	0.472	0.262	0.321	0.415	0.966	1.176	1.198	1.230
	<b>Average</b>	<b>0.627</b>	<b>0.525</b>	<b>0.614</b>	<b>0.681</b>	<b>1.030</b>	<b>1.192</b>	<b>1.207</b>	<b>1.217</b>

L: Liberal, C: Conservative, SD: Social Democratic, SE: Southern Europe  
Source: OECD (2010). Social Expenditure Database, <http://stats.oecd.org>

Chart 3.1: Comparison of Child Welfare Expenditures as Percent of GDP by State (2007)

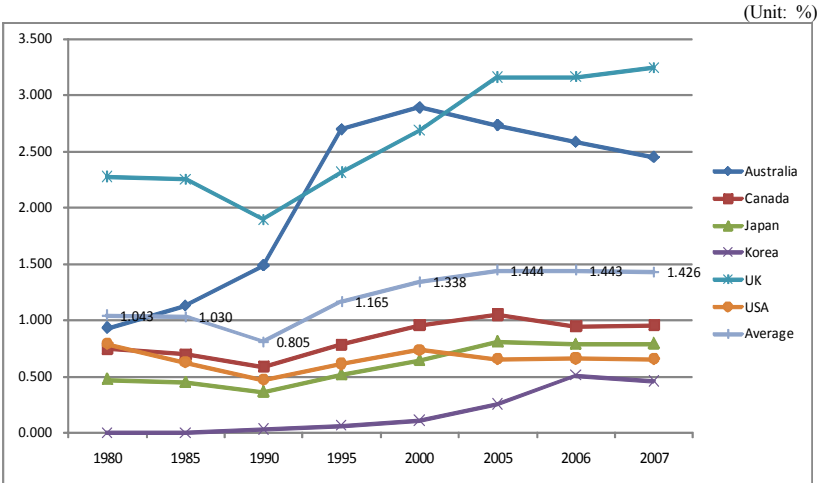


Source: OECD (2010). Social Expenditure Database, <http://stats.oecd.org>

The four charts below show the trends in the past 27 years of child·family welfare spendings in countries of different welfare state regimes. Above all, almost all the liberalist welfare states show the trends in which child·family welfare spending decreased in 1990 and has been on the gradual increase since then. Britain, in particular, shows that child·family welfare spending steeply increased until 2005 and thenceforth has been on the gradual increase. Australia, also, showed a very sharp increase in the early 1990s and a slight decrease since 2000.

The average of liberalist welfare states was 1.043% in 1980, decreased to the lowest in 1990 with 0.805% and has gradually increased to 1.426% by 2007.

Chart 3.2: Child·Family Welfare Spendings of Liberalist Welfare States as Percent of GDP



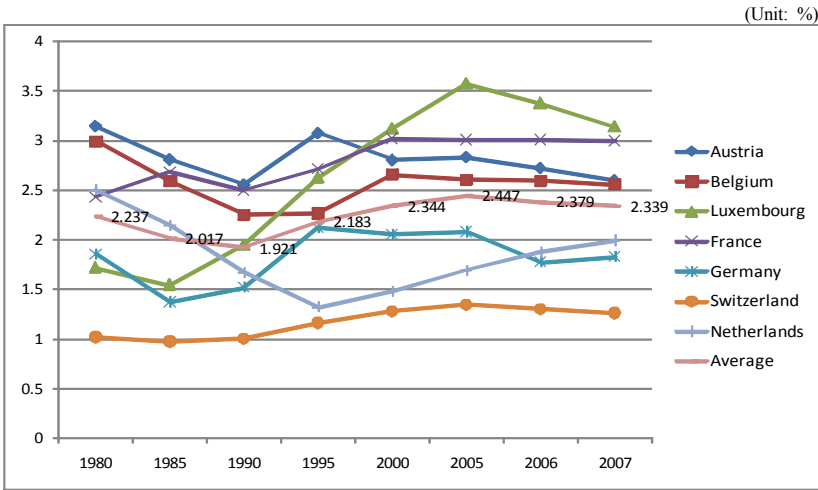
Source: OECD (2010). Social Expenditure Database, <http://stats.oecd.org>

In the trends of conservative welfare states in the past 27 years, the sharp rise of Luxemburg stands out. It showed a very steep rise for 20 years from 1985 to 2005, and thenceforth has been on the slight decrease. In Austria and Belgium, the share of child·family welfare spendings in the GDP recently decreased from those in 1980. In the case of France, it has been on the continuous growth and maintains a relatively high level, whereas in Germany the overall level is not high and recently it is lower than the recent past. Switzerland was found to be the state where the proportion of child·family welfare spending of GDP is the lowest in conservative states, which was followed by the Netherlands, where the current level of spending is much lower than those before 1995, although showing a slightly increasing trend recently.

The average rate of seven conservative states as of 2007 is

2.339%, a little bit more recovery of the rate of 1980, 2.237%. Conservative states also showed a rather decreasing trend before and after 1990, started to increase since 1995, and recently, the increase has been rather slow.

Chart 3.3: Child-Family Welfare Spendings of Conservative Welfare States as Percent of GDP



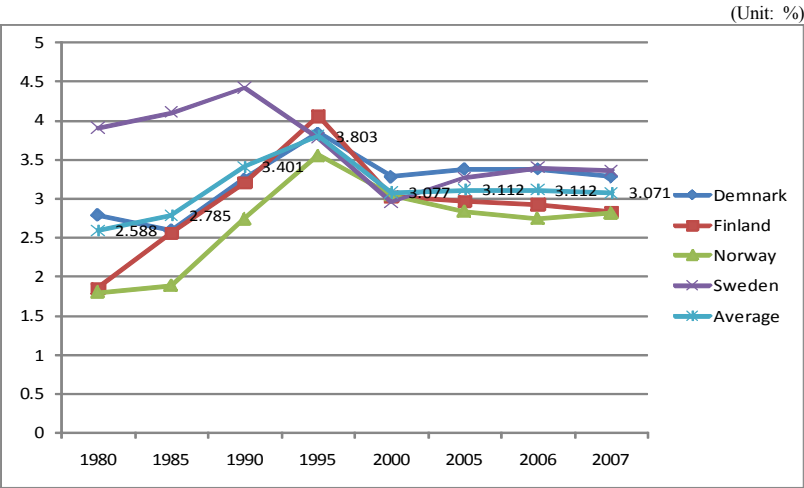
Source: OECD (2010). Social Expenditure Database, <http://stats.oecd.org> OECD (2010). Social Expenditure Database, <http://stats.oecd.org>

The child-family welfare spendings in social democratic welfare states displayed a rather decreased level compared to the prime in 1990s, and since 2000, almost similar levels have been maintained. In other words, the rates showed a drastic increase during the period from 1985 to 1995, but the increase rates decreased before and after 1995 when welfare states went through economic crises, and have relatively stabilized in recent years. Particularly, in the case of Sweden, the child-family welfare spending decreased quite drastically from 1990 to 2000 and has not recovered to the level before 1990, although showing a little bit upward



trend. A similar trend showed in Denmark, whereas Finland and Norway showed their highest in 1996 and thenceforth has been on the decrease. In short, in social democratic states, the level of child·family welfare spending has undergone considerable ups and downs. This reflects the fact that social democratic states, which used to spend much for welfare, are controlling the welfare-related expenditures to ease the financial burden of their countries. However, despite such decreases in level, the absolute share in GDP thereof is still greater than those of states of other welfare types.

