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Featured article: Evolution of Social Protection in the Republic of Korea: from fighting abject poverty to universal social security - By Dr. Heung Bong Cha



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Korea lived through poverty during much of the 20th century. The people's suffering, which was caused by wide-spread poverty and disease, was indescribable. Fortunately, rapid economic growth and the successful realization of bold development plans conceived in the early 1960s led to a dramatic transformation of the national economy during the latter part of the 20th century. The economic success of the country led to major changes in the living conditions of the population. Amid the breakdown of the traditional agricultural economy, Korea underwent rapid industrialization and urbanization; the overall improvement in the living standard was clearly linked to fast and widely-based economic growth. Along with those rapid social changes, however, such acute social problems as income inequality and relative poverty became quite visible, spurring increased demand for social welfare services. Overall, however, reaping the fruits of economic growth, the country was able to move forward on the social welfare front and to address the growing social needs of the population and the increased demand for quality services.

1. Period of Foreign-Assisted Social Welfare: From 1948 to the late 1970s

Immediately after the establishment of the Republic of Korea in 1948, the nation's economic conditions were unfavorable, even miserable. The country was ranked as one of the poorest in the world, with high dependence on agriculture and access to very few resources. Moreover, the country went through three years of a tragic civil war from 1950 to 1953, which resulted in a divided Korea and political turmoil followed by an era of suffering, during which most people

endured severe hardship. Until the end of the 1950s, the economy of the Republic of Korea grew little because of the war and subsequent political turmoil. With a per capita income of less than 70 dollars, the country was far from being the economic powerhouse it became later. As long as political instability and economic deprivation persisted, the provision of social welfare on a national level could not make any visible strides. The government was overwhelmed with various urgent tasks, namely, providing emergency relief services for injured military personnel, helping refugees, and dealing with dispossessed vagrants on the street. The government barely managed to monitor social welfare facilities such as orphanages, which mushroomed after the Korean War. In the absence of public welfare provisions, such vulnerable groups as orphans, widows, and vagrants were housed in relief facilities; the poorest, who faced wide-scale deprivations in the community, relied primarily on foreign aid supplied by international relief agencies and run by the private sector. In 1956, South Korea had a national total of 603 social welfare facilities, including 396 orphanages. The foreign aid, such as food, clothing and medical supplies, provided to those facilities and the indigent in poor communities amounted to an annual total of \$3.3 million in 1955, a sum larger than the amount of the nation's total annual exports to foreign countries.

Since the early 1960s and well into mid-1970s, the successful implementations of three consecutive 5-year Economic Development Plans, based on a rapid economic growth that became an integral part of development, led to higher incomes and improved employment opportunities. Many people were able to improve their well-being and escape poverty and unemployment. But, despite the rapid transformation of the country into an industrial state and the growing need for social welfare services, the Republic of Korea did not make noticeable progress in the social welfare area during that period. In the absence of government-led social welfare programs, social welfare services financed by foreign relief organization in the private sector continued until the mid-1970s. Social welfare facilities even decreased in number to a total of 530 as of 1975.

2. First Stage of Social Welfare Development: From Late 1970s to Late 1990s

Since the late 1970s, social welfare fuelled by economic growth began to develop in the Republic of Korea on a national scale. From the latter part of the 1970s to the mid-1990s, the nation's economy continued to grow rapidly, relying on an export-oriented model adopted by several other countries in the North-East Asia as well. Social structures in the country changed greatly, owing to broad-based industrialization and urbanization. In response to those social changes and the emergence of new welfare needs, the country began to promote wide-scale social welfare programs and schemes. The following factors contributed to the development of proactive welfare policies. First, the nation's economic power was growing, with rapid accumulation of wealth linked to continued economic growth. Second, it became vital to facilitate social integration through the provision of social welfare and to achieve a balance in the interaction of economic and social policies. Thus, in the early 1980s, the development of social welfare became one of the key goals of the national policies supported by several successive governments. The first social welfare scheme on the national level sought to ensure medical care and promote people's health. In 1977, as a form of social insurance, the National Health Insurance (NHI) scheme first covered large-scale establishments that hired 500 or more people, which was followed by the coverage of smaller units in the early 1980s. The NHI coverage gradually expanded to include all people in rural areas and cities by 1989, thus completing the national health insurance within 12 years of its first introduction. A medical care policy aimed at the provision of services for the poor also began in 1977 to support those with precarious livelihoods.

Income security policies and programs for dealing with economic insecurity were also established during that period. In 1988, the National Pension Service (NPS) began to address such social risks as old age, disability and death. Beginning with employers who hired 100 or more people, the NPS gradually expanded the scope of the program coverage. Public assistance programs for ensuring the income security of the indigent began to develop around 1980, including the provision of grain, food assistance, assistance for education and so on for the beneficiaries of the Livelihood Protection

Law. Social welfare service programs and facilities targeting children, older persons and people with disabilities also began to develop around that time. Since the 1980s, community-centered facilities, such as comprehensive social welfare centers and community centers for older people and people with disabilities, began to increase. Nursery care facilities have also increased greatly since 1991, when the Nursery Care Law was adopted. Professional education in the field also grew, as certification through licenses was set as an important qualification threshold. In 1985, 2,500 social workers were licensed as professional social workers. Licensed social workers began to fill the government's social service positions and jobs at the comprehensive community welfare centers. The number of public servants specializing in social services increased to 7,000 by the late 1990s--after such a professional service position in the public sector was first established in 1987.

