

AN IDEAL MODEL OF A NATIONAL SOCIAL SECURITY SYSTEM FOR PROMOTING PUBLIC WELFARE

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Key words: social security system, social safety network model, social insurance, public assistance, social service, social cooperation

ABSTRACT

There are four major functions of the social security system: social insurance nets, public assistance nets, social service nets, and social cooperation nets. All of these nets strive for improving human rights and dignity. Especially, both social insurance nets and public assistance nets are designed to secure living standard and human rights. Social service nets and social cooperation nets are designed to improve living standard and human rights.

Also, it is possible for this model to make us compare the welfare levels of nations currently running social security system.

1. Introduction

People enjoy human rights through various ways under the guarantee of the nation's social welfare policy. In other words, the nation's welfare is being realized through its social security system. But the debate is still continuing on an on ideal social

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security system which may improve the level of humankind's welfare effectively and be able to compare with other advanced countries.

And nation establishing a social security system to improve its citizens' welfare needs an ideal model. And this model should provide some motivations for development through enabling inter-national comparison.

In this research, after classifying each nation's social security system by function, I'd like to construct a 'social safety network' model using such concepts as mutual complement and independent function.

Each nation's social security system was formed within the framework of the social safety network which secures and extends human rights.

The results of this research may be used to check each nation's social security system and compare its levels of welfare. In modern societies, it is almost impossible to meet the needs and desires of all citizens. Concerning the unlimited needs and desires of individuals, the goals of the welfare state cater for social security through satisfying individuals' basic needs more heavily rather than welfare promotion through fulfilling their lifelong needs. In this regard, the concept of social welfare generally indicates a comprehensive social policy central to the social security system. In the end, it suggests that the social security system would protect and promote basic rights of the people and facilitate their cooperation through maintaining a balance between social and economic interests. It is a far-reaching concept including various social services consisted of numerous prevention and intervention programs for diseases, accidents, unemployment, ageing, and death which threaten the dignity of human beings. Also, it will save individuals and families from poverty and improve their daily living conditions. Ultimately, the social security system represents a social endeavor searching for freedom, justice, stability, and prosperity to satisfy people's desire for dignity.

II. Establishment of a Social Security System

The foundation of a social security system seems to focus on maintaining social and economic equilibrium among the conflicts within industrialized societies. In the process of industrialization, social and economic imbalance essentially originated, and have been tied in with the application of public pressure. Economic sanctions are often the most crucial methods of the social security systems dealing with disequilibrium of a society. However, the social security system should not be considered as a substitutional method that compensates for the failure of social and economic policies. In other words, the feelings of economic and political unrest and imbalance may threaten humankind's essential rights or dignity that have always existed, while the social security system has been able to provide a balanced development of social policy with governmental intervention. In the following section, three major perspectives on the formation of a social security system are discussed.

Although the social security system is the means by which government demonstrates its political and economical control to improve social inequities, in which the distinction between the rich and the poor could not be removed by the free-competition of capitalist society, historically, it has been defined in several different ways. In general, it has been viewed as a rational decision referring to the rationalism (Marshall 1975). Building on the rationalism, an increase in the size of the population and nuclear families has been associated with a decrease in the nation's traditional social security functions and has required nationwide intervention. Hence, the social security system came to be developed. On the other hand, inequality and social justice has been proposed (Pinker 1974). It views the establishment of the social security system as a logical framework for validating moral justification. Another view is based on social politics (George and Wilding 1976), the supporters of which insist that the social security system is not the realization of humanism and humaneness, but a strategy for social stability, order, and control

by political power.

Bismarck, an initiator of German social security system, reflected in his memoirs "If the social democracy party was not formed and its power was not a cause of anxiety, social reform introduced up to date could not take effect (Henschel 1983)." Considering this comment, politicians who held political power developed the social security system with certain political motives, in which enactment of a social security law or establishment of a social security system must be managed by political power to control society and to maintain their political power.

In a nutshell, social security systems can be described as a nation's rational decision to provide and secure the minimum living conditions and human rights for its citizens, while carrying out the government's traditional social welfare functions diminished due to increasing population and the reconstruction of nuclear families. What would be the most rational and ideal social security system? This question remains critical to the development of the most feasible and effective social services as well as to prevent misuse of political power for preserving the order of society.