Chart 3.4: Child·Family Welfare Spendings of Social Democratic Welfare States as Percent of GDP

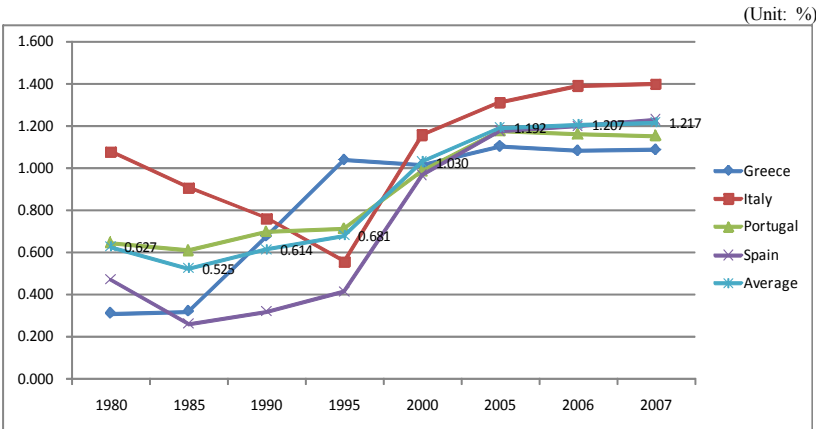


Source: OECD (2010). Social Expenditure Database, <http://stats.oecd.org>

The average of four social democratic states showed upward trend from 1980 to 1995, dropped considerably in 2000, and recently has displayed an upward trend to exceed the level of 1980 (1980: 2.588%, 1995: 3.803%, 2007: 3.071%).

The trends in Southern European countries, which were examined for reference, also show many variations. In Italy, an exceptional case, the child-family welfare spending as percent of GDP decreased until 1995 and thenceforth has been on the sharp increase. In the rest of the countries, Greece, Portugal and Spain, the child-family welfare spending is on the sharp rise. The reason is assumed that the problems of the low birth rate and the emergence of the necessity that women have to have jobs and at the same time take care of housekeeping caused the increase in the spendings in this sector in those countries where the welfare of family is the responsibility of family members rather than that of the state. The average of the four Southern European states showed the most drastic growth, with child-family welfare spending almost doubling from 0.627% in 1980 to 1.217% in 2007.

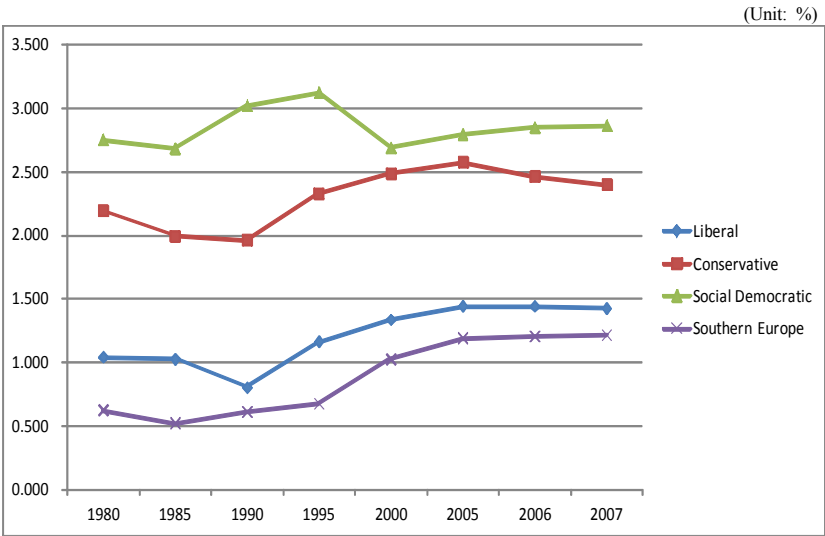
Chart 3.5: Child-Family Welfare Spendings of Southern European Welfare States as Percent of GDP



Source: OECD (2010). Social Expenditure Database, <http://stats.oecd.org>

Now, in order to see the whole trends in child-family welfare spending by welfare state regime at a glance, the following chart is suggested. In terms of overall trends, the child-family welfare spending of social democratic states sharply increased, went through a sharp decrease, and has been on a slight rise; that of conservative welfare states first decreased slightly, followed by a considerable increase, and recently has been in a lull; that of liberalist welfare states has been on the increase except in 1990; and that of Southern European states was overall low, while the rate of increase is relatively high. In terms of absolute value, the highest was social democratic welfare states, followed by conservative welfare states, liberalist welfare states and Southern European states.

Chart 3.6: Child-Family Welfare Spending by Welfare State Regime as Percent of GDP



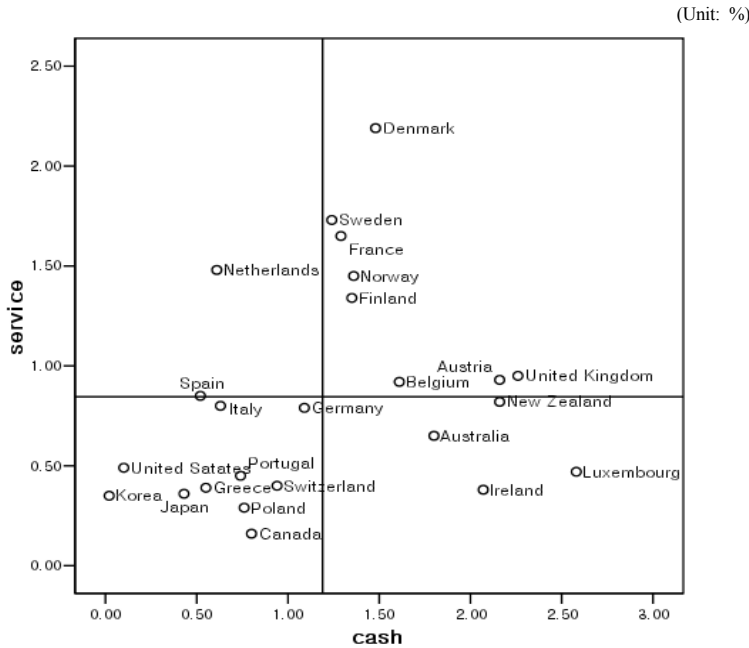
Source: OECD (2010). Social Expenditure Database, <http://stats.oecd.org>

The chart following shows the position of each country on the coordinate plane of which the one coordinate axis represents cash benefit for families with child as percent of GDP and the other axis represents in-kind benefit for families with child as the percent of GDP. The countries, of which the both coordinates are high, are the social democratic states of Denmark, Sweden, Norway and Finland; such conservatives states as France, Austria and Belgium, etc.; and a liberalist state, Britain.

As for the group of states of which the percent of GDP of cash benefit was higher than that of in-kind benefit, all liberalist states like Australia, New Zealand and Ireland, with the exception of Luxemburg, belong thereto. The country of which both coordinates are low is the Netherlands.

On the other hand, as for type of states where both cash benefit and service (in-kind benefit) were low, mainly liberalist countries including Korea, the United States, Canada and Japan, and two conservative states of Germany and Switzerland belong to this type. Other than that, Southern European states of Italy, (Spain), Portugal and Greece, and Poland in Eastern Europe also fall into this category.

Chart 3.7: Child·Family Welfare Spending as Percent of GDP: Comparison Between Cash and Service



Note: The Central axes of X and Y represent averages.  
Source: OECD (2007), Family Database

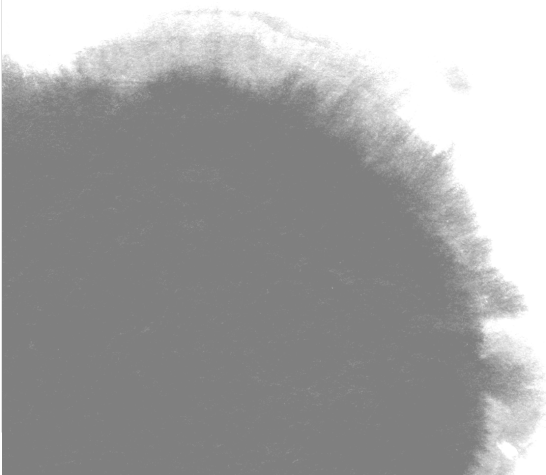
### 3. Implications

The size of child·family welfare spending by type of welfare state has been examined thus far. The child·family welfare spending expressed as percent of GDP is highest in social democratic states, followed by conservative states, liberalist states and Southern European state in written order. Looking into the trends thereof in the last 27 years, social democratic states, in particular, raised the child·family welfare spending before and after 1996 and thenceforth executed reduction thereof; the size of child-family welfare spending in conservative states showed a slight decreasing

trend until 1990 and thenceforth have been on a slight rise; that of liberalist states, also, showed the decreasing trend until the 1990s and recently on a continuous increase; and that of Southern European states also are on the increase.