3. Second Stage of Social Welfare Development: From the end of the 1990s to the early 2010s.

Based on a strengthened productive sector, social protection services provided by the national public schemes, along with the social services provided by the private sector, ensured positive socio-economic outcomes across the board. During the period, the national economy continued its fast growth, and the Republic of Korea developed into the world's 10th largest economic power in terms of GDP. With a per capita national income of over \$20,000 as of 2010, the country has entered the ranks of the advanced industrialized countries. Political democratization was also pursued along with economic transformation. The labor movement became much stronger during late 1980s, prompting the demands of workers for higher incomes and for a higher quality of life. Social welfare has been firmly established as a crucial objective on the national political agenda.

The basic structure of the social welfare reform, which was geared at transforming the country into a modern welfare state, was nearly completed by the late 1990s. During the period, five social insurance programs aimed at building resilience and addressing risks of poverty were established as part of the social protection system. The NPS was expanded to include work places with a single employee and, in 1995 it covered farmers and fisherman in rural communities. By 1999, the NPS became universal, covering all people in the nation, including the urban self-employed. Income security schemes included such NPS social insurance programs as the Industrial Accident Insurance scheme and the Unemployment Insurance scheme; they were completed either just before or just after 2000 and the target population has been expanded to cover all people in the nation in accordance with the principle of universal social services.

The health care component of the NHI program was reformed in 2000; as a result, a single insurer system operated by the National Health Insurance Corporation was established to finance health services for the people, based on the principle of solidarity and embracing all classes of people. In 2008, the Long-Term Care Insurance scheme for older persons was introduced to provide long-term care services for older people unable to live independently because of chronic illnesses, particularly dementia. In 2000, upon the arrival of the new millennium, a social guarantee aimed at providing for the basic needs of all people who fell below the minimum living standard was established through the historic legislation of the National Basic Livelihood Security Law. That program showed that the nation had begun to address the root causes of poverty, helping the poor to escape the yoke of miserable poverty that had oppressed them for the past hundreds and thousands of years of Korean history. That development indicated the completion of the construction of the basic infrastructure of the welfare state, ensuring human dignity as a key principle in society. During the period, social welfare service programs developed further in terms of quantity and quality. Not only has the number of social welfare facilities for children, older persons and people with disability increased greatly, but also the types of facilities and professional programs have become more diversified.

Along with the increase in social welfare facilities, the number of professional social workers working in the field of social welfare has grown as well, with a total number of 600,000 social

workers as of 2012. Social workers employed in government offices nationwide amount to approximately 12,000 in number, and an additional 7,000 social workers are to be hired in the public sector in the near future. Reflecting the progress in the social service field, social welfare expenditures have also increased considerably. Since 1980, the national spending on social welfare grew steadily from 1.0% of GDP in 1980, 3.1% GDP in 1990 to 5.5% in 2000, and 9.4% in 2010. Assuming that that trend of growth in social welfare spending will continue in the future, it is projected that Korea will reach the average level of social welfare expenditure of the OECD countries (i.e. 20% of the GDP) within the next 15 years. The country has become a prosperous, modern state closely integrated into the world economy and maintaining a well-developed productive sector and an effective social protection system.

Opinions expressed in the article are those of the author and do not necessarily reflect views of the ICSW Management Committee.

➤ **International Council on Social Welfare convenes its Board meeting**

The annual Board meeting of the ICSW was convened in Leiden, the Netherlands, on 18-19 November 2014. The agenda covered a range of pressing issues before the Council: an update of the mandate and proposed changes in the Constitution, consistency in core messages on social policy in statements to intergovernmental bodies, the state of strategic partnerships and membership in various coalitions, and the preparation of the forthcoming Joint World Conference on social work and social development in 2014 in Melbourne. In his statement to the Board, Michael Cichon, the President of ICSW, stressed the urgent nature of the challenges before the organization, as well as some important opportunities for ICSW activities that are unfolding in the world of today. The discussion that followed reflected re-appraisal of the regional priorities of ICSW-affiliated organizations and highlighted the need to address some major emerging issues that the ICSW faces in its day-to-day work.

The Board reiterated that the Social Protection Floor initiative is one of the key priorities in the activities of the ICSW globally and locally. It was noted during the discussions that ICSW enjoys observer status with a number of international organizations (such as the UN, the ILO, UNICEF, UNESCO and WHO) and hence has access to first-hand information about policy developments in the organizations that have a major influence on global social policy. Meetings of the UN and UN agencies provide us with the opportunity to build a network of supporters among national governments, which we could not easily reach out to otherwise. That is a pivotal avenue for influencing the ongoing global debate on post-2015 development goals and making our collective voice heard.

