

## AGING AND SOCIAL POLICY IN KOREA

SUNG-JAE CHOI

*Department of Social Welfare, Seoul National University*

*On the basis of the modernization theory of aging, this paper argues that the causal factors for the diminishing status of the elderly and consequent aging problems are basically societal rather than individual or familial. It then examines the present state of problems of elderly Koreans, analyzes existing social welfare provisions for the elderly and some problems in current policies. From these diagnoses, it emphasizes the role and the shared responsibility of the state to initiate an efficient and encompassing solution for the elderly problem, which will pave the desirable way for the Korean welfare state.*

### INTRODUCTION

The modernization theory of aging postulates that the phenomenon of modernization, which is the transformation of a total society from a relatively rural way of life toward a predominantly urban way of life, contributes to the diminishing status of older people in society (Cowgill & Holmes 1972; Cowgill 1974). This modernization which has been accelerating for the past 30 years in Korean society seems not only to diminish the status of older Koreans, but ultimately to contribute to the occurrence of the problem of aging in Korea; a problem that has emerged as a social problem principally since the beginning of the 1970's. The problem of aging as a social problem is now becoming serious in Korea.

A social problem is defined as a social phenomenon, of which causal factors are societal rather than individual or/and familial and, that negatively affects a large number of people and, that is judged undesirable in the light of social values. The problem of aging in Korea, that is largely caused by the modernization factors (which are societal), negatively affects a large number of elderly Koreans, and is judged undesirable in the light of Korean social values of humanitarianism, and filial piety, and sense of community, could be defined as a social problem (Choi 1989). Since the causal factors of the problem of aging are societal rather than individual or/and familial the main leverage in solving it lies with the state. It is

argued that the main leverage is social policy.

From the basic position of supporting the modernization theory of aging and viewing aging as a serious social problem in Korea, this paper proposes a theoretical framework to link the modernization theory of aging to major aspects of the problem of aging. It then examines the present state of problems of elderly Koreans, analyses existing social welfare provisions for the elderly and some problems in current policies and, finally, makes recommendations for policy development.

## MODERNIZATION FACTORS AND PROBLEMS OF ELDERLY KOREANS

The modernization theory proposes that four factors (the development of health technologies, the development of economic technologies, the expansion of mass education, and urbanization) are salient to modernization and that these four factors, mediated by intervening factors, contribute to the diminishing status of older people. Many criticism have been charged against the theory since it was proposed. However, its explanatory power is still greater than any other theories of aging in that it well explains the causal process as resulting in the lowered status of the elderly, and its empirical relevance has been cross-culturally confirmed (Cowgill 1986).

Though the theory originally only proposed the causal links between modernization factors and the lowered status of the elderly, and did not suggest causal links between the lowered status of the elderly and problems of aging, it is argued here that the diminishing status of older people leads to the emergence of problems of aging in contemporary Korean society as shown in figure 1.

## PROBLEMS OF ELDERLY KOREANS

The major aspects of the problem of aging in Korean society can be said to be: (1) the sharp decline of income and the economic dependence on children, (2) difficulties in health care, (3) role loss and difficulties in leisure activities, and (4) social-psychological conflicts and feelings of alienation. These problems will be briefly examined below.

### *Sharp Decline of Income and the Economic Dependence on Children*

One of the most serious aspects of the aging problem in Korea is economic insecurity. The most significant contributing factor to a sharp decline in the income of elderly Koreans and their consequent economic