# 04

## Level of Child Well-Being







## CHAPTER 4

# Level of Child Well-Being

All sorts of welfare policies and spendings for children can be considered to be the means to raise the level of well-being of children. In this research, child poverty rate is examined and the level of well-being in the six criteria suggested by UNICEF (2007) are compared among OECD states.

### 1. Child Welfare Expenditures and Child Poverty Rate

According to the Statistics of Luxembourg Income Study (LIS), child poverty rate is the lowest in social democratic states with 6.1%, followed by conservative states with 8.1%. On the other hand, the states with high child poverty rate are liberalist states with 13.6%, which is 0.7% point higher than 12.9% of Southern European states. By and large, in all states except for social democratic states, child poverty rate is on a gradual increase. However, in Southern European states, the rate decreased slightly during the second and the third research period, but thenceforth has been on an drastic increasing trend again.

〈Table 4.1〉 Comparison of Child Poverty Rate by Type of Welfare State

Nation		First Wave 1981/ 79	Second Wave 1985	Third Wave 1990/ 88	Fourth Wave 1995/ 94	Fourth Wave 1995	Fourth Wave 1997/ 98	Fifth Wave 2000/ 01	Sixth Wave 2003/ 04
L	Australia	11.3	11.8	12.2	11.4	-	-	13.0	12.0
	Canada	12.4	11.4	11.0	11.3	11.9	12.9	12.4	13.0
	Japan	-	-	-	-	-	14.6	14.3	13.7
	Korea	-	-	-	-	-	-	-	14.0
	Britain	9.2	9.1	14.6	10.8	13.4	-	13.7	11.6
	America	15.8	17.8	18.1	17.8	16.9	-	17.0	17.3
<b>Average</b>		<b>12.2</b>	<b>12.5</b>	<b>14.0</b>	<b>12.8</b>	<b>14.1</b>	<b>13.8</b>	<b>14.1</b>	<b>13.7</b>
C	Austria	-	6.7	-	8.7	10.6	8.0	7.7	7.1
	Belgium	-	4.5	4.6	5.2	8.7	8.0	8.1	-
	Luxembourg	-	5.3	4.5	3.9	-	6.2	6.1	8.8
	France	-	7.4	8.9	8.0	-	7.3	-	-
	Germany	5.3	5.8	5.8	8.2	-	-	8.4	8.6
	Switzerland	7.6	-	9.3	-	-	-	7.7	8.0
	Netherlands	-	3.9	4.7	6.3	8.1	-	4.9	-
<b>Average</b>		<b>6.5</b>	<b>5.6</b>	<b>6.3</b>	<b>6.7</b>	<b>9.1</b>	<b>7.4</b>	<b>7.2</b>	<b>8.1</b>
SD	Denmark	-	10.1	7.2	5.2	-	-	5.4	5.6
	Finland	-	5.4	5.7	-	4.2	-	5.4	6.5
	Norway	4.9	7.2	6.4	-	6.9	-	6.4	7.1
	Sweden	5.3	7.5	6.7	-	6.6	-	6.6	5.6
<b>Average</b>		<b>5.1</b>	<b>7.2</b>	<b>6.3</b>	<b>5.8</b>	<b>7.2</b>	<b>-</b>	<b>5.8</b>	<b>6.1</b>
SE	Greece	-	-	-	-	15.4	-	14.3	12.5
	Italy	-	10.5	11.2	14.0	-	-	14.2	12.1
	Portugal	-	-	-	-	-	-	-	-
	Spain	12.1	-	10.1	-	13.7	-	14.2	14.1
<b>Average</b>		<b>12.1</b>	<b>10.5</b>	<b>10.7</b>	<b>14.0</b>	<b>14.6</b>	<b>-</b>	<b>14.2</b>	<b>12.9</b>

L: Liberal Welfare State, C: Conservative Welfare State, SD: social -democratic Welfare State,  
SE: Southern European Welfare State

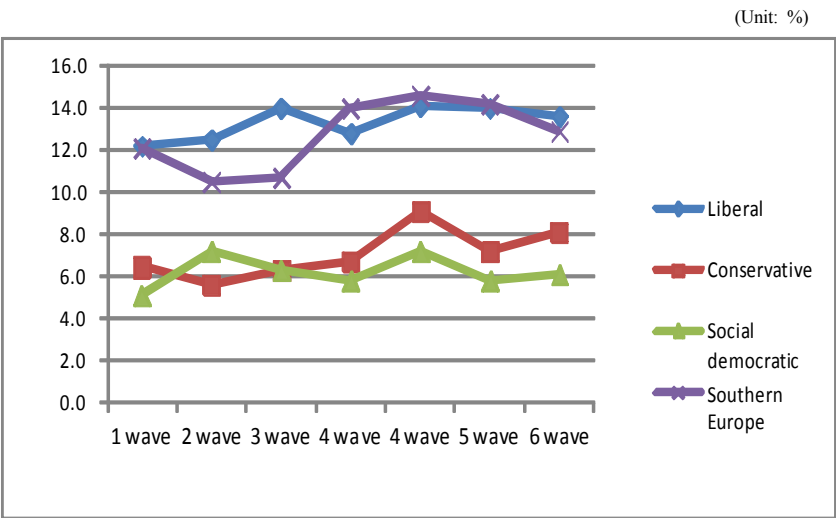
Source: Luxembourg Income Study home page. <http://www.lisproject.org/key-figures/key-figures.htm>

The table reveals that the size of child-family welfare spending and child poverty rate have a considerably close relationship. Social democratic states, where child-family welfare spending was high, showed the lowest child poverty rate, followed by conservative states, where child-family welfare spending was the second highest, with the second lowest in child poverty rate, whereas child poverty rate was

high in liberalist states and Southern European states where child-family welfare spending was low.

What is notable is that child poverty rate of Southern European states was a little lower than that of liberalist states. As to this situation, establishment of the causes through further research is required. In the case of Britain and the US, child poverty has not shown any significant decrease despite investment in early learning, which suggests the necessity of other policies that will redress such situation.

Chart 4.1: Comparison of Child Poverty Rate by Type of Welfare State

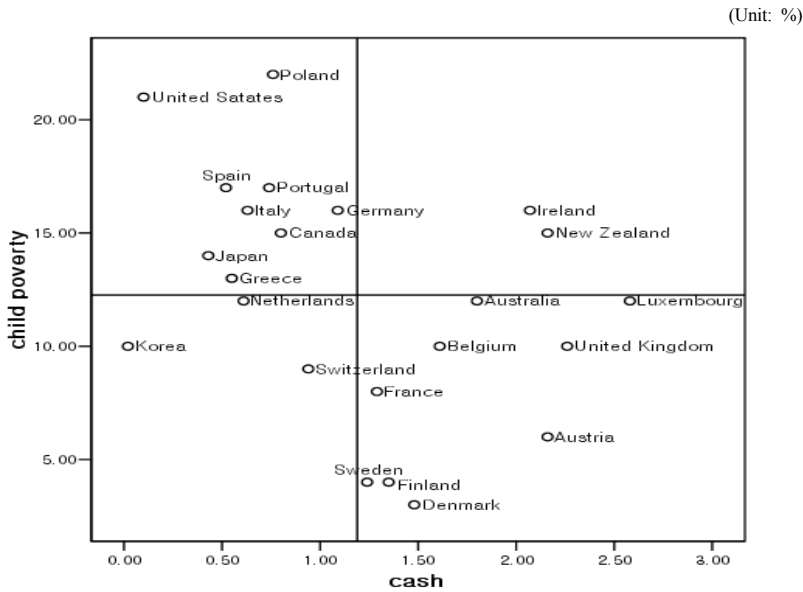


Source: Luxembourg Income Study home page. <http://www.lisproject.org/key-figures/key-figures.htm>

This time, the level of child poverty rate is examined in relation to the type and size of child-family welfare spending by state and by type of welfare state. Overall, the more cash a state spends on child and family welfare, the lower child poverty rate was. If the positions of states were viewed more specifically, in the group of states where

child-family welfare spending was high and child poverty rate was low, social democratic states including Sweden, Finland and Denmark, and conservative states including France, Belgium, Luxembourg and Austria were included. Some liberalist states like Australia and Britain also fell under this group of states. On the contrary, as for the group of states where child poverty rate was high even with relatively high proportion of cash spending of GDP, Ireland and New Zealand belonged thereto.