When we consider a social security system of a nation as an integration of social cooperation systems such as various social insurance systems, social assistance systems, social service systems and social union systems, we can understand that the objectives and visions of these systems are the same although their legal contents are different. In this regard, it is necessary for us to find out the ultimate and most practical system that can combine the functions of these four systems so that the integrated social security system can protect and promote human rights in rational and effective manner.

III. Net-Systems with Four Social Security Function

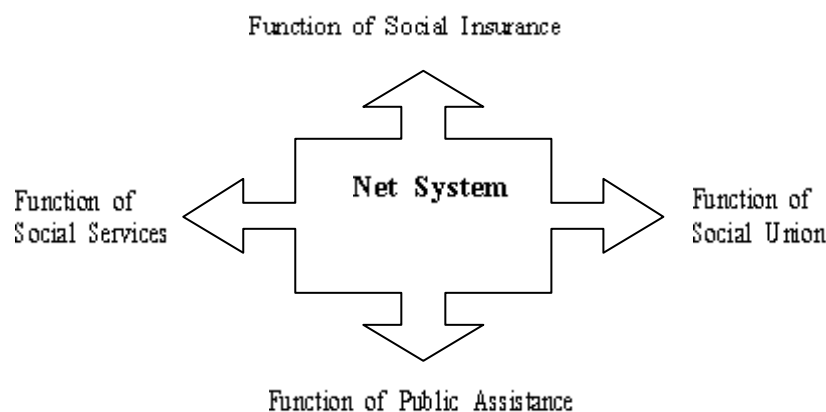
First of all, a rational social security system must be able to enhance the traditional functions of a society and accept changes

in the society. Newly-developed needs and desires from the society must also be considered. In order for the system to be effective and efficient, it must be a system that is easily acceptable to the society and can attract participation of the people in the society without the burden of significant costs. Needless to say, this social security system should be built so that it cannot be exploited by any politicians for political gain.

In order to build a rational social security system, it is necessary to have a net system that enables inter-dependent functions and interrelated of various systems necessary for promoting human benefits. This nets-system needs to be built step by step for effective achievement of welfare goals. Furthermore, the social security system must be paid for not only by the government but also by the participating people so that the cost-burden can be allocated and shaped by society as a whole.

Taking these factors into consideration, we can define the social security system that can be actually pursued by a master welfare policy as a social security nets system that: a) protects the people from social and economic risks in the society; b) relieves them from poverty and secures their human rights; c) enhances their quality of life and supports fundamentals for

FIGURE 1. Functions of National Social Security System



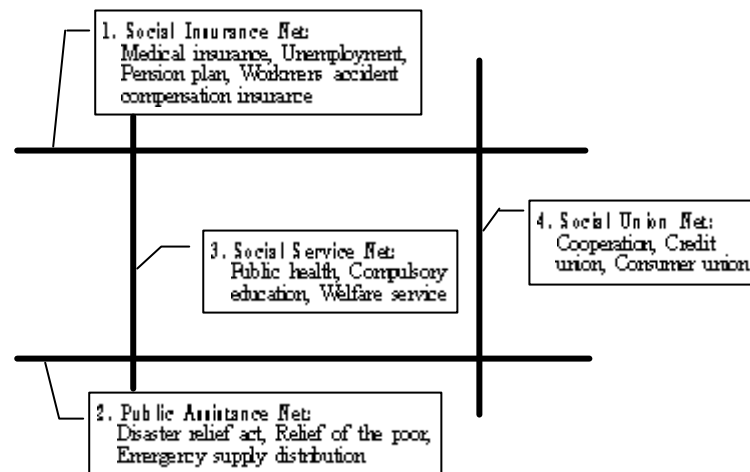
productive labors; and d) promotes social and economic activities.

The first net of the social security system is the social insurance net that protects people from risks. The social insurance system, the key of the net, is the system that helps stabilize the citizens' lives by applying the principles of insurance and risk-sharing for the economic sectors in preparation for diseases, labor accidents, infirmity with age, death, unemployment, etc. The national medical insurance policy, national pension policy, industrial hazard insurance policy, and nursing insurance policy are included in the social insurance system. These insurance policies in the system are mandatory for people in society and enrollment and premium are based on fair opportunities for participation and payment by the people.

