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RESEARCH REPORT 4

Paid Care Workers in the Republic of Korea

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November 2009

[1] I would like to thank Seong-gee Um and Soojung Kim for their research assistance. I would also like to thank all the care workers who participated in the interviews and Korean experts who provided us with expert opinions and information for this study.

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Introduction

Since 2003, the Republic of Korea (Korea thereafter) government has redoubled its commitment to expand social care, in particular, childcare and elderly care. Expansion in these two areas has been motivated by three interrelated factors.

First, there has been a strong demographic imperative. The total fertility rate (TFR) in Korea has dropped to an unprecedented low since the 1990s, and by the early millennium, the country had become one of the lowest TFR nations amongst the OECD. This sharp drop in TFR combined with increased longevity, and hence a rapidly ageing population, has raised serious policy concerns about the need to decelerate if not reverse fertility decline, on the one hand; and on the other, to develop elderly care services and infrastructure to meet increasing care needs. Enabling women to reconcile work and family responsibilities by providing more childcare support is considered an effective way to raise TFR. At the same time, Long-term Care Insurance (LTCI) programme was introduced in 2008 to address the immediate and not so distant future care needs of the elderly.

Second, the Korean government's new emphasis on social policy has been informed by the process of policy learning and by growing global post-neoliberal consensus around the idea of social investment. In the case of elderly care, Korea has benefited from the experience of its closest social policy comparator and exemplar, Japan. Japan's Long-term Care Insurance scheme, implemented in 2000, has been a useful policy model, helping Korean policymakers frame the issue and design their own LTCI. On the childcare side, Korea has applied early childcare and education policy models developed and disseminated by international organizations such as OECD and UNESCO. In addition to the availability of policy models, the idea of social investment has been circulated within the epistemic community since the end of the 1990s, particularly within OECD social policy circles (Mahon and McBride, 2008). OECD reports on childcare, such as the *Babies and Bosses* series, have prescribed the importance of childcare and early child education programmes for maternal employment and family-work balance, and have provided exemplars of policy best practices for bureaucrats and advocates seeking change in their own countries (OECD, Babies and Bosses series; interview with Dr. Mookyeong Moon, Director, KICCE, 16 August 2008).

Third, the Kim Dae-Jung and Roh Moo-Hyun governments had committed themselves to an active labour market strategy, or what Koreans call "productive welfare." Social investment, often instrumentalized in forms of childcare and early child education, elderly care, and skills training, was therefore widely considered an important strategy to develop human capital; in addition, investment in the social care market was seen to create a virtuous cycle that would lead to job creation, development of a new service sector market, and ultimately, positive economic growth (see South Korea Research Report #3). In sum, the commodification of child and elderly care through expansion of social care policies in Korea has been promoted by the government not only as a result of real and anticipated societal demands for care arising from demographic and structural changes, but also as a strategy to facilitate the transformation from an industrial to post-industrial economy.

Despite the huge policy attention to social care in Korea, little is known about people engaged in care work, or the nature of such work as it relates to changes in social policy. This report focuses on child and elderly care workers in Korea. Main objectives of this study are to understand who they are, what their work is like, and how their work is affected by social policy changes. We conducted in-depth interviews with a total of 23 childcare and 30 elderly care workers in Seoul and the surrounding areas in July and August 2008. We also interviewed researchers, academics, and policy experts working in universities, research institutes, and think-

tanks to gain a better understanding of current debates and analyses of care work in Korea. Furthermore, we conducted site visits to elderly care institutions and childcare centres to observe the nature of services provided and the kinds of interactions care workers have with their clients.

We highlight three main findings. First, although it is not surprising that the vast majority of child and elderly care workers are women, we were surprised to find that the two groups of care workers were made up of two quite different types of women. Elderly care workers were by and large older women, married, and with a wide range of educational and socio-economic backgrounds, whereas childcare workers were well educated and most of them were in their 20s and 30s. This finding supports larger surveys of child and elderly care workers. It is well known that the Korean labour market is highly segmented, particularly along gender lines. This study, however, shows that labour market segmentation exists even within care work, and various push and pull factors reinforce this segmentation.

Second, despite the differences, both groups of care workers believed they were poorly paid, and that their occupational status was very low given their education and training. Elderly care workers complained that they were often treated like domestic workers and nannies by their clients and their clients' families, while childcare workers complained they were nowhere close to social workers or kindergarten teachers in terms of social status and wages.