Chart 4.2: Relationship Between the Proportion of Cash Spending on Child-Family Welfare and Child Poverty Rate



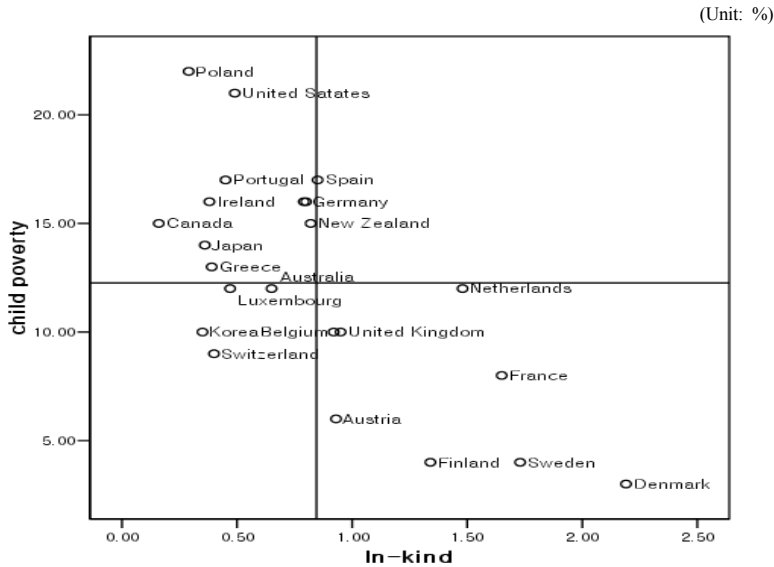
Note: The Central axes of X and Y represent averages.  
Source: OECD (2007), Family Database

All the other states were in a situation where the percent of cash spending of GDP was low and child poverty rate was high. In this group, most of liberalist states including

the United States, Japan and Canada and the only conservative state, Germany, and Southern European states were included. As for an exceptional case where the percent of cash spending was low and child poverty rate was also low, Korea, the Netherlands and Switzerland belong thereto.

Next to the cash spending, the relationship between the proportion of in-kind spending and child poverty rate is examined. A more remarkable negative correlation than the relationship with cash spending was revealed. In short, the higher the percentage of in-kind spending in GDP, the lower the child poverty rate. As for those states that belong to this type, social democratic states were distinctively noticeable among them, followed by conservative states including France, the Netherlands and Austria; and Britain was the only liberalist state that falls under this group. There did not exist such a state where the proportion of in-kind spending was high and child poverty rate was also high. On the other hand, some states showed the condition in which the proportion of in-kind spending was low and the child poverty rate was also low; Korea, Luxemburg, Belgium, Switzerland, Australia, etc., belonged to this group. In the group of states where the proportion of in-kind spending was low and child poverty rate was high were liberalist states (the United States, Ireland, New Zealand, Japan, Canada), Germany, and Southern European states.

Chart 4.3: Relationship Between the Proportion of In-Kind Spending on Child-Family Welfare and Child Poverty Rate

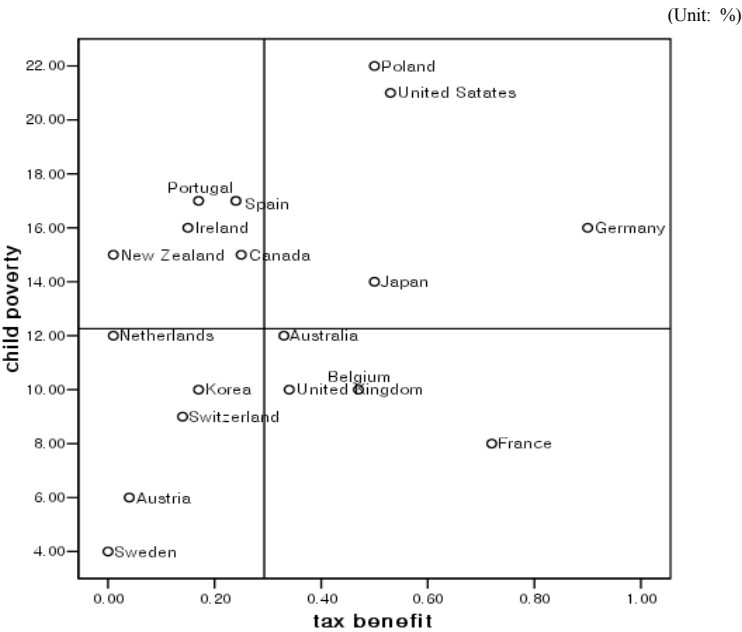


Note: The Central axes of X and Y represent averages.  
Source: OECD (2007), Family Database

With regard to the relationship between the tax benefit-related spending and child poverty rate, it was not as easy to find a certain relationships as in the cases of the previous kinds of spendings. As for the group of states where the proportion of tax benefit-related spending was high and the child poverty rate was low, France, Belgium, Australia and Britain belonged here. Japan, Germany, the United States and Poland were such states where the proportion of tax benefit-related spending was high but the child poverty rate was not low. Under such group of states where the proportion of tax benefit-related spending was low and child poverty rate was high fell Southern European states and the liberalist states of New Zealand, Ireland and

Canada. All the rest were such states where both the proportion of tax-related spending and child poverty rate were low, which include Korea, Sweden, Austria, Switzerland, and the Netherlands. From the chart, it is revealed that while the percent of tax benefit-related spending of GDP was low in social democratic states, liberalist states offer more tax benefits. For instance, Germany showed the highest tax-benefit related spendings as a percentage of GDP, but its child poverty rate was not low, which shows that such benefits were not effective in lowering the child poverty rate.

Chart 4.4: Relationship Between the Proportion of Tax Benefit-Related Spending on Child-Family Welfare and Child Poverty Rate

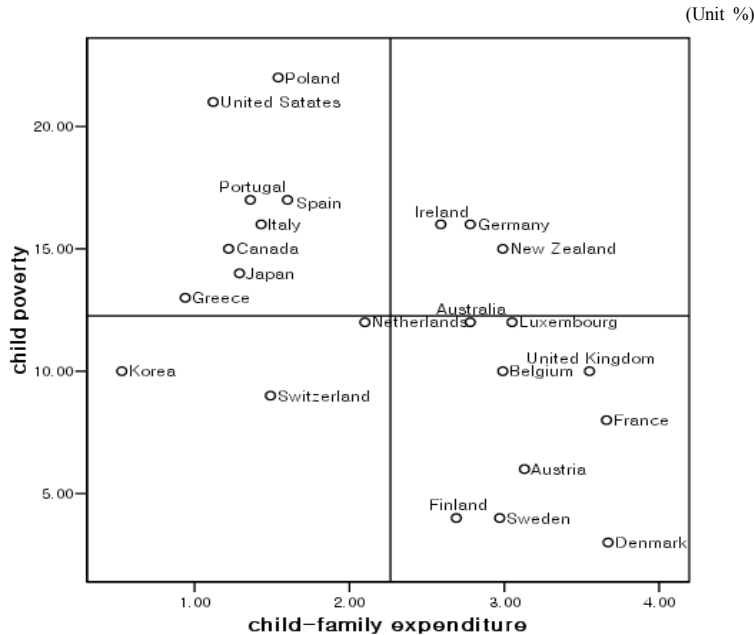


Note: The Central axes of X and Y represent averages.  
Source: OECD (2007), Family Database

Lastly, the relationship between the sum of the spendings on child-family welfare in the form of cash, in-kind and tax benefits and child poverty rate was examined. As a result, overall negative correlation was confirmed. In short, the higher percent of GDP child-family welfare spending accounted for, the lower was the child poverty rate. As for the group of states where the spending on child-family welfare was high and child poverty rate was low, most of them were social democratic states, including Denmark, Sweden and Finland, and conservatist states, including France, Austria, Belgium and Luxemburg as well as two liberalist states, Britain and Australia. The group of states where the percent of spending of GDP was high and child poverty rate was high includes Germany, Ireland and New Zealand, whereas in the case of Korea, Switzerland, and the Netherlands, child poverty rate was low despite of the low proportion of child-family welfare spending of GDP. As for the rest of the states, the percent of child-family welfare spending of GDP was low and child poverty rate was high, to which such liberalist states as Canada, Japan, the United States, etc. and Southern European states including Italy, Spain and Greece belonged.