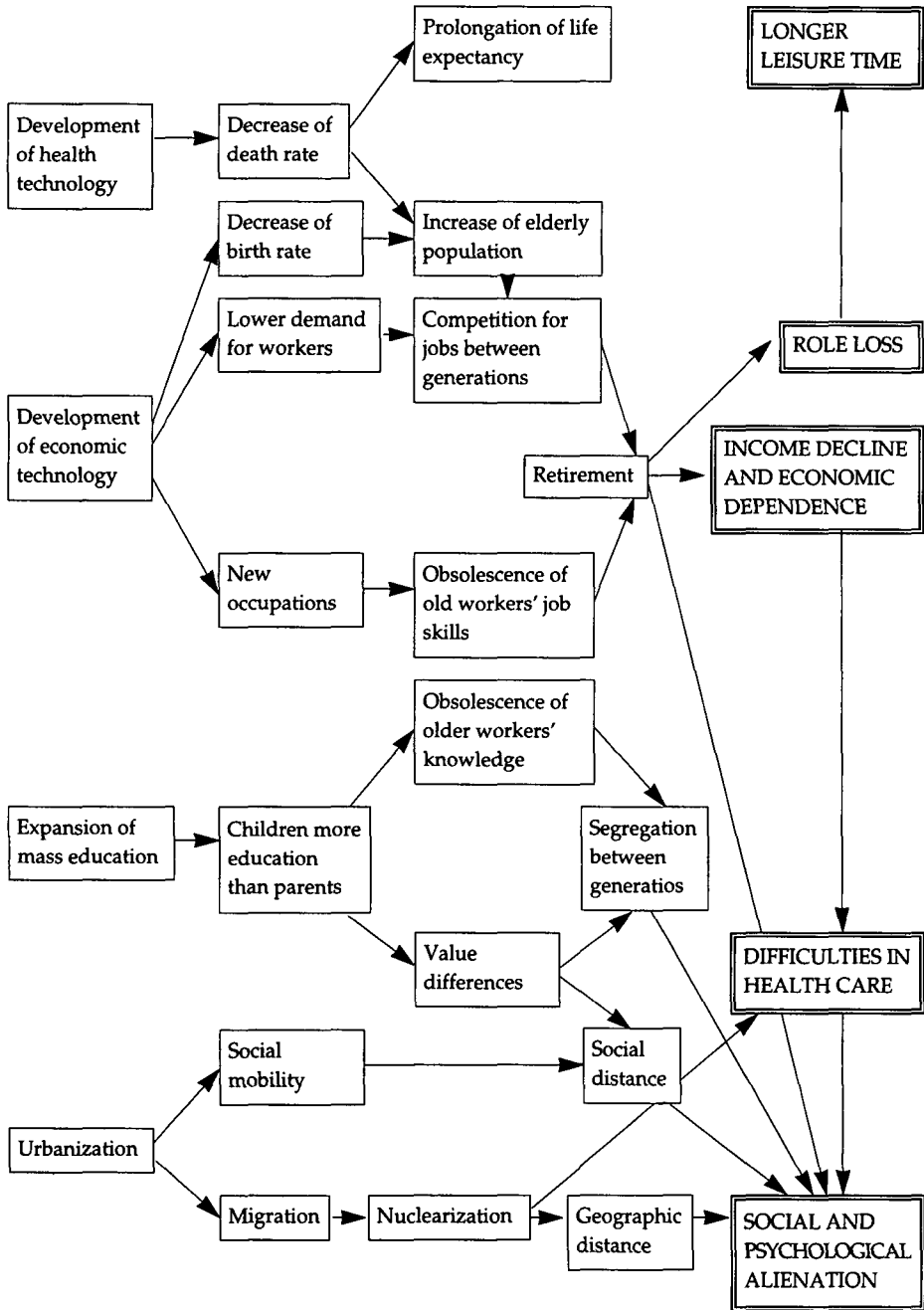


FIGURE 1. MODERNIZATION-RELATED FACTORS AND THEIR CAUSAL LINKAGE TO MAJOR ASPECTS OF THE PROBLEMS OF AGING

dependence on children is mandatory retirement at a premature age. This retirement system has been in practice in both the public and private sectors of employment since the early 1960's. Because the National Pension program, covering most workers, only started in 1988, and cannot provide benefits for retirees, the most common and major source of income for those subject to the mandatory retirement system is currently the retirement benefits given under the provision of the Labour Standards Act. However, its benefit level is not sufficient to maintain a minimum living standard (Min 1985). Other factors contributing to the financial insecurity of elderly people are: lack of social security provisions, excessive and unnecessary support for their children, difficulties in reemployment after retirement, and unstable employment and wages (Kim 1984).

The high proportion of elderly Koreans below the absolute poverty level is noticeable. Of all households below the absolute poverty level in 1994 (a new level is set by the government every year), 48 per cent were headed by those aged 60 and over and 38 per cent by those aged 65 and over. In addition, out of the total number of elderly people aged 65 and over, about 10 per cent were below the poverty level (Ministry of Health and Welfare 1995a), while only 3.9 per cent of the total Korean population were below the poverty level. It should also be pointed out that the poverty level set by the government is itself unrealistic, being only 77 per cent of the minimum living cost for those living in a large city (Park et al. 1994). If we would estimate the number of the elderly below the poverty level by applying the actual minimum living cost, it may include about 30 per cent of the elderly aged 60 and over. The reliability of such an estimation is supported by several national surveys (Korea Survey (Gallup) Polls 1990; Policy Office for the Aged of Japanese Government 1991; Rhee et al. 1994).

As shown in Table 1, nearly half the Koreans aged 60 and over are dependent on their children for their living expenses. A majority of elderly Koreans still take for granted that they will receive economic support from their children (National Statistical Office 1994). However, contrary to this expectation, there are many instances in which older Koreans are not supported by their children. An increasing number of elderly Koreans suffer from financial difficulties because of their children's unwillingness or inability to provide economic support.

#### *Difficulties in Health Care*

Ill-health and difficulties in receiving health care is one of the two most serious problems of aging (Korean Institute of Gerontology 1993). From the

TABLE 1. MAJOR INCOME SOURCES OF ELDERLY KOREANS

(N=2,048)

Income Sources	Proportion of the Elderly(%)
Earnings from work	37.6
Public pension and Retirement Benefits	3.9
Savings and Property	6.9
Children's support	44.3
Public or private assistance	3.5
Others	3.8
Total	100.0

Source: Rhee et al. (1994)

results of several national surveys (Policy Office for the Aged of the Japanese Government 1991; Rhee et al. 1994) about 40 per cent of the respondents aged 60 and over were not in good health, and poor health was the most common matter for concern. From other surveys (Lim et al. 1985; Rhee and Huh 1985; Korea Survey (Gallup) Polls 1990) it could be inferred that about 8 per cent of elderly Koreans are bedridden, while about 80 per cent have limitations in performing daily activities and some 10 per cent or more some physical limitations.

The major health-care problems relating to the elderly are difficulties in paying health care costs and caring for frail or disabled elderly people who need help with normal daily activities. Since the prevalence of disease and accidents among the elderly is two to three times that of the remaining population, and the treatment period is much longer (Huh 1983), their health care costs (the patient's share of the costs) are also higher.

As the aged population increases, the number of frail or disabled elderly Koreans who need assistance in normal daily life also increases. The increase in demented elderly people and the difficulties of their family caregivers has received much public attention in recent years. According to a rough estimation the number of demented elderly Koreans is about 120,000. It is becoming more difficult to take care of such people in the home. This may be due to several factors such as the changing values in family life, the nuclearization of the family, the decrease in family size, women's increasing participation in the workforce and in social activities, and lack of social services in in-home care. Contrary to this trend, the traditional value of filial piety that emphasizes the provision of personal care for one's parents, seems to strongly discourage the family from accepting care services from non-family members. However, most elderly Koreans still want their sons, daughters, and daughters-in-law to take care of them when they are not in

good health (Korea Survey (Gallup) Polls 1990). The result is that many elderly Koreans seem to have difficulties in receiving care services at home. This is becoming a new aspect of the problem of aging in Korea.