Third, recent social policy changes have had some important impacts on the wages and contents of care work, although the impacts are different for childcare and elderly care workers. Whereas the childcare expansion has resulted in slightly improved wages and conditions for workers, the wages and working conditions of many elderly care workers has worsened as a result of LTCI reform. Many elderly care workers said that the LTCI system has markedly changed the way (non-family) care is organized and delivered: from what used to be primarily institutionally based care (e.g. care in hospital for the aged, elderly care centres, and nursing homes) to community- and home-based care (e.g. home care and home helper services, visiting nurses, day care services, and short-term stay). This, in turn, has shifted the focus of elderly care from medical/emotional-psychological to personal/physical care. The reorganization of elderly care services under the LTCI system has resulted in the increased use of certified home care and direct care workers, and in the reorganization of other health and social service workers within the elderly care sector, such as social workers and nurses, who hitherto provided primary care to elderly people in institutional settings. For example, the positions of many social workers and nurses were eliminated, and replaced by direct care workers. To continue working in the field, many retrained and recertified as direct care workers, only to find that their new jobs came with lower pay, lower employment status, and no seniority. In the case of childcare, workers have accepted the recent childcare reforms more positively. Nevertheless, while childcare workers were generally pleased with the increased government support for private childcare centres and the introduction of the new certification system, there is a growing concern over increasing marketization of childcare. This concern reflects a profound change associated with the recent social care expansion – the intensified use of the private market as a means of social service delivery. The combination of market-based service delivery and labour market flexibilization reforms has led to increased use of non-standard workers. In sum, while the expansion of social care has opened up job opportunities for women, the increased emphasis on market-based care provision has resulted in reduced job security and reorganization of care work.

This report consists of three sections. The first uses available data to describe child and elderly care workers in South Korea. The second describes and analyzes our interview survey and observations from site visits. The last section discusses the implications of the findings on understanding care work and social policy in South Korea.

1. General Description of Child and Elderly Care Workers in Korea

1.a. Elderly Care

The Elderly Care System in Korea

In Korea, three types of non-familial elderly care are available to elderly people with disabilities: 1) residential homes; 2) nursing homes; and 3) home-based care services offered by health and social welfare agencies. For users, these are further divided into three subcategories: free, subsidized, and fully privately funded. Elderly people who receive public assistance and those in very low-income brackets are eligible for free care. Those in a low-income bracket can receive subsidized care from residential or nursing homes. Free and subsidized facilities receive subsidies from the government. In 2002, the government provided 49.3 billion won for elderly care, to fund 295 free and 17 subsidized facilities. The amount increased to 55.4 billion won in 2007 and 65.7 billion won in 2008, an increase of 18.6%. In addition to the operational subsidies, the government provides capital grants to public and private sector providers to build new facilities. The recent increase in the number of the elderly living alone has raised demand for non-residential care services, such as home help, meal service, bathing service, and companion service. In 2007, there were 882,000 elderly people living on their own; their average age was 75.1 years, and 84% were women. The average monthly income of elderly people living alone in 2007 was 254,000 won, well below the low-income threshold (MOHW, 2008). The number of single elderly households is expected to increase to 1,044,000 or 20.75% of the 65+ population by 2010 (KNSO, 2008).

Prior to LTCI, elderly care services were provided as part of welfare services for the aged, free to seniors receiving public assistance (National Basic Livelihood Protection programme – NBLP) and in subsidized form for those on low incomes. LTCI universalized elderly care. In theory, under the LTCI system, the public provision of care is based on the level of disability, not on income. For the elderly receiving NBLP and those in a low income bracket, both the insurance premium and services through LTCI are free; the rest of the elderly are charged a compulsory insurance premium and co-payment fee of approximately 20% of the cost. In 2008, 158,000 people, or approximately 3% of the 65+ population, received LTCI services (38,500 in nursing homes, 99,000 receiving home-based care, and 20,500 in hospitals for the aged). This number is expected to increase to 200,000 (4% of 65+ population) by 2010-2012, as LTCI expands its coverage (MOHW, 2008). The increase in demand for elderly care services after LTCI are a function of an increase in the number of the elderly and of the increased demand for services from middle and higher income elderly who were not eligible for subsidized care under the old system.

The LTCI system which began in July 2008 is intended to: 1) universalize the elderly care system in light of population ageing; 2) achieve some measure of social and economic redistribution amongst elderly households; 3) reduce the costs of health care for the elderly by shifting care from an institutional setting (particularly in relation to social hospitalization) to a home setting; and 4) shift the cost of elderly care from the national health insurance programme to long-term care insurance. To these overt objectives we can add an unstated objective - to stimulate the economy and create jobs through social care expansion. LTCI in Korea is modelled after the German and Japanese LTCI schemes, a mixed financing method composed of compulsory insurance premiums levied on all citizens and residents over the age of 20 (except for those in public assistance or in a very low-income category), tax subsidies, and co-payment fees.