Chart 4.5: Relationship Between the Total of Child-Family Welfare Spendings and Child Poverty Rate



Source: 1) The Central axes of X and Y represent averages. Entire cash spendings, in-kind spendings and tax benefit-related spendings are included. (Percent of GDP).  
2) OECD (2007), Family Database

## 2. Child Well-Being

Well-being is a multi-dimensional concept, which includes not only material well-being but also perception of well-being in diverse areas. UNICEF classified well-being into objective condition and subjective condition, and ranked nations based on such classification. Under objective condition, five criteria, which are material well-being, health and safety, educational well-being, social relationships, and behaviors and risks, were selected; for each criterion there are specific indicators. Subjective condition represents

children's subjective perception of well-being, which includes their perception on health, school life and individual well-being. Indicators of each criterion and the level of well-being by indicator and by country are as follows:

### 1) Objective Well-being

As objective living conditions that decide well-being of children, UNICEF (2007) selected the criteria of 'material well-being, health and safety, educational well-being, family and peer relationships, health-related behaviors and risks' to measure children's well-being. The sub-criteria and indicators of each criterion are outlined in the following table. However, when this research was conducted by UNICEF, some states, including Korea, (Australia, Iceland, Japan, Luxemburg, Mexico, New Zealand, Slovakia, Turkey) failed to submit sufficient data and were excluded from the objects of analysis. To overcome such problems, Park Jongil et al. (2009) of Korea measured well-being level of Korean children (named it happiness index) adopting almost the same indicators.<sup>2)</sup>

While the results of UNICEF research does not include Korea, this research made an international comparison including the data of Korea using the results of analysis made by Park Jongil et al. (2009).

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2) The sub-criterion of 'experience of violence', under which the indicators of 'the rate of fighting experience,' 'the rate of being coerced,' etc. are included, was excluded in the research of Park Jongil et al.(2009). In addition, the experience of being ostracized, of which the validity is low, was excluded. For more information refer to Park Jongil et al. (2009).

〈Table 4.2〉 Child Well-Being Indicators Used by UNICEF

Criterion	Sub-criterion	Indicator
Material Well-being	Relative poverty	- Rate of children from households of which the income is less than 50% of national median income
	Unemployed households	- Rate of children from families without job
	Deprivation	- Rate of children from low-income households* - Rate of children with almost no educational resources - Rate of households with child having less than 10 books
Health and Safety	Infant health	- Infant death rate (0-1 years old) - Rate of low birth-weight infants (less than 2.5Kg)
	Preventive medical care service	- Rate of children immunized against measles, DPT and polio
	Safety	- Rate of children died in accidents
Educational Well-being	Educational attainment	- Scores of reading, mathematics and science
	Educational participation	- Rate of children aged 15-19 in school
	Transition to employment	- Rate of children aged 15-19 not in education, employment or training - Rate of children aged 15 who wish to have non-skilled jobs
Family and Peer Relationships	Family structure	- Rate of children from single-parent family - Rate of children from remarried family
	Family relationship	- Rate of children who have meals with their parents more than once a week - Rate of children who have time of conversation with their parents
	Friendship	- Rate of children who said that friends are helpful
Behaviors and Risks	Health-related behavior	- Rate of children who eat breakfast - Rate of children who eat fruit every day - Rate of children who are physically active - Rate of overweight children
	Risky behavior	- Rate of smoking among children aged more than 15 - Rate of children who have drunk alcohol more than twice - Rate of children smoking marijuana - Rate of children who had sexual experience before 15 - Rate of use of condom* - Teenage birth rate

Criterion	Sub-criterion	Indicator
	Experience of violence	<ul style="list-style-type: none"> <li>- Rate of children aged 11, 13 and 15 who have experienced fighting in the past 12 months*</li> <li>- Rate of children who experience being ostracized in the past 2 months*</li> </ul>
Subjective Well-being	Health	- Subjective perception of health
	School life	- Satisfaction level of school life
	Well-being	<ul style="list-style-type: none"> <li>- Life satisfaction scale</li> <li>- Rate of children who answered negatively about individual well-being</li> </ul>

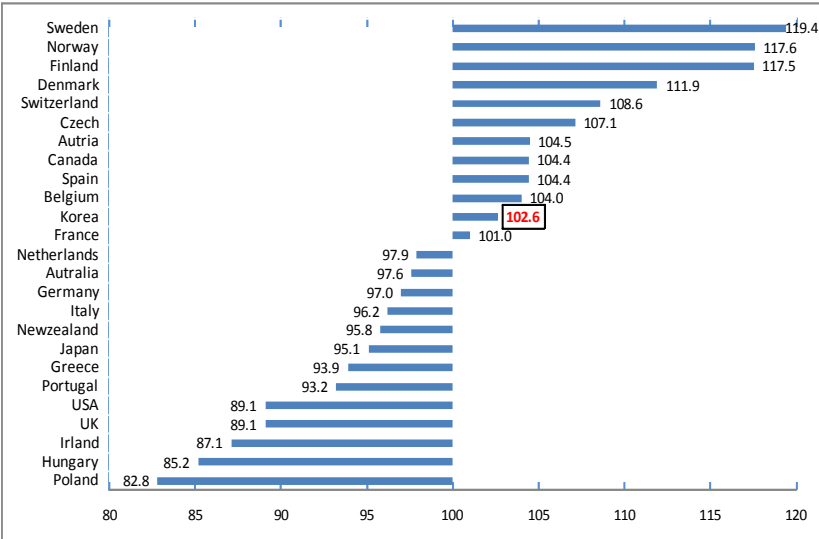
Note: The mark \* represents the indicator excluded when measuring Korea (Park Jong-il et al., 2009 measured Korea, etc. using UNICEF criteria.)

Source: UNICEF (2007), An overview of child well-being in rich countries: A comprehensive assessment of the lives and well-being of children and adolescents in the economically advanced nations, Report Card 7.

### A. Material well-being

The sub-criteria of material well-being are relative income poverty, unemployed households and poverty-related data. Relative income poverty refers to the rate of children from the households with the income less than 50% of national median income. Unemployed households refer to the rate of the children from those households of which all adults are unemployed. Poverty-related data include the rate of children from low-income households, that of children reported to have no educational resources and that of children who have less than 10 books at home (UNICEF, 2007).

Chart 4.6: Level of Material Well-Being of Children in OECD Member States



Source: Prepared based on Park Jongil et al. (2009), Research on Happiness Index of Korean Children and International Comparison Thereof, Seminar Presentation on Current Situation of Children's Rights in Korea Examined through International Comparison of Happiness Index, National Human Rights Commission · Social Development Research Institute of Yonsei University, Sept. 17, 2009.

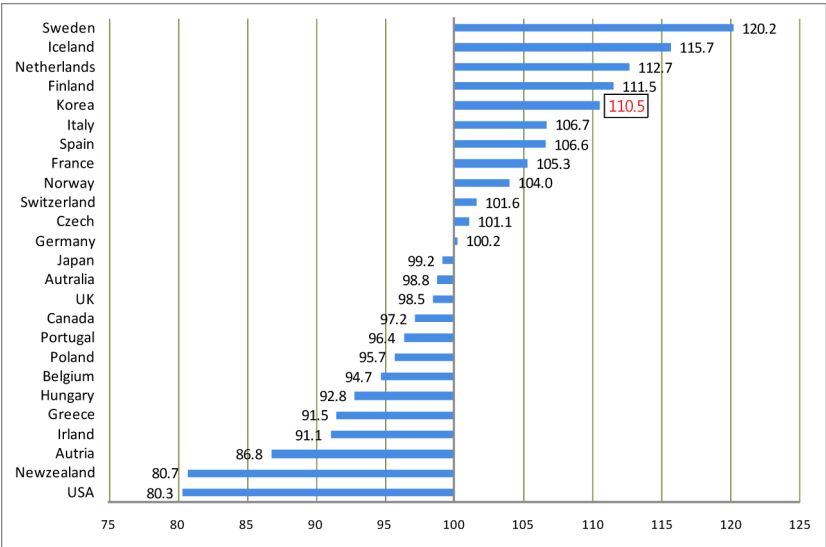
Overall, examination of the scores of material well-being of children in 21 OECD countries revealed differences according to the type of welfare state. When average score is set 100, the group of countries with the score higher than the average belonged to Sweden, Norway, Finland, Denmark, Switzerland, Canada, Belgium, Austria, France, the Netherlands and the Czech Republic; and the group not reaching the average score of 100 but higher than 95 belonged to Spain, Australia, Germany and Italy. Britain, together with Japan, Portugal, and the United States belonged to the group with the score lower than 95 (UNICEF, 2007). According to the research by Park et al. (2009), Korea was in the upper-middle with the average score of 102.6.