#### *Role loss and difficulties in leisure activities*

Retirement is generally said to be a product of modernization or industrialization (Donahue et al. 1960). The loss of social roles, particularly the loss of the occupational role and its correlates in industrial societies, results mainly from the mandatory retirement system.

It is noticeable that while the mandatory retirement age in the private sector of employment, to which the overwhelming majority of workers belong, is generally 55 (Korea Employers' Federation 1988), in the public sector it varies from 58 to 65. Retirement at an earlier age tends to make for a long period of later life without any particular work or activity. Roles appropriate to age are prescribed by social norms and values (Rosow 1974). Korean society is caught between traditional and modern values in the process of rapid social change, without having developed new values that support the roles of elderly people in modern Korean society. Moreover, rigid age-grading norms that are relatively well preserved are likely to limit the development of new roles or activities for elderly people. This results in confusion as to the kinds of roles and activities that are appropriate for them. Thus elderly Koreans seem to be caught in 'roleless' roles.

Not only because of a lack of role models, but also due to a lack of socialization for leisure activities and a lack of organized leisure programs, older Koreans often seem unable to enjoy leisure activities that are socially desirable as well as appropriate. A majority of older Koreans undertake simple informal activities such as visiting friends or relatives, listening to the radio and watching TV, doing housework, playing cards or chess, and the like (Choi and Chang 1987). Thus the role loss and difficulties in leisure activities are together becoming one of the major aspects of aging problem in Korea (Korean Institute of Gerontology 1993).

#### *Social-psychological conflict and alienation*

The social-psychological conflict with, and alienation from, children or family members is also an emerging aspect of the problem of aging in Korea. Integration into the family is an important component of life satisfaction for older people (Liang et al. 1980). In Korea, it appears that modernization is exerting a strong negative influence on the social integration of old people into the family. The factors of modernization,

specifically work-role loss, and differences in educational levels and in value orientation between elderly people and their children all seem to contribute to the psychological alienation of many Korean elderly people from their families (Choi 1984).

The educational level of older Koreans is generally much lower than that of younger generations. This difference in the level of education may result in differences of values between the generations (Choi 1984). One study revealed that more than 50 per cent of the respondents expressed at least some degree of value difference between themselves and their children, and about 30 per cent of the respondents felt there was a great degree of difference (Lim et al. 1985). In particular the value differences resulting from differences in educational levels appear to have a strong effect on the alienation of the Korean elderly (Choi 1984).

In traditional Korean families, conflicts between the mother-in-law and the daughter-in-law, which has been one of the major causes of family problems, often resulted in the daughters-in-law being victimized. In the modern Korean family, where the way of life tends to be based on the nuclear family unit, conflicts between mothers-in-law and daughters-in-law tends to be even more prevalent (Seoul City Family Counselling Services 1990; Lee et al. 1991). But here it is associated with abuse and desertion of the elderly, arising from generational value differences and the lowered status of elderly people within the family. This phenomenon may mean that the conflicts between the two sides result in mothers-in-law being more victimized than daughters-in-law. Hence, older Koreans and their married children increasingly want to live apart from each other in order to avoid conflict and the feeling of alienation (Kim et al. 1986; Kim and Kim 1983; Kong et al. 1987). Increasing instances of children avoiding care of older parents, parental abuse, elderly people seeking separate living accommodations (including homes for the aged), and elderly people running away from home, all seem to be related to the problems of conflict and alienation.

## SOCIAL WELFARE PROVISION FOR ELDERLY KOREANS

We need to review our social welfare provisions in order to see whether they properly respond to the problems of aging. Social welfare provisions for elderly Koreans can be grouped into four categories according to the nature of the provision; income maintenance, health care, housing, and social services. The major programs in each category will be examined around the four basic dimensions of policy issues: coverage and eligibility

requirements, benefit provision, delivery, and financial system.

### *Income Maintenance Programs*

Currently there are five categories of income maintenance programs for older Koreans: public pensions, public assistance, retirement benefits, the elderly honor program, and income-generating programs. Of these programs, public pensions, public assistance and retirement benefits are cash-payment programs; their covered population and recipients are shown in Table 2.

#### 1. Public Pension Programs

**TABLE 2. COVERED PERSONS AND RECIPIENTS UNDER INCOME MAINTENANCE PROGRAMS**

Programs	Covered Persons (A) (thousands)	Recipients (B) (thousands)	A/Total Employees (%)	B/The Elderly 60+(%)	B/The Elderly 65+(%)
Government Employees Pension (GEP)	948 <sup>1)</sup>	48	4.7	1.2	1.9
Military Service Pension (MSP)	142 <sup>2)</sup>	38	0.7	0.9	1.5
Private School Teachers/ Pension (PSTP)	175 <sup>3)</sup>	3	0.9	0.07	1.2
National Pension (NP)	7,574 <sup>4)</sup>	-*	37.9	-	-
Livelihood Protection (LP)	1,755 <sup>5)</sup>	376	-	9.3	14.9
Old Age Allowance (OAA)	174 <sup>6)**</sup>	174**	4.3**	6.8**	
Retirement Benefits (RB)	5,549 <sup>7)</sup>	195	27.8	4.8	7.7
<b>Total</b>	<b>10,594***</b>	<b>660****</b>	<b>-</b>	<b>17.37</b>	<b>27.2</b>

Sources: 1) Government Employees Pension Corporation (1994)

2) Ministry of National Defence (1991)

3) Private School Teachers Pension Corporation (1994)

4) National Pension Corporation (1995)

5) Ministry of Health and Welfare (1995a)

6) Ministry of Health and Welfare (1995b)

7) National Pension Corporation (1995)

Note: \* There are 195 thousand recipients of the NP but they are not counted as actual recipients, because they are not recipients of normal old age pension, but recipients of special pension given to those who have been insured for only 5-7 years, and of invalidity and survivor's pension insured less than 7 years.