Secondly, the social assistance net is a public assistance system that pays minimum living expenses to the poor who were not given the chance to participate in the social insurance net or are already in poverty. This is a system that provides protection for basic living, disaster relief and medical relief based on the principles of fairness of cost-sharing and co-assistance among people. A social assistance system such as this includes traditional functions of helping those who need assistance based on humanitarianism.

Third, the social service net is a system that enhances the quality of life and support fundamentals for business activities for people by providing the people with the basic services needed for social activities with service in mind. This system includes basic health service, compulsory education service, various welfare and public services. These services are provided for public access and in the public interest.

Fourth, the social union net is a system for social cooperation that promotes economic activities of the people based on the principle of cooperation. This system is aimed at making people achieve economic growth, enhance their quality of living and participate as members of society as members by supporting and assisting various organizational activities and public efforts of the people for their pursuit of economic benefits.

FIGURE 2. Net System for National Well-being

Among the four nets illustrated in Figure 2, horizontal nets are the systems focusing on stabilizing people's lives and protecting human rights. For the social insurance net, a self-supporting type, participants pay for social insurance, and for the public assistance net, funds from the governments or donations pay for the insurances without any monetary burden to the insured. The public assistance net is required for the really poor who have no chance to get onto the social insurance system due to the severity of poverty.

However, the government and people will suffer from the increased burden of taxes as the number of people in poverty increases and the quality of their living shows no improvement as time goes by. It is therefore necessary to develop systems that can help the poor improve their quality of life through their own economic activities, leading to self-sufficiency. The nets for such needs are the third and fourth nets.

The third and fourth vertical nets are the systems that focus on improving the quality of life for the people and promoting human rights. The third, social service net is

unidirectional services in which benefits are paid for by governmental budget, and the fourth net is a supporting system for social and economic group activities of the people paid for by themselves.

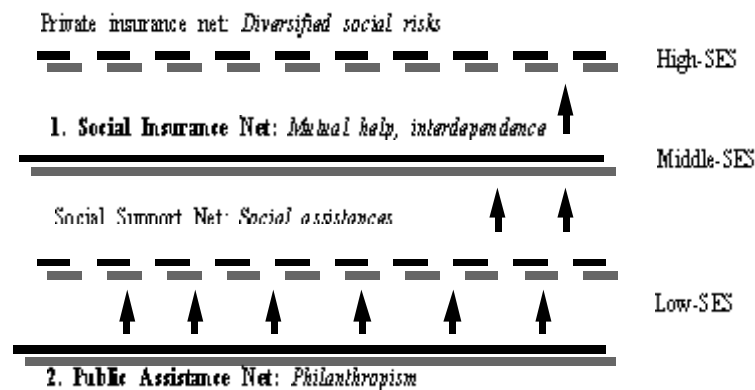
In particular, the social service net includes a variety of systems such as compulsory education that obliges people to receive the basic education necessary for self-sufficiency, plus basic medical and health service systems needed for healthy living of the people regardless of medical insurances such as immunizations, health management, services for the elderly and children and other welfare and administrative services. These services help people live and work healthily so that they can improve their quality of life.

The social union net is needed to actively support the economic activities of the people since those inactive supports provided in the third net are not sufficient enough to promote economic activities and enhance the quality of life of the people. The social union net support activities of cooperatives, credit unions, associations and social economic groups so as to help promote the economy and rapidly improve the quality of life for the people. They include the systems for cooperative laws, associations laws, corporation and foundation laws and supporting laws to help the active and systematic economic activities of the people. Welfare policies that support economic policies are therefore an intrinsic element of economic policies and they should work together.

IV. Nets for Securing Human Rights

The national social security systems to support and protect quality of life and human rights can be basically classified as the social insurances net and the public assistance net (see Figure 3). If other systems the government is indirectly involved with (i.e. supports and monitors) are included in addition to the systems it is directly involved with a number of insurance policies and other systems for stable living of the people can be considered as parts

FIGURE 3. Nets for Securing Human Rights



of the national social security systems. Moreover, there were traditional social security functions that provide support the stable support to people's lives and some of these functions are being enhanced along with the new social security systems.