## B. Health and safety

The sub-criteria of health and safety are the health of 0-1-year-olds, preventive medical care service and safety. The indicators representing the health of 0-1-year-olds include the number of the dead among 1,000 infants aged less than 1 year and the birthrate of low birth-weight infants (less than 2.5Kg). Indicators for preventive medical care services are the rates of 12-23 months olds who are immunized against measles, DPT and polio. The indicator that represents safety is the number of the dead by accidents and injury per 1000 children aged 0-19 (UNICEF, 2007).

In terms of the average score of health and safety, the four Nordic states still held high ranks. Between liberalist and conservative types, a little difference was observed: conservative-type states ranked in the upper-middle group, whereas liberalist-type states occupied the lower-middle position. In the group of states with average score of 100 or higher were Sweden, Iceland, the Netherlands, Finland, Denmark, Italy, Spain, France, Norway, Switzerland, the Czech Republic and Germany. Britain, following Japan and Australia, belonged to a group of countries with an average score above 95; Canada, Portugal and Poland also fell under this group (UNICEF, 2007). Korea, with its average score of 110.5, placed itself quite high (Park et al., 2009).

Chart 4.7: Level of Health and Safety of Children in OECD Member States



Source: same as the above

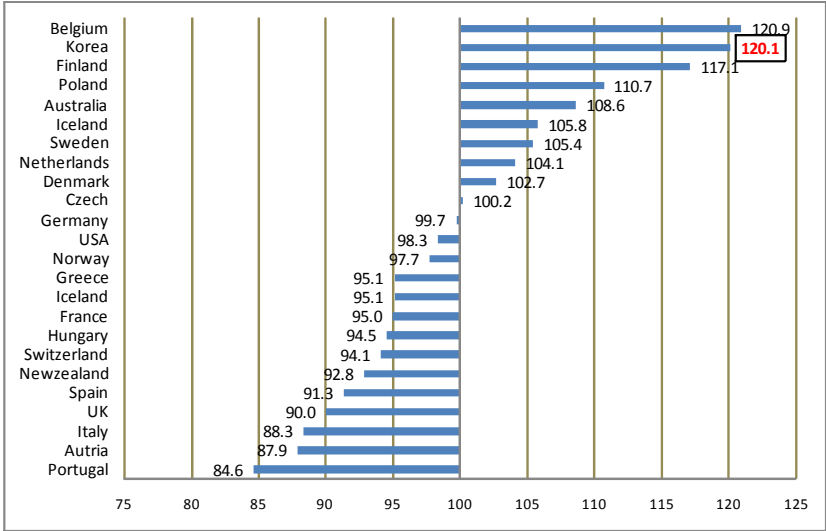
### C. Educational well-being

The sub-criteria of educational well-being are educational attainment, higher learning than basic ability, and transition to employment. The indicator for educational attainment of children aged 15 is the average of attained ability of reading, mathematics and science. The indicator that represents higher learning than basic ability refers to the rate of children aged 15-19 in school; and those for transition to employment are children aged 15-19 not in education, employment or training and the age of children aged 15 who wish to have non-skilled jobs (UNICEF, 2007).

Although the group of states of which the score in educational well-being was higher than the average score, 100, included all the four Nordic states, unlike the cases of material well-being and health and safety, Belgium, Canada,

Poland, etc., held high ranks, followed by Finland, Sweden, the Netherlands, Australia, Ireland, Denmark, the Czech Republic, Germany and Norway. Unlike the criteria of material well-being and health and safety, the group of upper-ranking states, with the average score higher than 100, showed mixed composition that included the conservative states of Belgium, the Netherlands and Germany, and liberalist states of Canada, Ireland, Australia, etc. as well as the Nordic states. Britain, with the average score of 90, belonged to the lower end (UNICEF, 2007). Korea, on the other hand, showed a very high average score of 120, which is the second highest among the 24 OECD countries (Park Jongil et al., 2009).

Chart 4.8: Level of Educational Well-Being of Children in OECD Member States



Source: same as the above

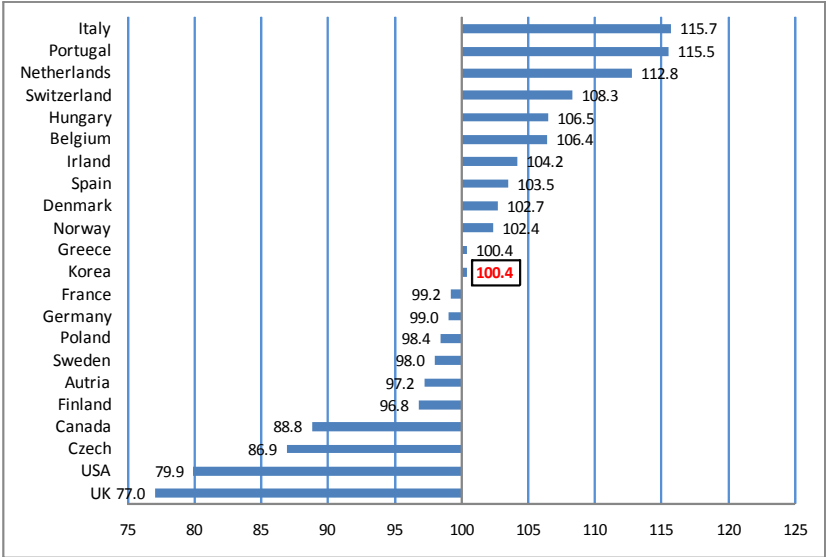


## D. Family and peer relationships

The sub-criteria indicating children's relationships are composed of family structure, family relationships and peer relationships. The indicators for family relationships are the rate of children who answered that they have meals with their parents more than once a week; and the rate of children who answered that they have time of 'conversation' with their parents. The indicator representing peer relationships is the rate of children aged 11, 13 and 15 who answered that peers are 'kind and helpful' (UNICEF, 2007).

The results of producing average scores by measuring the frequency of children having relationship with family members and peers showed that no significant difference was reflected in accordance with the type of welfare state. In the group of states of which the score is above the average score of 100, all types of welfare state are evenly spread, including Italy, Portugal, the Netherlands, Switzerland, Belgium, Hungary, Ireland, Spain, Denmark, Norway, Greece, etc. Particularly, all the Southern European states occupied upper ranks. Sweden and Finland of the Nordic states that scored higher than the average 100 in other criteria, ranked between the score range of 95-100 along with Germany, France, Poland, Sweden and Austria. Britain ranked the lowest with the score 80 (UNICEF, 2007). Korea, with the average score of 100.4, slightly exceeded the average (Park Jongil et al., 2009).