\*\* Since the recipients of the OAA are also the recipients of the LP this number was not counted in the total.

\*\*\* The number of person covered by the RB was excluded from the total because those covered by the RB are also covered by the NP.

\*\*\*\* The number of total recipients exclude those who received lump sum refund in special pension programs.



There are four public pension programs, all designed as contributory social insurance schemes. Three are for people employed in particular occupations, such as government employees, military personnel and private school teachers; these three provide for 6.3 per cent of total employees as shown in Table 2 above. The fourth, known as the National Pension (NP), is for those employed in industry, commerce, agriculture, and fisheries and those who are self-employed.

Pensions for people with special occupations (GEP, MSP, and PSTP) were instituted in the early 1960's and in the mid-1970's, while the NP was instituted in the late 1980's. The public pension program for people in general was created by the National Pension Act in 1986, and came into force in 1988, to cover all workers aged 18-60 who are not covered by special pension systems. Currently it covers only the employees and employers of workplaces which have 5 or more full-time workers, and those employed in agriculture and fisheries, or 37.9 per cent of total employees (Table 2). Since the NP program only began in 1988, the current elderly are not eligible for the benefits of this old age pension.

Categories of benefits under the NP program are: the old age pension; the invalidity pension; the survivor pension; and the lump-sum refunds. Of these four categories the main one is the old age pension. To be eligible for an old age pension one should have been insured for 20 years or more and be 60 years old. There are some special categories in the old age pension which also warrant eligibility (such as reduced old age pension, incumbent old age pension, and advanced old age pension).

The NP program is financed by a contribution from the employee's wages and accumulated retirement benefits along with the employer's liability for workers of workplaces with 5 or more full-time workers; and by a contribution from the employee's income and a flat rate of government assistance for workers in agriculture and fisheries. The NP program is administered by the National Pension Corporation, a semi-governmental organization under the supervision of the Ministry of Health and Welfare. As of 1995 about 7.7 million or 37.9 per cent of Korean workers, are compulsorily covered by the NP program, as indicated in Table 2, but as yet none of them are recipients of the NP. Therefore, today, no pensioners in Korea are recipients of the NP but only of special pensions.

## 2. Public Assistance Programs

*Livelihood Protection (LP)*: The LP program was established by the Livelihood Protection Act in 1961. It was not until the enactment of this act that the constitutional right to a minimum but decent living standard was

substantiated. To be eligible for the LP program an elderly person must meet three requirements: he must be judged to be poor by the standard of income and assets set by the government every year; he must be 65 or over; and there must be no one legally responsible for supporting him or, if there is someone, that person is unable to work.

The LP stipulates four categories of benefits for elderly people: livelihood assistance; funeral assistance; medical assistance; and self-reliance assistance. The level and types of benefits vary according to the status of the recipient, which can be classed as domiciliary protection, institutional protection, or self-reliance protection. In 1995 elderly recipients of the LP benefits totals 174 thousands, as shown in Table 2.

The central government contributes 80 per cent of the program costs, with the remaining 20 per cent shared by local government. The program is administered under the responsibility of the Ministry of Health and Welfare, but assistance is actually delivered through local government agencies.

*Old Age Allowance (OAA):* The OAA was designed to solve the problems that arose when the NP program was instituted without any interim provision made for those who have already reached the pensionable age of 60 and thus cannot benefit from the NP program. Eligible persons are limited to those who cannot be covered by any kind of public pension, who are 70 years old and over, and who are of low income as judged by a means test. This program is financed by the central government and administered by the same delivery system as the LP program. In 1995, 174 thousand elderly Korean receive the benefits of the OAA, as indicated in Table 2.

### 3. Retirement Benefits Program

This program created by the Labor Standards Act of 1953 could be regarded as a public income maintenance program in that it is compulsorily applicable to all workplaces with 5 or more full-time workers by the provision of law, even though it is not rigidly applied. The act requires employers of workplaces with 5 or more full-time workers to accumulate one month's salary as a retirement benefit fund for every year employed, if workers have worked for more than one year. So any full-time worker who has worked for more than one year in a workplace with 5 or more full-time workers is eligible for the RB. The RB is paid as a lump sum when the worker leaves the workplace because of reaching retirement age or for other reasons. Currently this program is the principal income source for most retirees in Korea, covering some 5.5 million or 27.8 per cent of Korean Workers.

#### 4. Elderly Honor Program

The Elderly Honor Program (EHP) provides elderly people with discounts on public transport (operated by the government) and on admission to public facilities such as parks and museums, and also provides elderly people with 12 free coupons that can be used on city buses operated by private enterprises.

#### 5. Income Generating Programs

There are four kinds of income generating programs that provide elderly people with an opportunity to earn income by making good use of their free time. The Older People Employment Service (OPES), which links job-offerers and elderly job-seekers, is operated by non-profit organizations with the Seoul City government's assistance. The Elderly Job Bank (EJB), which is very similar to OPES, is operated by local branch offices of the National Association of Older Koreans with the national government's assistance. The Elderly Workshop (EW) helps set up workshops where elderly people can work together and receive remuneration for their work, and is operated by voluntary organizations with government assistance. The Elderly Job Support (EJS) is stipulated in the Elderly Welfare Act Amendment of 1991 to give priority to elderly people in granting permission to install booths that sell daily necessities in public facilities such as parks, and permission to sell government-monopoly goods. However, this stipulation has not yet been implemented.

#### *Health Care Programs*

Another essential aspect of the constitutional right to a decent living standard was substantiated by the institutionalization of medical insurance and medical assistance programs in the latter 1970s. There are three kinds of health care programs for elderly people: medical insurance, medical assistance, and health examinations.

