

WELFARE PROGRAMS FOR THE RURAL ELDERLY IN KOREA

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I. Introduction

The rural elderly population in Korea is increasing rapidly due to extension of life expectancy, the rural-to-urban migration of younger population, decreased birth rate, and so on.

The aging in rural areas has brought various negative impacts on the agricultural sector and rural society and culture. For example, its major impacts on the agricultural sector have been labor shortage for agricultural production, declined agricultural productivity, and increased idle land. And its major impacts on rural society and culture have been destruction of local communities (such as disappearance of mutual assistance), difficulty in finding successors to traditional arts and crafts that have been handed down for generations. This clearly indicates that the aging problem in rural areas has been serious in Korea.

Welfare programs for the rural elderly, however, were in very poor state in Korea until the late 1980s. Until then, rural policies aimed at boosting agricultural productivity to secure stable supply of food to the people, while it placed relatively little importance in welfare improvement of the rural elderly. At the beginning of the 1990s, the need of welfare programs for rural people began to be brought to the fore in the process of operating the 'Rural Development Committee' that played a great role in laying a foundation for 'New Agricultural Administration' (MAF 1997).

Improvement programs for the rural elderly are very important in the sense that it may solve the major problem of 'Agricultural

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Structural Improvement Policy' that is being implemented centering on full-time farm households. That is, the welfare programs are expected to make significant contribution to finding appropriate measures to deal with the rural elderly alienated from the policy to strengthen agricultural competitiveness through improvement of agricultural structure.

The welfare programs for the rural elderly were handled by the 'Agricultural Policy Division' in the Ministry of Agriculture and Forestry (MAF) in cooperation with the related departments in the Ministry of Health and Welfare (MHW). In 1998, the 'Rural Women Policy Department' (composed of welfare and women's affairs sub-departments) which was established at the MAF, began to handle the welfare programs with enthusiasm. The need of welfare programs for the rural elderly is expected to sharply increase because of aging of rural population, changes in family structure, women's participation in social activities and the growing number of the unemployed in the wake of the economic crisis.

There have been many previous studies on the welfare programs of the elderly in Korea. Most previous studies, however, focused exclusively on urban areas. Rural Korea has a disproportionate share of the nation's elderly. However, the welfare programs for the rural elderly have been the direct focus of only a small number of studies by the social scientists (Wie 1990; Chung et al. 1992; Roh et al. 1994; Lim and Choi 1995; Park et al. 1996).

The major purposes of this paper are:

- (1) to investigate the socio-demographic characteristics of the rural elderly in Korea;
- (2) to explain current welfare programs for the rural elderly;
- (3) to identify the major problems of the current welfare programs;
- (4) to suggest the desirable direction of welfare programs for the rural elderly.

II. Socio-demographic Characteristics of the Rural Elderly

1. Trend of Population Aging

Table 1 shows the trend of population aging in Korea. The aged

population has been growing very fast, from 726 thousand in 1960 to 2.195 million in 1990, and is expected to reach 6.899 million in 2020. The proportion of the elderly (ages 65 and over) in total population has increased continuously from 2.9% in 1960 to 5.1% in 1990. In 2020, the proportion is expected to reach 13.2%.

Table 2 presents proportions of elderly population by region. The proportion of the rural elderly to total rural population has been about two times higher than the proportion of the urban elderly to total urban population. The proportion of the rural elderly to total rural population has increased continuously from 4.2% in 1960 to 11.9% in 1995.

Table 3 shows proportions of the elderly in farm population. In 1960, the proportion of the elderly farm population to total farm population was 4.7%. The proportion has increased continuously. Consequently, the proportion reached 16.1% in 1995. That is, the aging speed of farm population has been very fast.

TABLE 1 Trend of Population Aging in Korea

Unit: 1,000 persons, %

	1960	1970	1980	1990	1999	2000	2020
Total Pop. (A)	25,012	32,241	38,124	42,869	46,858	47,275	52,358
Pop. aged 65 years old & over (B)	726	991	1,456	2,195	3,204	3,371	6,899
B/A (%)	(2.9%)	(3.1%)	(3.8%)	(5.1%)	(6.8%)	(7.1%)	(13.2%)

Source: NSO (1997).