Chart 4.9: Level of Family and Peer Relationships of Children in OECD Member States



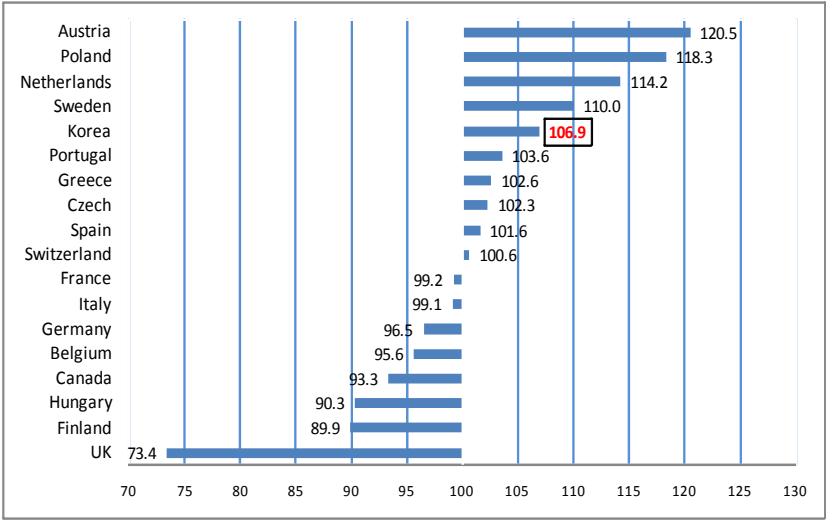
Source: same as the above

## E. Behaviors and risks

The criterion of behaviors and risks includes the sub-criteria of healthy behavior, risky behavior and experience of violence. The indicators of healthy behavior are the rate of children who eat breakfast, that of children who eat fruits everyday, that of children who are physically active, and that of overweight children. The indicators that represent risky behaviors are the rate of children aged 15 and older who smoke, that of children who have drunk alcohol more than twice, that of children smoking marijuana, that of children who had sexual experience before age 15, that of using condom, and that of teenage birth. The indicators representing the experience of violence are the rate of children aged 11, 13 and 15 who have experienced

fighting in the past 12 months; and that of children who have been ostracized by their peers in the past two months (UNICEF, 2007).

Chart 4.10: Level of Behaviors and Risks of Children in OECD Member States



Note: Ireland was excluded.  
Source: same as the above

The results of ranking the average scores of children’s behaviors and risky aspects showed that the Nordic states ranked high. Sweden, Poland, the Netherlands, Ireland, Spain, Denmark, Finland, Greece, the Czech Republic, Italy, Germany Switzerland and Norway belonged to the group of countries with a score higher than 100. Apart from the Nordic states, mainly Southern European states and conservative-type states dominated the group. As to the group of states of which the scores were lower than average, conservative states of France and Austria, and liberalist states of Canada, the United States and Britain, etc.

belonged thereto. Britain showed the lowest score (UNICEF, 2007). Korea, with the score of 106.9, exceeded the average a little (Park Jong-il et al., 2009) and ranked fifth among the OECD countries.

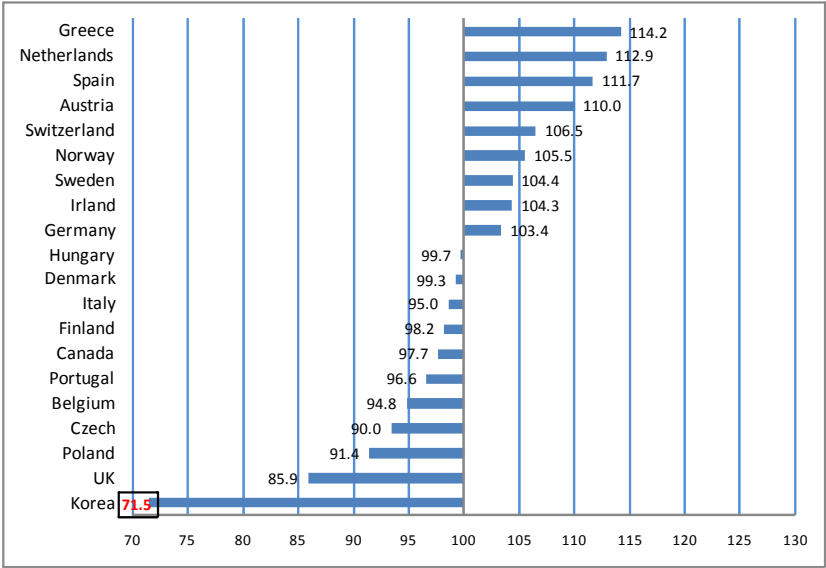
## 2) Subjective Well-being

UNICEF selected the health condition, satisfaction level of school life, awareness level of individual well-being as indicators representing subjective well-being. In measuring health conditions of children, the criteria of 'average' or 'bad' in describing one's health were used. The satisfaction level of school life is the rate of children who answered that they 'very much liked' their school. As the indicators showing individual well-being, 'life satisfaction scale' and 'negative thinking of children' were selected (UNICEF, 2007). Children's negative thinking about their own well-being reflects their perception of their being socially alienated. Negative thinking of children of their individual well-being was grasped based on the answers to such questions as 'feel like a stranger or being ostracized,' 'feel awkward or hard to get mixed,' 'feel lonely,' etc. (UNICEF, 2007).

According to the results of comparing subjective well-being by turning their perception into scores, while Sweden and Norway of Nordic states scored higher than average, Finland and Denmark scored lower than average. Germany, which fell behind Denmark in all objective living conditions, ranked higher than Denmark in the criterion of subjective well-being scoring higher than 100 (UNICEF, 2007). Britain ranked in the bottom also in subjective

well-being scoring between 80-85. Korea ranked the lowest of the OECD member states with the average score of 71.5 (Park Jongil et al., 2009).

Chart 4.11: Subjective Well-Being of Children in OECD Member States



Source: same as the above

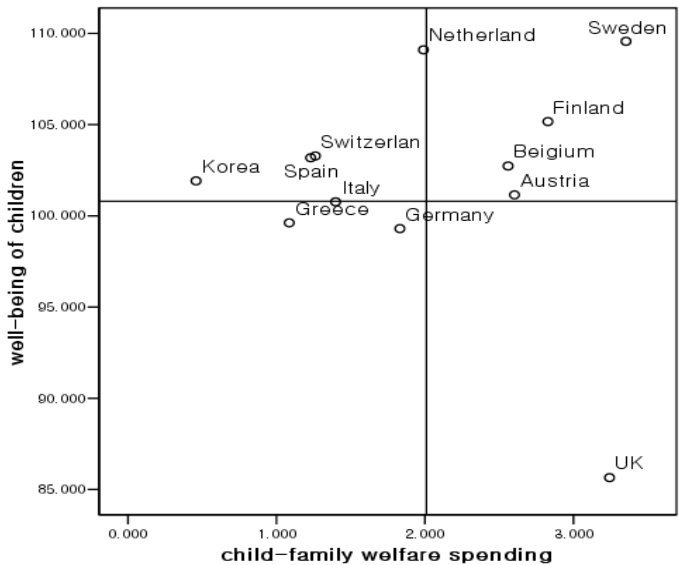
An overall examination of the results mentioned thus far show that social democratic welfare states seem to secure high-level objective living conditions. Social democratic welfare states including Sweden, Denmark and Norway displayed consistently low level in the relative poverty rate, income elasticity between generations, birth rate of low birth-weight infants, infant death rate, children and adolescents death rate, etc. (UNICEF, 2007) as well as in terms of educational gap. As to the rate of participation in job training, the Nordic states ranked high, whereas rankings of Britain and the United States, the liberalist

welfare states, were low. The degree of influence parents' socioeconomic position on children's attainment of secondary education course was commonly low in Nordic states. In other words, the level of well-being of children, examined through indicators, is found to be the most satisfactory in social democratic states.

### 3) Overall Well-being of Children

Finally, the sum of children's well-being in six criteria and the child-family welfare spending was compared by country. The results revealed that the social democratic states, Sweden and Finland, and the conservative states, Belgium and Austria, are such states of which the percent of GDP of child-family welfare spending is high and well-being of children is also high therein. Britain is found to be the state where the percent of GDP of child-family welfare spending is high but well-being of children is low. On the other hand, Korea, Southern European states including Spain and Italy, and two conservative states, Switzerland and the Netherlands, are classified into such states where child-family welfare spending as a percentage of GDP is lower than average but child well-being level is above average. Whereas, Greece and Germany are the states where both the percent of GDP of welfare spending and the level of wellbeing are low.

Chart 4.12: Well-Being of Children and Child·Family Welfare Spending



Note: 1) The two axes of coordinates represent averages. (Child·Family Welfare Spendings compared to GDP: 2.05561, Well-being of Children: 100.78958)  
2) Due to the limit in data, the United States, France, Japan, etc. and East European states were excluded from the comparison.

Source: Calculated using OECD (2007), SOCX database and Schupp, Habich & Zapf (1996:19) as framework for analysis and the estimated figures of Park Jongil, et al. (2009).