##### 1. Medical Insurance programs

There are two medical insurance programs for elderly people. One is Medical Insurance (MI), for people in general, and the other is Civil Servant and Private School Employee Medical Insurance, (CSPSEMI) for those employed in special occupations. The present MI scheme, in fact, created by a total revision of Medical Insurance Act in 1976, was designed to cover all Korean residents, including the elderly, except for those covered by special medical insurance (CSPSEMI) and the Medical Assistance (MA) scheme.

To be eligible for the MI Program, a person should be either the insuree or a dependent family member of the insuree. The MI pays for diagnosis, inpatient and outpatient treatment, operations, nursing, medication, and transport for treatment. The payment level varies with the medical care system and the kind of treatment. The MI pays 50-70 per cent of the fees for outpatient care and 80 per cent for inpatient care, while the patients themselves have to pay 20 per cent or more of the total medical fees.

The MI scheme is financed by equal contributions from both employee and employer for those in workplaces with more than five full-time workers, but by equal contributions from both the insuree and the government for farmers, fishermen, and self-employed people (including employers in workplaces with fewer than five workers). The MI scheme is administered by the medical insurance societies and their federation (Federation of Korean Medical Insurance Societies), an organization under the supervision of the Ministry of Health and Welfare. As of 1994 the MI covers 84 percent of the Korean population.

The special medical insurance scheme (CSPSEMI) covers 11 per cent of the total population. The eligibility requirements, benefit categories, and benefit levels of the CSPSEMI scheme are similar to those of the MI scheme.

## 2. Medical Assistance Program

The Medical Assistance program (MA) had been a benefit category under the Livelihood Protection (LP) Program until a separate program was established by the enactment of the Medical Assistance Act of 1977. It covers not only LP recipients but also veterans, human cultural treasures, and disaster-stricken people.

The MA scheme pays for the same categories of benefits as the MI scheme, but its payment level varies with the status of recipient and the medical care system (primary and secondary). Deductible amounts are imposed on those who are under self-reliance protection. When they are unable to make payments, the state makes loans without interest with a reimbursement period of from one to three years. This program is financed by the contributions of central and local governments and the medical fees paid by recipients, and is administered under the auspices of local government. As of 1994 five per cent of all Koreans and 14.9 per cent of all those aged 65 and over were covered by this program.

## 3. Elderly Health Examination Program

The Elderly Health Examination (EHE) program was established by the Elderly Welfare Act of 1981 for the detection and prevention of diseases. The

state's provision is not compulsory but subject to budget constraints. Hence, so far, provision has been limited to low-income elderly people.

#### 4. Nursing Home Program

Nursing home services are available for those who need long-term care. Nursing homes are classified into three categories according to the fee-charging system: free, low-fee, full-fee. Currently there are 51 homes—36 free, 14 low-fee, 1 full-fee. The Elderly Welfare Law Amendment of 1994 allows profit-making as well as non-profit organizations to run full-fee nursing homes, but presently all nursing homes are operated by non-profit organizations. Nursing home fees are not reimbursed by medical insurance.

#### *Housing Service Programs*

Despite the fact that the demand for housing designed for the elderly is increasing in Korean society (Choi 1992; Koran Institute of Gerontology 1993), there is no explicit housing policy for older Koreans, neither for those living with their children nor for those living separately from their children. There is neither a housing supply program nor a financing program for the elderly.

One provision of the Elderly Welfare Act stipulates that the state or local government should facilitate the construction of houses appropriate for elderly people. However, this provision is ambiguous in terms of the government's responsibilities, and consequently housing programs in accordance with this provision have rarely been created. Another provision of the law defines two kinds of congregate housing for the elderly, that is, low-cost elderly welfare housing and full-cost elderly welfare housing. It allows profit-making organizations or individuals to construct and rent full-cost housing, but so far there have been no housing projects that accord with this provision.

Besides the ambiguity of the provision, there are several other reasons for the underdevelopment of a housing policy for the elderly. The housing shortage has been so serious nationally that there is little opportunity to consider a housing policy aimed particularly at the elderly population. Since the social welfare policy for elderly people has focused on institutional care, the government has not paid attention to the housing problems of elderly people living in homes. The spirit of 'family responsibility' for taking care of the elderly in a co-residential arrangement, which is still relatively well preserved, is also hindering the development of a housing policy especially for the elderly. Because housing prices are

unprecedentedly high, few older Koreans can afford to buy or rent, even though housing for elderly people would be supplied.

Regarding the institutional accommodation program, there are two kinds of institutions: homes for the aged and nursing homes. These two kinds of institutions are classified into three categories according to fee-charging system; free, low-fee, and full-fee. As of 1994, there were 89 homes for the aged and 51 nursing homes; 118 free homes, 16 low-fee homes, and 6 full-fee homes. All the institutions are now operated by non-profit organizations. Only 0.3 per cent of elderly Koreans are residing in these institutions. There are no proprietary institutions since their provision was only put into effect in 1994.

### *Social Service Programs*

The meaning and scope of social services differ according to political and cultural contexts. In this paper, social services are taken to mean 'programs that protect or restore family life, help individuals cope with external or internal problems, enhance development and facilitate access through information, guidance, advocacy, and concrete help of several kinds' (Kahn 1979).

With the advancement of modernization, the needs of the Korean elderly have not only been elevated to higher levels but have also been diversified (to include, for example, personal help needs, social-psychological developmental needs, and others). And as family structure and functions have substantially changed, the family's need to strengthen its caring function has been increased and diversified. In spite of these changing needs, the number of social service programs directed to meet the needs of the elderly population and their families are few in number.

The elderly counselling program is designed to provide counselling services for elderly people; the counsellors are employed by the local government. Elderly Welfare Center programs are designed to provide a range of services concerning health improvement, adult education, recreation, counselling, information and guidance, among other things. By 1994 there were 39 such elderly welfare centres.