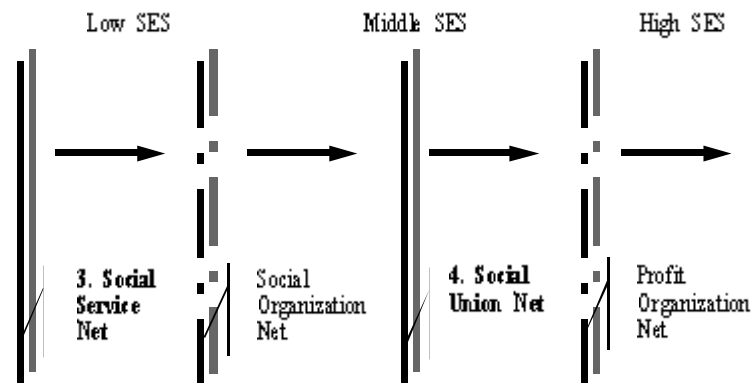
The first net, social insurance systems differ from country to country, but most of the systems include; (a) medical insurances for health and medical treatment of the people (e.g., disease insurance, health insurance); (b) pensions for stable living of the elderly after retirement (e.g., retirement plans, social security for the elderly); (c) industrial disaster insurance (i.e., labor disaster insurance, accident insurances); (d) unemployment insurance in preparation for unemployment or lay-off (i.e., unemployment insurance, and (e) employment protection insurances) and personal assistance insurances being developed among European countries (aged insurances, nursing insurances). People are legally required to obtain these social insurances and most governments pay for some portions of those insurance premiums for the poor.

Some countries strictly apply the principles of private insurance to the social insurance systems since a social insurance system is considered as a varied type of insurance programs. This kind of strict application of private insurance policies by some

countries may negatively influence the effects of the social insurance systems since the premiums for the systems would be a burden to the people and may discourage the participation of the people since there wouldn't be differences between these social insurance systems and private insurance systems. Other countries adopt British social insurance policies in which the social security systems force the governments to pay for all expenses like medical expenses and living expenses for the elderly, increasing the tax burden of the people and causing taxation resistance as a result. It would also possibly have too much rigidity and bureaucracy in service as the entire social security system may resemble bloated governmental organizations. Therefore, it is important for the social insurance systems to maximize the participation of the people by enforcing the compulsory participation of the people while coordinating the principles of insurance as a business to a certain extent.

In developing the second net, public assistance systems, the effective functions of traditional philanthropic factors in social assistance should also be considered so that those functions can work in the systems. The governmental assistance programs should be the ones that lead the poor to try to stand by themselves for better living without relying on assistance from the government. The poor relief has historically been focusing on how to support the poor so that they can promote their economic activities and escape from poverty.

Other systems for promoting the quality of living and protecting human rights include private insurance systems. It is important for the people to benefit from insurance systems so that they can enjoy higher standards of living and maintain their dignity since private insurance systems can provide more affluent living environments for the people in addition to the basic benefits provided by the social insurance systems.

FIGURE 4. Nets for Improving Human Rights

V. Nets for Improving Human Rights

The third and fourth nets that improve the quality of life and promote human rights are strong systems that support economic activities and enhance the people's social status. Indeed, a social service or social cooperation itself implies supporting the economic activities of the people. The third net, social service systems include a wide range of social services. The level of social services is used as an indicator of comparisons of welfare services as it can be considered as the level of the welfare systems. The service systems include national health and medical plans, educational and vocational opportunities, labor and recreation services and other welfare and administrative services. Some areas provide in-depth services. For example, the health and medical plans provide the people advanced services like development and implementation of new medical treatment techniques and prevention of diseases caused by bacteria from abroad in addition to the basic nutrition management services.

But these social services vary significantly from country to country and are hard to even compare in some cases because of different service cooperations among countries. There are big

differences in service level and methods. For example, some countries do not even support elementary education for the people, while some support advanced and graduate education.

Take the vocational support services of Germany for example, where the German government offers vocational education for job-seeking college or vocational school graduates so that they can find jobs. It pays them living expenses until they find jobs because it thinks the government is responsible for not educating its people well enough to get jobs if its people educated by its educational institutions can't find jobs in their fields of study after graduation.