TABLE 2 Proportions of Elderly Population by Region

Unit: %

	1960	1966	1970	1975	1980	1985	1990	1995
Urban areas	2.5	2.2	2.1	2.3	2.6	3.0	3.6	4.4
Rural areas	4.2	3.9	4.2	4.6	5.6	6.8	9.0	11.9

* The standard of elderly population is 'aged 65 and over'.

Source: NSO (1995).

Table 4 presents indices of population aging. The aged dependency ratio (the number of persons age 65 and over per 100 persons age 15 to 64), denotes the burden of dependency posed by the aged on the working age population. We know that the aged dependency ratio in rural areas has been higher than that in urban areas. In 1970, the ratio was 8.2, but it reached 17.6 in 1995. Index of Aging refers to the ratio of persons age 65 and over for every 100 young persons under age 15. Indices of aging in rural areas have been higher than those in urban areas. In 1970, urban and rural areas had 5.4 elderly persons and 9.3 elderly persons for every 100 youngsters, respectively. In 1995, urban and rural areas had 18.4 elderly persons and 58.6 elderly persons for every 100 youngsters, respectively.

TABLE 3 Proportions of the Elderly in Farm Population
Unit: persons, %

	1960	1970	1980	1990	1995
Total farm population (A)	14,559,271	14,421,730	10,826,748	6,661,322	4,851,080
Farm population aged 65 years old & over (B)	682,304	712,395	727,657	769,197	784,701
B/A (%)	(4.7%)	(4.9%)	(6.7%)	(11.5%)	(16.1%)

Source: MAF (1995).

TABLE 4 Indices of Population Aging

	Aged Dependency Ratio		Index of Aging	
	Urban areas	Rural areas	Urban areas	Rural areas
1970	3.4	8.2	5.4	9.3
1980	4.0	9.5	7.9	15.7
1990	5.1	15.8	13.6	35.3
1995	14.9	17.6	18.4	58.6

Source: NSO (1995).

2. Family Structure of the Rural Elderly

Table 5 indicates that the largest percentage of the urban elderly (57.6%) and the rural elderly (45.4%) maintained the traditional extended family structure by living together with their children. It also shows that 23.6% and 27.5% of the rural elderly live alone or with a spouse, and 45.4% of the rural elderly live with children, respectively. That is, 54.6 percent of the rural elderly are living apart from their children.

TABLE 5 Family Structure of the Elderly

Unit: %

Family Structure	Urban Areas	Rural Areas	Total
Living alone	18.1	23.6	20.1
Living with spouse	18.3	27.5	21.6
Living with children	57.6	45.4	53.2
Others	6.0	3.5	5.1
Total (Household)	100.0% (1,253)	100.0% (705)	100.0% (1,958)

Source: Chung et al. (1998).

3. Living Condition of the Rural Elderly

From the survey result of Korea Rural Economic Institute (KREI: Park et al. 1996), we can examine the living condition of the rural elderly. The survey employed a stratified multi-stage quota sampling of the rural elderly. The rural areas were divided into four regions: suburban, plain, mountain, and fishing regions. Three or four counties from each region were selected, and then one village from each region was randomly selected. Again twenty households per village were randomly selected. Interviews were conducted with 300 respondents aged 60 and over in 15 rural villages in 1996.

Based on the result of this survey, we can explain the current living condition of the rural elderly from four aspects: 1) economic aspect; 2) health aspect; 3) housing aspect; and 4) social/ psychological aspect.

In the economic aspect, 63.7% of the respondents were participating in farming. Most farmers (88.2%) indicated that farming was too hard for them. 74.2 % of the farmers responded that they will farm as long as they can work, and 16.7 % had off-farming jobs. A major reason for having off-farming jobs was to earn living expenses. Two-thirds of the respondents had very low annual household income of 5 million won (about \$ 4,200), and 60.3 % answered that they had debt.