The elderly club houses established by voluntary donations from local people are the most generalized elderly welfare facility in both urban and rural areas. Currently there are more than 24,000 club houses with members comprising more than one-third of those aged 60 and over. Organized programs are seldom offered in the club houses, with most of the activities being casual. Elderly schools that are operated by voluntary organizations

are the second most generalized welfare facility provided for elderly Koreans. Currently the number of schools is more than 800, with 53,000 elderly persons attending. Government financial assistance to elderly club houses and elderly schools is meagre and nominal.

The home-help program was introduced in 1987 by a voluntary organization affiliated with a British social service agency, Help Age International. Home help services are currently provided on a free-of-charge basis exclusively for elderly people in domicilliary protection under the Livelihood Protection (LP) program. This is provided by volunteers under the supervision of the service organizations. In 1995, about 6,400 volunteer home helpers were working, linked to 192 voluntary organizations. The government provides the voluntary organizations with financial assistance for recruiting, training and maintaining volunteers. The major problem in home-help services is that the elderly can not receive proper services when needed because volunteers can not usually respond immediately to the elderly when the need arises.

Day care services for the elderly are provided at 9 places on an experimental basis. Short-stay services for the elderly, which allow the elderly to stay at nursing homes and be cared for for a limited short period (usually 2 to 15 full days), are also provided at 6 places on an experimental basis. Fees are charged to users of both services.

## PROBLEMS OF CURRENT POLICIES AND RECOMMENDATIONS FOR THE FUTURE

This paper has reviewed the theoretical basis of aging problems, the present state of the aging problems, and social welfare provision for elderly Koreans. It is now appropriate to discuss the problems of current policies for the elderly and to make recommendations aimed at solving them.

### *Reorientation of Policy-makers' Perspectives and Values*

First, it may be said that the government holds an erroneous perspective on the problem of aging which acts as one of the barriers to policy development. If we define a problem as social, its causes are much more related to societal factors such as social change, modernization, industrialization and urbanization, and social structure, than to other factors (Merton 1971; Etzioni 1976). Since the main causes of the problem of aging in Korea are more related to societal factors than to personal or familial factors, the efforts directed towards finding a solution should be

initiated by society or the state (Horton, Leslie and Larson 1991). This means that the fundamental solution of the problem cannot be undertaken by individuals or families.

However, the Korean government's policy on solving the problem of aging has been generally based on the premise that aging is a personal or family problem rather than a social problem, and thus solvable through family efforts. This position had been strongly supported by the traditional value of filial piety that emphasizes family responsibility in taking care of the elderly. The general guiding principle of government policies for the elderly is 'care by the family first, social security second'; this reflects a perspective which assumes that the problem of aging may be solved by the age-old principle of family responsibility. Unless the Korean government abandons such an erroneous perspective on the problem of aging and its means of solving it, it will take a long time before fundamental measures will or can be instituted.

Secondly, policy-makers' negative and limited conception of the effects of social welfare services should be changed. In Korea for the past 30 years policy-makers have thought economic development is the most important and effective means of national development and thus social welfare services are not productive but consumable. Since the institution of social welfare takes care of economic and social-psychological problems of individuals and families, it will certainly indirectly contribute to promoting workers' productivity helping with their individual or familial problems including the problems of their elderly parents. It should be also considered that social welfare can contribute to social-psychological as well as materialistic productivity, thus contributing to social integration.

Thirdly, the traditional value of filial piety, which emphasizes family responsibility for the economic support of elderly people and the provision of care services to them by their own family members living with them, is also hampering the development of a social welfare policy for the elderly. Filial piety, according to its original meaning, can be dealt with at both the familial level and the societal level (Sung 1995). One of the most important reasons for filial piety is to repay one's parents for their love and care (Choi 1982). The role of filial piety at the familial level is to provide economic support and direct care services to parents in order to repay them for their love and care, whereas filial piety at the societal level is the state's welfare provision to the elderly in order to repay their contributions to society. Filial piety has traditionally emphasized the familial level, but not the societal level.

Cultural traditions anchored on the value of filial piety in its present state



may function as major forces resisting the negative social changes associated with the alienation of the elderly and the decline of family care for them (Sung 1991), but we need to preserve filial piety by developing and transforming it so that it may fit a modernizing Korean society.

For this value to be preserved as a social value appropriate to modern familial and social conditions, new ways of putting this value into practice at both levels should be developed. At the familial level, a new way of conducting this value would be to complement home care services with social services provided by non-familial persons, for example by home health care persons and home helpers. To promote this value at the societal level would emphasize the duty of society to compensate elderly people for their contributions to the development of that society. The conduct of filial piety at the societal level is consistent with the position justifying the state's welfare provision for elderly people in modern society (Kutza 1981). This value should not be emphasized solely as a basis for supporting family responsibility for looking after the elderly. Efforts to preserve and develop the value of filial piety could be justified in the sense that it can slow down the pace of family disorganization and the disruption of the community, but the tradition of filial piety can never be justified as grounds for making the family assume sole responsibility for taking care of elderly people.

Fourthly, an emphasis on family responsibility for supporting elderly people is deterring policy development for elderly Koreans. In supporting or taking care of the elderly the emphasis is on family responsibility because it is an age-old principle that has been supported by the traditional value of filial piety in Korea. In a modern welfare state, the emphasis on family responsibility can make the state's responsibility minimal, and thus deter the development of welfare provisions. As discussed earlier, it is held that the causes of the problems of aging in modern society are much more related to societal than other factors, particularly in the economic aspect of the problem.

