

KOREA

Nomenclature

HIRA	Health Insurance Review Agency
MOHW	Ministry of Health and Welfare
NHIC	National Health Insurance Corporation

Monetary unit

Social spending is expressed in millions of Won (KRW).

General notes

Korea has experienced rapid economic development over the past thirty years, but nevertheless most jobs are extremely precarious: in 1999, less than 30% of workers had a permanent (i.e. open-ended) contract. The social welfare system is being developed, e.g. the immaturity of the public pension system is reflected by the fact that payments are only made to about a quarter of people of retirement age.

Data include spending by central and local government, retirement allowances paid by employers and social insurance benefits.

The individual country notes of the OECD Benefits and Wages (www.oecd.org/els/social/workincentives) provide a comprehensive description of characteristics of social programmes (e.g. conditions for receipt, calculation of payment rates, tax treatment of social support, benefit duration, etc.) for the working-age population, including: unemployment insurance and assistance, social assistance, employment-conditional benefits, housing benefits, family benefits, childcare support, and support for sole parent households.

Break in series

Data for mandatory private social expenditure are underestimated because data for maternity leave are not available from 1990 to 1996.

Sources

Ministry of Health and Welfare (MOHW).

Korea Institute for Health and Social Affairs (KIHASA), Estimation of Social Expenditures in Korea on the Basis of the OECD Guidelines: 1990-2001.

OECD Labour Market Policy database.

OECD Health Data 2003 (www.oecd.org/health/healthdata).

Health and Welfare Services, Ministry of Health and Welfare (MOHW), Republic of Korea, 2003.

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Code	Title of the programme	Description of the programme and attached notes
1. OLD AGE		
410.10.1.1.1.1	National pension	The National Pension Scheme (NPS) is an income maintenance programme providing its members with income support in retirement, when disabled or for survivors. The programme is largely financed from contributions paid by the insured. The insured are entitled to an old age pension upon reaching the age of 60 (55 for miners and fishermen) if they have contributed for at least ten years. Pensions have been paid since 1993. Lump-sum withdrawals for survivors were included in the old age pension before 1993.
410.10.1.1.1.3	Civil servant pension	Pensions are not subject to taxation.
410.10.1.2.1.1	Welfare facility care for the elderly	Demographic trends and the reduced prevalence of elderly parents live in with their child has increased demand for institutional elderly care. At present the main welfare facilities for the aged are residential homes, nursing homes for severely disabled elderly people and geriatric hospitals.
410.10.1.2.2.1	Transportation allowance for the elderly	Since 1980 the government has implemented a transportation allowance programme for subway and bus tickets and provided free admission to various public places.
2. SURVIVORS		
410.10.2.1.1.1	National pension	See also 1.1.1.1. Depending on contributory record, the survivor's pension ranges from 40 to 60% of the basic pension.
3. INCAPACITY-RELATED BENEFITS (Disability, Occupational injury and disease, Sickness)		
410.10.3.1.1.1	National pension	See also 1.1.1.1. Disability pension is paid to a person who becomes sick or injured during the insured term and who is physically or mentally disabled so that his/her working ability is considerably reduced. Equal to between 60 and 100% of the basic pension amount, depending on the degree of disability.
410.10.3.1.1.5	Patriots and veteran pension, etc.	Includes compensation for patriots or persons of merit.
410.10.3.1.2.1	Pension and daily allowances: occupational injury insurance	Benefits from occupational injury insurance include both cash and in kind benefits, nursing and treatment benefits, sick leave benefits, survivors benefits, disability pension and funeral aid.
410.10.3.2.1.1	Welfare facility care for the disabled	The government is expanding the scope of operation of the welfare institutions in order to provide better vocational, medical and social rehabilitation for the severely disabled.
4. HEALTH		
410.10.4.2.0.0	See <i>OECD Health Data 2003</i> .	
5. FAMILY		
410.10.5.1.1.2	Patriots and veteran pension, etc.	Includes educational care subsidy for patriots or persons of merit.
410.10.5.2.1.1	Child care	Child welfare services are provided for children aged below 18. The government endeavors to provide children in need with proper accommodation at child welfare facilities and to train social workers specialized in children's problems.
410.10.5.2.2.2	Special child support for orphans	A job-providing programme for orphans reaching working age has been operational since 1976: technical and vocational training, consultation and guidance on employment conditions, etc.
410.10.5.2.2.4	Mother-child care and women vocational training facilities	Efforts have been made to prevent prostitution, to provide counseling and guidance to women who are already engaged in prostitution and assistance through a variety of rehabilitation measures including vocational training.
410.10.5.2.2.5	Family welfare	Shelters for women in order to protect them from domestic violence.
6. ACTIVE LABOUR MARKET PROGRAMMES		

	See OECD Labour Market Policy database.	
410.10.6.0.1.1	Operating expenditures on Employment Policy Office	This programme covers the costs of the Vocational Stability Bureau.
410.10.6.0.1.1	Central Employment Information Center	This programme covers the costs of the Vocational Stability Centre.
410.10.6.0.1.1	Expenditures on education related to employment	This programme covers the costs of the Labour Education Centre.
410.10.6.0.1.1	Expenditures on study related to employment	This programme covers the costs of the Korea Labour Institute.
410.10.6.0.2.4	Employment promotion training	Public job training programmes run by six ministries were incorporated into one system under the auspices of the Ministry of Labour in 1993.
410.10.6.0.4.4	Subsidies to the Korea Employment promotion Agency for the disabled	This programme concerns vocational rehabilitation.
7.	UNEMPLOYMENT	
	See OECD Labour Market Policy database.	
410.20.7.1.1.1	Retirement pay	They cover old age allowance for retired employees in both public and private sectors.
9.	OTHER SOCIAL POLICY AREAS	
410.10.9.1.1.2	Livelihood care	The Livelihood Protection System is Korea's Social assistance programme. Livelihood Protection recipients are divided into three categories: home care recipients, institutional care recipients and self-support care recipients, who receive different types of support: livelihood aid, educational aid, maternity aid, self-support aid, medical aid, funeral aid.
410.10.9.1.1.3	Educational care	Educational aid is provided to prevent poverty from being passed to the next generation. The government offers education fee assistance to school-aged children of families under the Livelihood Protection System (LPS). Payment covers entrance fees and tuition up to high school and is being gradually expanded to cover school meals and textbooks.
410.10.9.1.2.2	Natural disaster victims	The Disaster Relief Act was enacted in 1962 in order to assist the victims of natural disasters resulting from drought, wind, flood, fire and earthquake. Victims are provided with livelihood aid and house repair costs.