The programme covers long-term care needs of people over the age of 65, and age-related long-term care of people under 65.

Individual care needs are determined by assessment teams using a standard assessment form. Those determined eligible for long-term care services are assigned to one of the three disability levels, and the amount of care available from LTCI is based on the level of disability. Long-term care services include institutional care (e.g. nursing homes, hospitals for the aged, and other residential care) and home-based care (e.g. home care, home help, bathing services, meal services, etc.). Elderly clients can "purchase" their designated amount of care from any public or private services providers registered with LTCI. Service providers receive payment directly from the National Health Insurance Corporation for each unit of care they provide. Hence, no direct transfer of money is involved at the point of delivery, except for the co-payment. Long-term care service providers can be public or private for- or not-for-profit organizations.[2] Although some public institutions provide long-term care services, the vast majority are private sector service providers.

Simply put, LTCI in Korea is a publicly funded and largely privately delivered elderly care system, with a mixed financing method. The government regulates the amount and quality of care through care assessment and through the training, certification and licensing of various types of elderly care workers and agencies delivering services.

Types of Care Workers Working in Elderly Care Settings

Elderly care workers were reclassified into three categories after the introduction of LTCI: 1) *Yoyangbohosa*, certified elderly care workers providing care to LTCI patients; 2) *Ganbyeongin*, trained elderly care workers working outside of the LTCI system; and 3) certified elderly care workers working in one of the three government-funded care service programmes for low-income elderly.

1. *Yoyangbohosa* provide direct care in institutional and home-based care settings. Both institutional and home-based care providers are now required to hire only those with *yoyangbohosa* certificates. Care workers already employed as of July 2008 were given a two-year grace period to obtain a *yoyangbohosa* certificate. The certification system provides more extensive educational and practical training than was required under the previous system (Welfare Act for the Elderly), including *gajung-bongsawon* (homecare workers) and *saenghwal-jidowon* (residential care workers), both of which were eliminated after 2008.

Education and training programs for *yoyangbohosa* certification began in February 2007. There are two levels of certification: the 1st level allows care workers to provide assistance to the elderly with physical and daily activities[3], while those with the 2nd level certificate can only provides daily activity services only. For the 1st level, those without elderly care experience are required to complete a total of 240 hours (80 hours of education, 80 hours of practical training,

[2] Public organizations are purely public, such as local or national government hospitals and homes for the aged. Private not-for-profit organizations are registered non-profit organizations providing elderly care services; they could provide institutional care (e.g. hospitals and homes for the aged) or community-based care, such as home care, dispatch services, social welfare, and recreational services in the community. For-profit providers, like not-for-profit organizations, can provide institutional or community-based elderly care services. They will have to register with the LTCI to receive fees for services provided.

[3] Physical activities include exercise, walking, and other prescribed physical movements, while daily activities involve bathing, toileting, dressing, cooking, grocery shopping, cleaning, etc.

and 80 hours of practice) while experienced care workers must complete 120 to 160 hours of education and training, depending on their experience. For the 2nd level, those without experience are required to complete 120 hours of education and training (40 hours of education, 40 hours of practical training, and 40 hours of practice) while those with experience must complete 60 to 80 hours of education and training, depending on their experience. *Yoyangbohosa* with the 2nd level certificate can upgrade to the 1st level after one year of work experience as a *yoyangbohosa* and an additional 60 hours of education. As of April 2009, 456,633 people received *yoyangbohosa* certificates; however, only 114,367 (25%) were employed as *yoyangbohosas*.

The average monthly age of *yoyangbohosas* providing residential care was around 1,200,000-1,300,000 won; for those providing home care, under 1,000,000 won (Hangyerae Newspaper, 2009).

2. *Ganbyeongin* are direct care workers providing care to non-LTIC beneficiaries in institutional and home-base care settings. Although no specific education or training is required, many are trained through *ganbyeongin* training programmes run by non-profit organizations such as Korea Red Cross and YWCA, or for-profit organizations. Organizations such as Korea Patient Helper Society, which provides free *ganbyeongin* education programmes and dispatches *ganbyeongin*s to hospitals, offers *ganbyeongin* training programmes (40 hours in total for five days) is open to women over the age of 30 and with at least middle school education. In general, the education level of *ganbyeongin* is low: high school 36.9%, middle school 28.1%, elementary or less 27.4%.