The country also pays living expenses (unemployment insurance) to those who lost their jobs through unemployment insurance systems since it believes it is also responsible for the unemployment of the people. In this regard, the country works hard to monitor the businesses and economy so as to minimize the number of people unemployed. The country takes responsibility for the entire field of job welfare systems from vocational education to job consulting, unemployment policies and other education. However, job education and employment are considered to be the responsibility of the people in most other countries.

As to the fourth net, the social cooperation systems which support the living and promote human rights of the people, there are many systems by which the country directly promotes economic activities for improving the quality of life and promoting the human rights of the people. These systems are mostly developed by natural organizational activities of the society.

For example, farmer's union activities classified by different farm products were derived from various activities of the farmers that had existed even before the cooperatives were developed. These activities include service exchange that exchanges labor for farming among farmers, cooperative services, services in-turn, partial cooperative services that divide production, harvesting, storing and distribution among groups,

complete cooperative services that manage the entire activities of production and distribution of farm products together and conference type services that manage the production quantities and prices of the farm products with consent. The social cooperative systems legitimize these organizational activities and provide legal services and financial aid to the activities.

Also, some organizations like associations and unions develop as limited partnerships, general partnerships, or corporations before they are formed as cooperatives. This can be regarded as natural types of organizational economic activities. It is important for the social union net to activate the economic activities. But it is also an important function of the net to prevent monopoly and oligopoly of one or few strong economic organizations, the dominance of small capitals by big capitals, concentration of capitals and business concentration by huge business conglomerates and build systems to support the balanced economic development. This function of the social union net relies heavily on economic policies.

Another important function of the net is to make the people belong to their own organizations for economic activities and encourage them to work as productive members of the organizations so that they can be satisfied with their roles and contribution. This is an important function in that it makes people feel valued and participate in the society. In this regard, these social union systems are also known as social integration systems. If people are made to feel that their lives are valuable, they will view at the society more positively, live their lives enthusiastically and pursue economic activities actively, thus rapidly enhancing their living standards.

VI. The Utilization of the Net System and Futu Research Implications

The national social security net system described above can be regarded as systemization of various social security systems of a number of countries in the world. The systemization is classifying

the social security systems of each country based on its features and functions so that the functions of the systems can work mutually and reciprocally. The net system was developed assuming the objective of a national social security system is to not only promote the quality of life of the people but also protect their human rights. Therefore, any country that adapts this social security net system will be able to significantly promote the well-being of its people although the unique circumstances facing each country should be considered.

For those underdeveloped or developing countries which are unable to develop any social security systems because of low social and cultural standards of living and weak economies can regard the completion of this kind of social security systems as an objective for becoming a welfare state. For those developed countries, this system can be used as a tool for monitoring the current status of welfare benefits offered to their people and for enhancing the systems for better standards of their own social security systems. Also, the net-system discussed above can be used by the countries that want to use it as a role model for the purpose of preventing the wrongful use by politicians and evaluating the policies during the process of development and operation.

In order for the net system to be utilized as a comparison index for maintaining the social security systems for promoting the welfare of the people, the existence of the systems that can be regarded as the four nets should be considered. For the social insurance net, the population ratio participating in social insurances, the insurance coverage, (In case of pension, the ratio of pension money against the national average income) and insurance premium rate (ratio against average income per household) must be integrated as an index and marked on coordinates. For the social assistance net, the ratio of the people in need of social assistance can be used as a negative index and the ratio of governmental support for the livelihood of the people (ratio against the average income of the people) can be used as a positive index.

For the social service net, the existence of various social service systems, the quantity and quality of the services, and the use of the services by the people can be integrated as an index for comparison. For the social union net, participation ratios of the people in social and economic organizations, employment rates, population involved in economic activities and the governmental assistance levels to the social organizations can be integrated and used as an index.