ICSW participates actively in the Social Protection Inter-Agency Cooperation Board, which was created at the behest of the G-20. It is chaired by the ILO and the World Bank and is composed of 20 UN agencies, bilateral donors and a number of selected NGOs. While it is in its early days and it is difficult to predict how powerful that mechanism will be one day, it is now the only inter-agency mechanism for coordination where all of the social protection activities of the international agencies are presented and discussed. We are striving to make our participation in the Board more meaningful and effective.

ICSW is a founding and active member of the Global Coalition for the Social Protection Floors, which links us to more than 60 organizations that work on social policy issues. The Coalition seeks to promote and monitor the implementation of Social Protection Floors, which is at the heart of our global policy objectives, in as many countries as possible.

The ICSW shares a Global Agenda for Social Work and Social Development with our traditional partners - the International Association of the Schools of Social Work (IASSW) and the International Federation of Social Workers (IFSW), which also creates the opportunity to organize a

major global conference bi-annually. ICSW has been working together with other partners on implementing the commitments set in the Global Agenda by establishing the joint Global Observatory. The third joint Global Conference will take place in Melbourne, Australia, in July 2014. An update on the progress of the preparations for and modalities of participation has been provided to the Board.

Pursuing its mandate ICSW has been striving to improve the visibility of its activities worldwide, promote strategic partnerships and strengthen advocacy efforts. The Global Cooperation Newsletter published by the ICSW is being revamped, aiming at providing a better reflection of national, regional and international activities of interest to members. Further training for member organizations on global policy issues, notably on the Social Protection Floor, is planned.

The Board took specific decisions on the new strategic orientation of the Council, key financial matters, research activities, the website, and some other matters.

➤ **The post-2015 development agenda: the role of parliaments**

A parliamentary contribution to the on-going debate at the United Nations and in capitals around the world on the development agenda after 2015, when leading development commitments are set to expire, was the topic of the Annual Parliamentary Hearing organized jointly in mid-November by the Inter-Parliamentary Union and the United Nations at UN Headquarters in New York. Entitled **Re-thinking sustainable development: the quest for a "transformational" global agenda in 2015**, the Parliamentary Hearing aimed at channeling the views of parliamentarians directly into the UN's deliberative process, which is currently led by the General Assembly's Open Working Group on Sustainable Development Goals (SDGs).

The meeting considered the role of parliaments in the implementation of the new commitments for sustainable development as a universal agenda for both developed and developing countries. Four main sessions of the meeting focused on such issues as a new economic model for sustainable development; gender as a linchpin of development and the framing of a new policy goal; the place of "democratic governance" for sustainable development among the new goals; and the central role that parliaments can play in the implementation of the new development agenda after 2015.

In the course of the meeting the speakers underlined the need for a strategy focused on poverty eradication, gender equality, democratic governance and a stronger legislative role in the decision-making process. They supported a new development model grounded in human well-being and the need to consolidate gender equality as a dimension underpinning every single goal of a future development agenda. In his message to the participants, the UN Secretary-General underscored the critical role that parliaments are playing in efforts to reach the MDGs. For more details: <http://www.ipu.org/splz-e/unga13.htm>

➤ **Useful resources and links.**

The 2013 World Social Science Report entitled "Changing Global Environments" was launched on 15 November 2013 at UNESCO Headquarters in Paris. Co-published by UNESCO, the Organization of Economic Co-operation and Development (OECD) and the International Social Science Council (ISSC), the Report includes 100 articles written by 150 authors from 41 countries all over the world, in an attempt to deal with the complexity and urgency of global environmental change and social transformation. Appraising social science capacity in global environmental change research and the consequences of global environmental change for society, the authors articulate conditions and visions for change and sense-making in a rapidly changing world. The responsibilities and ethical challenges in tackling global environmental change are addressed along with some new approaches to governance and decision-making. The authors find that the impacts of climate change cannot be grasped without understanding the human context in which they are

unfolding. The social sciences must therefore reframe climate change and global environmental change as fundamentally social rather than physical problems. See more at: <http://www.unesco.org/new/en/social-and-human-sciences/resources/reports/world-social-science-report-2013/>

In a recently released report entitled **Economic Outlook for Southeast Asia, China and India 2014. *Beyond the Middle-Income trap***, the OECD projects that growth in the region will remain robust over the medium term, anchored by a steady rise in domestic demand. As a whole, the developing economies in the region are expected to grow by 6.9 per cent per annum in the period 2014-18 -- a robust pace, albeit less than the 8.6 per cent registered before the global financial crisis. The special thematic focus of the 2014 edition is dedicated to policy priorities for growing beyond the "middle-income trap" in Emerging Asia.

For more details: <http://www.oecd.org/site/seao/>

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