Income maintenance and health care for elderly Koreans should at least be assumed as a responsibility of the state. This does not mean that the state should assume all the responsibility for the support of elderly people, but it does mean that the state should take the initiative to prepare institutional programs for economic and medical security for elderly people. The responsibility for taking care of frail or sick elderly people needs to be shared between the family and the state with the main role of the state being that of strengthening the care function of the family with social services. Hence, the principle 'care by the family first, social security second,' which has to date guided social policies for elderly Koreans, should be changed to

'family and state share joint or complementary responsibility' in the support and care of elderly people.

Recently there has been a somewhat hot controversy on the for-profit services for elderly people provided by profit-making organizations or individuals in the economic market, which in Korea is called the 'silver industry.' The amendment of the Elderly Welfare Act of 1994 that allows profit-making organizations and individuals to run proprietary homes for the aged, nursing homes and elderly welfare housing, is making the controversy much hotter. Despite the fact that problems of the elderly Koreans are becoming diversified and their needs are also elevating to higher levels, social welfare services provided by both the public sector and the private sectors are still concentrated on the elderly poor and institutional care free of charge, with the problems and needs of the middle-class elderly Koreans being neglected. In Korea it approaches a consensus that the responsibility to secure a level of national minimum in living standard to all Koreans lies with the government and that citizen's problems and needs beyond the national minimum level should be met by individuals or families in the economic market.

The level of services provided free of charge by the government should be improved to the level of national minimum. However, this cannot come true in the near future as long as policy-makers' erroneous perspectives on social welfare are maintained. If we promote profit-making organizations' participation in the provision of for-profit services such as nursing homes, homes for the aged, and retirement communities without a great improvement of services free of charge, it will make the gap wider between free services provided by the government and for-profit services provided by profit-making organizations or individuals, thus negatively affecting social integration. However, it is argued here that the fear of expected negative effects of for-profit services can be no longer an excuse to delay the provision of for-profit services for elderly Koreans. Therefore, a reasonable way to solve the issue is for the government to improve the level of statutory services, while promoting for-profit services in economic market at the same time.

#### *Improving Structures of Social Policy Programs*

First, the Korean government's measures for social welfare in general have been almost exclusively focused on poor or low-income groups and based on the residual perspective of the social welfare system. Although this perspective may be unavoidable in the early stages of welfare states, the

persistent holding of this perspective means that the concept and scope of social welfare in Korea is limited to the provision of government benefits free of charge to the poor.

The problem of aging has many facets as discussed earlier, and these types of problems are not limited to the elderly poor. Modernization as a gigantic social change affects all elderly people to some degree at least, regardless of their socio-economic status. Problems of health care, social-psychological conflicts and alienation, role loss and difficulties in leisure activities are common to many elderly Koreans. Social services that can address these problems and needs have emerged as social welfare provisions for all elderly people in welfare states (Tinker 1984). Therefore, policy concerns currently focused on the elderly poor should be directed more towards the elderly in general, with particular attention being paid to developing more varied social services.

Secondly, an institutional-care-oriented policy has hindered social welfare provisions for the elderly in general, who reside at home. In almost all countries social welfare measures for elderly people have developed which are focused on institutional care, still the most important area of policy concern. The same phenomenon can be observed in Korea, but since even institutional care programs have not been well developed, there still remains much room for the development of institutional care itself. However, at the same time, the negative effects that may result from the emphasis on institutional care should be addressed as well.

The welfare state was introduced to buttress the family as the basic unit of welfare provision, and thus welfare services should have been provided to strengthen the functions of the family. In most welfare states, welfare benefits tend to be provided to individuals after a breakdown in family functions rather than to support the family before breakdown. Such a policy has resulted in an increase in the institutionalized population and in ineffective and inefficient care services. The experiences of advanced welfare states suggest that Korean society should develop more domiciliary care programs while expanding institutional care programs. That is, policy making should pay greater attention to developing various social services including home health care and home help services in order to prevent unnecessary or premature institutionalization, as well as to ensure more effective and efficient care for elderly people in a majority of cases (Sung 1991).

Thirdly, the delivery system for social welfare services for the elderly is retarding policy development. The current delivery system for social welfare in general, including the delivery system for the elderly, is that

policies made by the Ministry of Health and Welfare are implemented through the general administrative agencies of central and local governments under the control of the Ministry of Home Affairs. That is, the delivery system of social welfare services is fused with the general administrative system. With the present system, it is very hard for policy planning and service delivery to be professional or to utilize people with professional expertise and knowledge of social welfare. A recommendation for establishing an independent delivery system, in which the final administrative agency is a welfare office under the direct control or supervision of the Ministry of Health and Welfare, has been made many times during the past 10 years or so, but it has not been accepted at the central governmental level. Instead of the idea of a welfare office, in 1994, the government came up with an idea of a health and welfare office as an alternative, which would be, to some extent, independent from the channel of the Ministry of Home Affairs while staying under the the control of the ministry. This type of delivery system may be a good alternative in the sense that its services could be more effective, efficient and responsive to the clients' needs because social services and health services will be coordinated or consolidated, though the independence of the delivery system may not be fully secured. At present it is not sure whether the new delivery system will be finally taken or not because it depends on the results of experimental operations by 5 health and welfare offices for over two years. Anyway without improvements in the delivery system, neither efficiency nor effectiveness in the social welfare system in general can be expected.

Fourthly, since the government budget for elderly welfare has been very small compared to GNP (the gross national product) and the national budget for social welfare in general, it should be increased considerably. Most policy problems and recommendations are ultimately related to the size of the social welfare budget, particularly the welfare budget for the elderly. It must be recognized, of course, that a welfare state can never be achieved without substantial financial expenditure. As indicated in Table 3 the budget for social welfare has increased, but it still remained less than 6 per cent of the national budget and less than 1 per cent of GNP until 1993. Although the elderly welfare budget has also steadily increased, it remains at less than 4 per cent of the social welfare budget.