In the health aspect, 52.9% of the respondents indicated that their health was in rather bad condition. One-third did not have a general health examination during their lifetime. Major diseases of the rural elderly were arthritis, lumbago, digestive disorder, neuralgia, and so on.

In the aspect of housing aspect, 75.7% of the respondents did not have a flush toilet in their houses. They had only conventional toilets in their houses. 23 % of the respondents did not have a modern kitchen. 52.8 % of respondents were using sanitary drinking water. Also, 37.3 % did not have a bath facility in their houses.

In the aspect of social/psychological aspect, major reasons for their dissatisfaction with leisure activities were expense (51.4%), health (24.1%), time (11.6%), facilities (5.8%), and others. 68.3 % of the respondents were using elderly club houses. Current problems of the elderly club houses were lack of operating funds (44.8%), insufficient facilities (32.7%), narrow space (7.8%), and so on. The level of life satisfaction were 'satisfied'(35.0%), 'acceptable'(31.0%), and 'dissatisfied'(33.7%). The satisfaction level of leisure and cultural activities were 'very satisfied' (0.7%), 'satisfied' (32.3%), 'acceptable' (30.3%), 'dissatisfied'(22.8%), 'never satisfied' (8.5%), and 'don't know' (5.4%). In other words, only one third of the respondents were satisfied with their leisure and cultural activities. The level of loneliness were 'frequently'(19.9%), 'occasionally'(27.7%), 'hardly' (27.4%), and 'never' (23.3%).

III. Current Welfare Programs for the Rural Elderly

The current welfare programs for the rural elderly in Korea can be grouped under five categories according to the nature of the

provision: income maintenance, health care, housing service, social/psychological service, and total service program.

1. Income Maintenance Program

Currently, there are three major categories of income maintenance program for the rural elderly: national pension (farmers's pension), livelihood protection, and income-generating program.

In Korea, national pension system was first introduced in 1988 mainly for the industrial and wage-earning workers. Pension system for rural residents started in July 1995. The national pension system was extended to urban self-employers in April 1999. All rural residents of age 18-59 (excluding those already participating in other pension systems through their jobs) who earn income and farmers living in urban areas are eligible and required to enroll in the farmers' pension system.

Livelihood Protection (LP) was established by the Livelihood Protection Act in 1961. The LP has four categories of benefits for elderly people : livelihood assistance, funeral assistance, medical assistance, and self-reliance assistance. Contents and methods of protection differ according to the types of households subject to livelihood protection. Target households are classified into three groups : domiciliary protection, institutional protection, and self-reliance protection households.

There are four kinds of income generating program that provide elderly people with opportunities to earn income by making good use of their extra times: Older People Employment Service (OPES), Elderly Job Placement Center (EJPC), Elderly Workshop (EW), and Elderly Job Support (EJS). The OPES links job-offers with elderly job-seekers. The EJPC is operated by local branch offices of the National Association of Older Koreans with the national government's assistance. The EJPC provides the elderly with leisure time and opportunities to earn money. The EW is operated by voluntary organizations with government assistance. The EW helps set up workshops where elderly people can work together and receive remuneration for their works. The EJS gives priority to elderly people when granting permission to install booths that sell daily necessities in public facilities such as parks, and permission to sell government-

monopoly goods.

2. Health Care Program

There are three kinds of health care program for the rural elderly: medical insurance, medical assistance, and health examination.

Korea's medical insurance system was first introduced in 1977 for workers of work-places hiring over 500 employees. In 1979, governmental employees and teachers and employees of private schools joined the medical insurance. In 1988, this insurance was extended to rural areas and in 1989, all people came to join the medical insurance with the final joining of urban residents. This separate management system was adopted for enhanced efficiency of administration in the process of its step-by-step increment in application. In 1998, 227 regional medical insurance unions and the medical insurance management corporation for governmental employees and school teachers and employees were integrated. The medical insurance system is expected to be reformed into a unified one in 2000 (Chung and Park 1998).