Another method of comparing the social security systems of different countries using the net system is to select samples from the people of the countries being compared, question them about the systems offered to them and compare the quantified results. For the first net, social insurance systems, such results like the number of insurances enrolled, premiums paid against income level, satisfaction and dissatisfaction levels for the insurances, and the governmental support levels can be integrated and used as an index. For the second net, social assistance systems, the kind of the systems, benefit experiences, quality level of the systems, and recognition level of such systems by the people can be integrated and used as an index. For the third net, social service systems, the kind and level of the services, service experiences and satisfaction, and governmental support for the systems can be integrated and used as an index. Also, the kind of organizations enrolled, the number of cooperatives, the burden of enrollment or membership fees against income level, and satisfaction with the activities of the organizations and governmental support levels can be studied from the sample and used as an index for the fourth net, social union systems.

Integrated results from such cross-comparisons described above can be marked on coordinates to see where the people belong in the social security net system. Those who are in the lower-left corner of the coordinates of the net can be considered as the poor with low welfare benefits, and those who are in the upper-right corner of the net can be considered as the wealthy, with high welfare benefits.

This research suggests an ideal model for national social

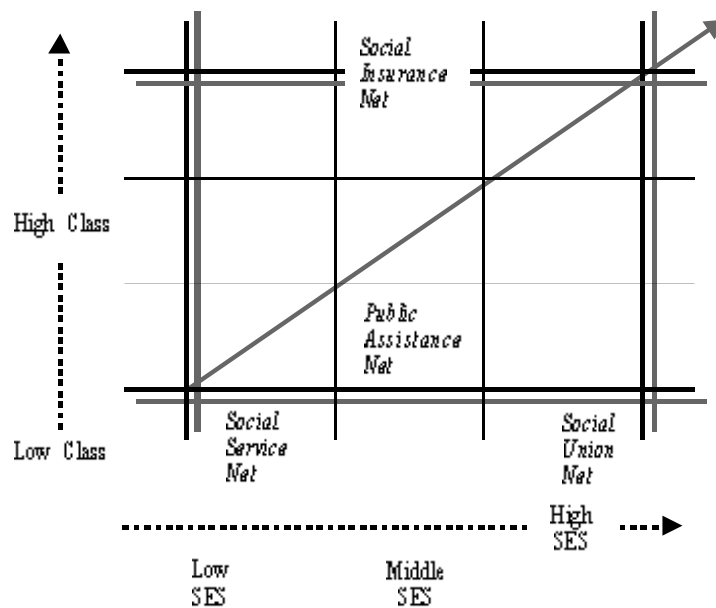
security systems. Furthermore it should cover the evaluation of the possibility and rationality of comparisons of welfare systems of different countries when actual results from field studies and analysis of materials collected in the countries is applied to the comparisons by using this research model. So far, however, this research has focused on analyzing the contents of social security systems of different countries, classifying them in the net of social security systems and developing an ideal net of the social security systems.

In order for the new net of social security systems to stand as a rational and effective theory of nets, however, the analyzed results obtained from using this net should be reasonable and ideal when actual data from the countries which adapt this net to their social security systems are applied to the net. For that reason, further studies on to how to develop a quantified index to analyze the social security systems, the quality and participation levels of the system, satisfaction by the people, governmental support levels, burdens on the people, analyzing methods, subjects for the analysis, and the possibility of the analysis, possibility and acceptability of the comparisons of the systems among the countries using the results should also be completed.

This four social security net models can be a preceeding model for establishing social security systems. This is an ideal model to have functions of securing life and livelihood through social insurance and social aid net, improving life, and supporting economic activities by social service and social cooperation. In the horizon nets, is made by unilateral governmental support(Social Aid Net), and the other is run by imposing expenses on the people(Social Insurance Net). In the vertical nets, one is operated by one-sided governmental support(Social Service Net), the other is run by people's share in expenses(Social Union Net).

In conclusion, when the people use the right upper sided self expense net more than the lower sided governmental support net, of the left and when government's role expands, the social

FIGURE 5. Application of Nets System



welfare can be promoted. in figure5, Therefore, this social security nets systems can be used as a model for comparing the level of national welfare among the nations running social security systems.

Using the graph, each nation's people can check the various conditions for taking advantage of the social security systems. If the results are concentrated on the upper portion of an arrow, it means that the social welfare policy is working well and that the people are satisfied with it. On the contrary, if they concentrated on the system and people feel less satisfaction with them then the former.

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