As we know from the experience of advanced welfare states, the major factor in deciding the size of social welfare costs on the supply side is national economic prosperity, while the major factors on the demand side are the proportion of the elderly population and the nuclearization of the family (Konuma et al. 1984; Wilensky 1975). It should be noted that the

greatest proportion of the increase in social welfare costs is that of welfare for the elderly.

It is proper to define elderly people as those aged 60 and over in the current Korean situation, as mentioned above. If we define the elderly as those aged 60 and over, the proportion of the elderly population was 8.7 per cent in 1994, not much lower than in many advanced countries. The average size of the family has also been steadily decreasing, and is estimated to be 3.5 in 1995. With an unprecedented high rate of economic growth, the per capita GNP greatly increased during the 1990s and reached US \$8,500 in 1994.

In the light of these indicators, the government's budget for elderly

TABLE 3. INDICATORS RELATED TO SOCIAL WELFARE IN KOREA FOR SELECTED YEARS.

Year	Per Capita GNP(\$)	BSW /NB (%)	BSW /GNP (%)	BEW /NB (%)	BEW /BSW (%)	60+ /TP (%)	65+ /TP (%)	ANFM (per- sons)
1965	115	3.39	0.39	-	-	5.3	3.3	5.5
1970	228	1.95	0.34	-	-	5.4	3.3	5.2
1975	590	2.42	0.44	-	-	5.6	3.5	5.0
1980	1,589	2.30	0.48	0.002	0.07	5.9	3.8	4.6
1981	1,719	2.40	0.42	0.001	0.04	6.1	3.9	4.5*
1982	1,773	2.67	0.49	0.008	0.28	6.3	4.0	4.5*
1983	1,914	2.88	0.51	0.012	0.43	6.4	4.0	4.4*
1984	2,044	2.79	0.46	0.015	0.54	6.5	4.1	4.3*
1985	2,047	2.87	0.49	0.017	0.59	6.7	4.3	4.3*
1986	2,300	3.30	0.50	0.019	0.61	6.8	4.4	4.2*
1987	3,098	2.93	0.50	0.022	0.69	6.9	4.4	4.1*
1988	4,127	3.80	0.62	0.025	0.59	7.0	4.5	4.0*
1989	4,994	4.50	0.66	0.032	0.69	7.2	4.6	3.9*
1990	5,659	3.30	1.00	0.14	2.50	7.7	5.0	3.7
1991	6,498	7.00	1.00	0.12	2.10	7.9	5.1	3.7*
1992	6,800	6.50	1.00	0.17	2.70	8.1	5.2	3.6*
1993	7,466	6.40	0.90	0.22	3.40	8.4	5.4	3.6*
1994	8,483	6.00	1.20	0.11	1.80	8.7	5.4	3.5*

Sources: Ministry of Health and Social Affairs (1994), Ministry of Finance (1993), and Economic Planning Board (1994).

Note: NB: Total National Budget

BSW: Total National Budget for Social Welfare

BEW: Total National Budget for Elderly Welfare

GNP: Gross National Product

TP: Total Population

ANFM: Average Number of Family Members

\* Indicates estimated data.

welfare, as well as social welfare in general, has been too small when compared to GNP and the national budget. It has also been too small in comparison with developing countries, even taking national defence expenditure into consideration. Therefore, the government's budget for social welfare, particularly elderly welfare, should be substantially increased.

## CONCLUSION

The problems of aging have become such a social issue in Korean society that it has emerged as a new concern that has never been experienced before. It is becoming a new challenge to the state in that the multifaceted problem requires the state to deal with it and this is testing the state's capability to develop an appropriate social welfare system as a solution. It is also becoming a new challenge to the family in that the family's economic function to support elderly members may have to be transferred to the state's social security system, and its caring functions should be strengthened by using services provided by non-familial persons.

The problems of aging that challenge contemporary Korean society could act as an accelerator to build up the welfare state, if the government would remove its old way of thinking, which up to now has acted as a safeguard for economic development but which has built up barriers to the development of social welfare. The Korean government, benefiting from the experience of other advanced countries, should now take positive steps to develop social welfare policies for elderly people; this will be one of the most significant components for building up the Korean welfare state.

The variance and ambiguity of the definition of the welfare state makes the definition of the Korean welfare state more difficult; the welfare state itself was the West's answer to the challenge of communism as an alternative social order (Mishra 1993). However, it is argued here that the welfare state which Korean society strives to build should not be based on the model or its variants of the 'Confucian Welfare State' or 'household economy state,' which is characterized by conservative corporatism without worker participation, solidarity without equality, and laissez-fair without libertarianism (Jones, 1993)

The Korean welfare state should be built, of course, by complementarily sharing the responsibilities of economic support of, and caring for, elderly people between the state, the community and the family; on efforts to develop the values of a modern sense of filial piety; and on citizens' collective responsibility towards people in general.

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**SUNG-JAE CHOI** is Professor at Seoul National University in the Department of Social Welfare. He earned his M.S.W. and Ph.D. degrees from Washington University (St. Louis, Missouri) and Case Western Reserve University (Ohio), respectively. Professor Choi also serves as a member of Social Welfare Advisory Committee of Seoul Metropolitan City Government. His major research areas range from Social Welfare Policy and Services for the Aged and Social Welfare Research Methods to Program Evaluation Research and Social Welfare Administration. Currently, he is the Vice-President of the Korean Gerontological Society. Professor Choi's publications include: "Problems of the Aged from the Perspective of Social Exchange Theory," *The Journal of Korean Social Welfare; Welfare for the Aged*, "A Study on the Introduction of Public Pension Program for Farmers and Fishermen," *Journal of Korean Gerontological Society*, "Ageing and Social Welfare in South Korea," *Ageing in East and South East Asia*; and, *Social Welfare Administration*.