The Medical Assistance (MA) pays for the same categories of benefit as the Medical Insurance (MI), but its payment level varies with the status of recipients and the medical care system. Deductible amounts are imposed on those who are under self-reliance protection. This is financed by contributions from the central and local governments and the medical fees paid by recipients.

The Elderly Health Examination (EHE) was established by the Elderly Welfare Act of 1981 for the detection and prevention of diseases. The state's provision is subject to budget constraints. As a result, the provision has been limited to low-income elderly people.

3. Housing Service Program

The demand for housing designed for the elderly has been increasing in the Korean society. But, there has been no explicit housing policy for the rural elderly. In the institutional accommodation, there are two kinds of institutions: homes for the elderly and nursing homes. These two kinds of institutions are

classified into three categories according to the fee-charging system: free, low-fee, and full-fee. In 1998, there were 104 homes for the elderly and 89 nursing homes (MHW 1999).

4. Social/Psychological Service Program

There are five kinds of social/psychological service program: elderly club houses, schools and classes for the elderly, elderly counseling, elderly welfare center, and home-helper program.

The Elderly Club Houses (ECH) established with voluntary donations from local residents are the most generalized elderly welfare facility in rural areas. Currently, 28,580 ECHs are being supported financially from the government in 1999 (MHW 1999). Each ECH is usually equipped with TV, radio, chess, and Asian cards.

The Elderly Schools were established in 1972 by voluntary organizations and locals to provide programs that meet the learning needs of the elderly. The Elderly Classes conducted in elementary schools have been established in each school district. The Elderly Schools and the Elderly Classes have financial hardships and difficulties in securing qualified educators.

The Elderly Counseling is designed to provide counseling services for the elderly. Counselors are employed by local governments.

The Elderly Welfare Center is designed to provide a range of services on health improvement, adult education, recreation, counseling, information, and others.

5. Total Service Program

“Fostering of Life Guidance Villages for the Rural Elderly” is a good example of a total service program for the rural elderly. The major purposes of the program are:

- 1) to develop adequate roles of the rural elderly;
- 2) to guide harmonious family relationship; and
- 3) to help the rural elderly live their remaining lifetimes healthily and usefully.

The program was started in 1993 by the Rural Development Administration (RDA). The duration of the program was 3 years. By 1998,

the program was implemented in 139 rural villages. In 1999, a new term of the program was started in 109 villages. Its major contents are health care (medical examination, health care room, and gate-ball), income activities (livestock husbandry, joint raising seedlings, and making handicrafts), education activities (education for living management and techniques for side-jobs), interaction with the youngers (feast in honor of the elderly, filial piety tour, and meetings between mother-in-laws and daughter-in-laws), public services for villages (street cleaning, waste collection, and the youth classrooms), transmission of traditional culture, and others (RDA 1998; 1999).

IV. Problems of Current Welfare Programs for the Rural Elderly

Major problems of current welfare programs for the rural elderly can be explained as follows.

First, the government's budget for the elderly is too small compared to social welfare budget and total national budget. Although the welfare budget for the elderly has steadily increased, it remains less than 5% of the social welfare budget. In 1999, the welfare budget for the elderly is only 0.24% of the total national budget. It has been minimal in comparison with other countries. For example, in 1998, the Japanese welfare budget for the elderly was 3.7% of the total national budget (MHW 1999).

Furthermore, most of the welfare budget for the elderly has been spent on the payment of 'pension in honor of the elderly' and the maintenance of the institutionalized elderly. Also, most of improvement programs for the elderly focused exclusively on urban areas (MHW 1999). The improvement program which reflect the specific characteristics of rural areas and the rural elderly is very rare. Many improvement programs for the elderly were not extended to the rural areas.