It can be said that the well-being of children, in general, is satisfactory in social democratic and conservative states; and liberalist states and Southern European states are maintaining a certain level of children's well-being regardless of the investment they make on children. However, in the case of Germany and Britain, the level of child well-being therein is found to be low, suggesting that the effectiveness of investment is low. On the other hand, Korea shows a peculiar aspect where the level of child·family welfare spending compared to GDP was the lowest but child well-being level slightly exceeds the average. A

longitudinal study on how long this situation will be continued is required; not only that, in-depth deliberation on what kinds of strategies are required to raise the subjective well-being level of children, Korea's weakest point.

### 3. Implications

Overall, the bigger the spending on child-family welfare, the lower child poverty rate. However, in Southern European states, considering the low spendings on child-family welfare, child poverty rate is the same level as or a little lower than those of liberalist states. On the contrary to those states, in the case of Britain and Australia, despite high investment for children, their child poverty rates are rather high. However, in the case of Britain, the child poverty rate has been on the decrease recently and it is expected that the effect of expenditures on child-family welfare will become more remarkable in the future.

The results of analysis using UNICEF-selected indicators show that the group of states that showed good results in all criteria are social democratic states, where Sweden, Denmark, Finland, etc. belong. Nordic states ranked first in four criteria out of a total of six (UNICEF, 2007). The state that showed the best results is the Netherlands which consistently ranked in top 10 in all six criteria. So, it can be said that the Netherlands is the most advanced in terms of child welfare. Nevertheless, the main result revealed in this research is that between GDP and child well-being, there exist no specific relationships (UNICEF, 2007). For instance, in such states as the Czech Republic and Greece, child



well-being level is higher than in those rich states as Britain, Austria and France (UNICEF, 2007). Another finding is that there is no such state that occupies top three ranks in all six criteria. That is, when it comes to the level of child well-being, all the OECD countries have room for improvement although the criteria that require improvement are different from each other. However, Britain and the United States, compared to other states, remain on a very low level in terms of child well-being. The United States remains in lower ranks in all the criteria except for health and safety, and Britain remains in lower ranks except for educational well-being.

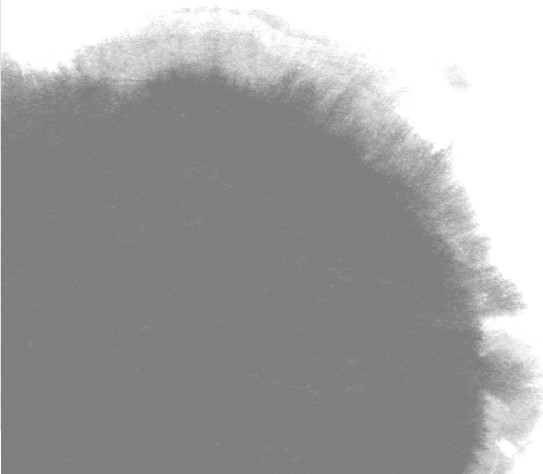
Korea is a country that showed another peculiarity. When the existing UNICEF analysis was made, Korea was excluded due to insufficiency of data; but international comparison was made with (almost) the same indicators of Park Jongil et al. (2009). According to the results, Korea recorded higher scores than average in almost all criteria; particularly, in the criteria of health and safety, educational well-being, Korea ranked in top five; and in the criteria of material well-being and family and peer relationships, Korea was relatively satisfactory scoring about the average or slightly exceeding average. What matters is the criterion of subjective well-being where Korea ranked the lowest; even the gap with Britain, the second lowest, is as big as 14 points.

Relatively positive relationship was found between the child-family welfare spending and child well-being. The level of child well-being was high in social democratic states, where the level of child welfare spending was high, and in some conservative states. On the other hand, in the

case of Britain, while the child-family welfare spending was high, however, it is judged that such spending has not brought about direct effects yet. In Southern European states and some conservative states, the spending on child-family welfare was low but the level of child well-being was found to be higher than average. That is, in these states, subjective well-being is better than objective living conditions.

# 05

## Conclusion and Policy Implications





## CHAPTER 5

# Conclusion and Policy Implications

Thus far, this research first examined the level of child (family) welfare expenditures of Korea and the trends of those in many advanced states and made comparison and analysis thereof. Korea is currently in the situation where the size of child welfare spending is low compared to the most states, but the level of child well-being is relatively good. From the findings of this research, policy implications for raising the level child well-being are suggested as follows:

### 1. Measures for Expanding the Size of Child Welfare Expenditures

Korea's support for children has much room for improvement in terms of both monetary and in-kind dimensions. Our child·family spending is at a very low level. Particularly, even in comparison with Southern European states, where responsibilities for welfare are imposed on family rather than the state, Korea's spending is lower, and accordingly, most of responsibilities for child welfare are depending on family members. However, imposing an excessive tax burden on people to raise the level of child welfare spending is not desirable or possible to be realized.

From this research, it is revealed that Korea's child

welfare expenditures, excluding the spending of W2 trillion on infant care, are concentrated on the support for after-school welfare service for children provided through the local child care centers numbered as many as 3,500. Of course, this is a support focused on poor children that has to be given priority by the government. However, due to the increase in family breakups and double-career families on one hand, and Internet penetration and academic background-first climate on the other, demand for welfare from among ordinary children is also rapidly rising. In other words, the objects of welfare are increasing too rapidly to select them in accordance with income level. Accordingly, in order to prepare for an optimum level of child welfare spending that reflects such changes in circumstances, following policies are required:

First, introduction of child allowance or expansion of tax benefits need to be examined. There has been much discussion on the necessity of child allowance; and there are plenty of research results showing that introduction of child allowance has positive effects on birth rate indirectly. If introduction of child allowance in the universal sense is difficult to be implemented in a short period of time, expansion of tax benefits such as those in the United States is worth consideration. Substantial tax benefits for working families with child, not such passive kinds as the existing ones, are required.

Second, desire for welfare of children should be satisfied through all kinds of in-kind benefits. In-kind benefits include diverse items such as medical care service, after-school care service, home-help service, part-time care service, etc. Such projects that invest in social services

currently being implemented mainly through local governments should be expanded so that not only destitute poor children but more children from diverse backgrounds can be objects of welfare policies. Although those families whose income is less than 100% of average income are entitled to be the objects of social services, participation ratio thereof is not high probably because some percentage of costs are to be paid on their own accounts, and because they have not been properly publicized. Considering that universal welfare is most likely to be realized through social services, a large-scale expansion of them needs to be deliberated (Kim and Lee, 2010).

Finally, the proportion of the spending on after-school project is the highest in Korea. Nevertheless, reality is that even children from low-income families are not properly protected. The child poverty rate of Korea, based on the OECD standard of less than 50% of median income, were 12.5%, or 1.47 million of the total 11,734,759 children aged 19 or younger as of 2008. However, the number of children using local child care center is 98,000, that using after-school academy is 7,000, and that using after-school care is 24,000; and, in school, 300,000 children are protected under the supervision of the Education Ministry for free. In other words, compared to the number of poor children, the number of children being cared or protected is too small (about 429,000 in total). Under the circumstance where two thirds of poor children are left alone, it cannot be said that we have a bright future ahead. Therefore, restructuring of child welfare support system that amounts to the Sure Start of Britain and Head Start of America is required in order

that comprehensive supports that include not just children but their family as objects can be provided and even a customized case management system can be made available.

## 2. Measures to Raise Child Well-Being

To upgrade the well-being of children in Korea, a number of tasks should be taken care of. First of all, measures that would raise the subjective satisfaction level of children should be devised. Particularly, the measures to make improvement in such indicators as subjective health, life satisfaction, loneliness, etc., of which the scores were low (Yeom Yoo-shik et al., 2009), should be prepared. In short, measures to improve 'mental health' of children should be devised so that the emotional and relationship desires of children, currently being denied in the social climate where only academic background is emphasized, can be fulfilled.

Currently, children's well-being is being devastated in the fierce academic competition, and this state is getting more severe. To mend such condition, mid- to long-term improvement in public education should be aimed for; however, since it requires a considerable period of time, preparation of immediate measures to improve relationships of children is required in the current situation that calls for short-term solutions.

In addition, to raise the level of mental health of children, support for mental health services is required. The society as a whole should have more interest in their mental health and at the same time exercise caution for those children who use such services not to be stigmatized.





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