Advertised fees for hiring a *ganbyeongin* are 55,000-60,000 won for 24 hours and 38,000-40,000 won for 12 hours (http://www.help114.or.kr/). The average cost of hiring a *ganbyeongin* is 30,000-35,000 won for 12 hours and 45,000-60,000 for 24 hours of hospital care, and 30,000-40,000 won for 12 hours and 50,000-65,000 won for 24 hours of home care (Choi, 2007).

There were 8,014 *ganbyeongins* working in the elderly care sector in 2001: 93.9% were women, and the average working period was three years. There were no care workers over 60 years of age or below 30 (57.4% were 40-49, 29.3% were 50-59, and 13.3% were 30-39) (cited in Choi, 2007).[4]

3. *Noin-dolbomi*, *Mooryo Ganbyeongin*, and *Gasaganbyeong-doumi* are certified elderly care workers working under government-funded care service programmes for low-income elderly people.

a) *Noin-dolbomi* (beginning in 2009) are home care workers working under the Ministry of Health, Welfare and Family Affairs (MHWFA) funded *Noin-dolbom* Service Project. These home care workers provide free care for the elderly who do not qualify for LTCI services but have long-term care needs due to dementia, stroke, or senility related disabilities. As of 2009, only those whose household income is under 130% of the average national household income qualify for this service. A total of 19,900 billion won was budgeted for *Noin-dolbom* Service Project in 2009. The project plans to hire 2,897 *noin-dolbomi* to provide care to 10,140 elderly. *Noin-dolbomis* are required to have the 2nd level *yoyangbohosa* certificate. The project affirmatively hires *noin-dolbomi* from low-income households. These care workers provide daily activity care in their client's home. The services can be 36 hours or 27 hours per month depending on the client's needs. The *Noin-dolbomi* Project operates on the voucher system which provides 212,400 to 307,200 won per month to service users, although users also pay 18,000 to 48,000 won for the service.

[4] Unfortunately we do not have information on average monthly income of *ganbyeongins*.

b) Jahwal Mooryo Ganbyeongin (self-reliance free nursing care workers) are nursing care workers participating in MHWFA's *Mooryo Ganbyeong* Service Project. These care workers participate in the Self-reliance Project, a workfare programme for women receiving the National Basic Livelihood Programme (NBLP). *Jahwal Mooryo Ganbyeongin* provide free personal nursing care to the elderly on public assistance or from low-income households within hospitals (prior to 2009, this project also provided home care services). New participants are given training and one month of practice. Care workers work for eight hours a day, five days a week, and receive 28,000 to 31,000 won per day.

c) Gasaganbyeong-doumi are home care workers for those on public assistance. MHWFA runs *Gasaganbyeong Bangmoon* Project (Home Visiting Program for Domestic Help and Homecare) for the elderly receiving NBLP who have long-term care needs. *Gasaganbyeong-doumi* are not public assistance recipients but their household incomes are under 150% of the minimum living cost set by the government. They are required to have the 1st or 2nd level *yoyangbohosa* certificate or a certificate from one of the five registered government-funded *gasaganbyeong* education/training centres across the country. These workers provide personal care services and domestic help to their clients in the clients' homes. They work eight hours a day, five days per week, and are paid 31,000 won per day. *Gasaganbyeong-doumis* are given four social insurances and qualify for a retirement allowance. Service users are given a voucher of 248,400 won per month based on 27 hours of service (no co-payment) or 322,920 won based on 36 hours of service (co-payment: 8,280 won per month).

Trends and Characteristics of Care Workers in Elderly Care Settings

The total number of employees working in the health and welfare sector in Korea increased from 385,750 in 1995 to 696,150 in 2006. Women make up the majority of these workers (72.4% in 2006). During this time, the number of employees in the residential welfare facilities for the aged increased from 6,085 to 17,082 (3,926 male and 13,156 female workers). In 2004, social workers and nurses each made up 28.8% of all employees working in elderly welfare facilities, while nurses' aides made up 25.0%, and physiotherapists, 5.8%. Certified care workers constituted only 3.8% of all employees in welfare facilities for the elderly (Kim, 2004). No national data on composition of elderly care workers have become available since the implementation of LTCI. However, we anticipate a noticeable change in the composition of elderly care workers as LTCI shifts the focus to direct physical care.

Tables 2 to 7 illustrate characteristics of elderly care workers in Seoul. The survey includes all types of care workers involved in elderly care, both "indirect care workers" such as