Second, many rural elderly have economic difficulties. That is, many rural elderly are poor. In spite of their poverty, the government has failed to provide support for them via appropriate policies and programs. The increasing number of the rural elderly suffer from economic difficulties because of their children's unwillingness or

inabilities to provide economic support. There are three categories of income maintenance program for the rural elderly. But, most of the rural elderly have been excluded from the benefits of the pension system because of age limit. Also, the current livelihood protection system can not guarantee minimum living costs of the elderly. The income-generating program for the rural elderly is merely at the beginning stage.

Third, many rural elderly have difficulties in paying for health care costs and caring for the frail or disabled elderly who need assistance in conducting daily activities. In case of medical insurance, the premium level of farmers has been too great a burden as compared with those of wage-earning workers. The medical assistance for the rural elderly is too heavy in self-burden. The health examination was not connected adequately with the treatment.

Fourth, there are very few housing service program for the rural elderly. The social welfare policy of the government has concentrated on institutional care. Consequently, the government has not paid attention to the housing problems of the rural elderly living in homes. Furthermore, the institutional accommodation for the elderly is concentrated on urban and sub-urban areas. One provision of the Elderly Welfare Act requires that the state or local government should facilitate the construction of houses appropriate for the elderly. This provision, however, is ambiguous in terms of the government's responsibilities. As a result, housing programs in accordance with this provision have rarely been implemented.

Fifth, the current social/psychological program for the elderly focused on urban areas (RDA 1997; MHC 1999). According to the study of RDA (1997), the schools and classes for the elderly, elderly counseling, elderly welfare center, and home-helper program are not much diffused throughout rural areas. That is, most of these programs have been centered around metropolitan cities. Major problems of Elderly Club Houses are shortage of heating expenses, insufficient management abilities, narrow space, lack of good programs, and others.

Sixth, "Fostering of Life Guidance Villages for the Rural Elderly" as a total service program for the rural elderly has some limitations in the budget. The budget resource of the program has mainly relied on local governments and rural residents. As a result,

the size of the program has been relatively small. For example, in 1996, average budget size of the program was 3.4 million won (RDA 1996). The facilities required by the rural elderly have not been supplied adequately in time.

V. Desirable Direction of Welfare Programs for the Rural Elderly

The basic direction of welfare programs for the rural elderly is to realize social justice by

- 1) directing toward healthy, productive, and socio-culturally integrated remaining lifetimes;
- 2) considering various social factors such as family structure, age group, income, region, gender, and occupation; and
- 3) having the multi-dimensional approach which investigate micro-factors and macro-factors together.

The more concrete desirable direction of welfare programs for the rural elderly can be explained as follows:

First, the welfare budget for the elderly should be expanded to a reasonable level as in other countries. Also, the welfare budget should be invested in the welfare programs for the rural elderly with foremost priority. Many welfare programs such as Home Helper System and Home Nursing System which have been implemented in urban areas should also be widely spread in rural areas.

Second, the income maintenance program should be improved in favor of the rural elderly. The premium level of the pension in honor of the elderly (15,000-50,000 won/month: less than 50 \$/month) should be increased. Also, the monthly payment level of Livelihood Protection (162,000 won: about 135 \$/person) needs to guarantee the minimum living costs of the rural elderly. A desirable payment system in the Livelihood Protection is the deficit payment system. The income generating program such as Older People Employment Service, Elderly Job Placement Center, Elderly Workshop, and Elderly Job Support should be expanded to rural areas. In particular, the rural elderly need these programs during the farmers' slack season. In the farming sector, environmental agriculture is desirable for the rural elderly. The environmental

farming for the rural elderly need to be centered on safe farming of high quality products.

Third, the medical insurance and the medical assistance need some revision in favor of the rural elderly. In case of the medical insurance system, the premium level of the rural elderly should be re-arranged. To this end, we need to revise the method of income estimation. Also, considering the economic abilities of the rural elderly, the share of self payment in the medical insurance and the medical assistance should be decreased. More special hospital for the elderly should be constructed in the rural areas. We need to strengthen the physical treatment and round care system in health care centers and the branches of health care centers in rural areas.

Fourth, in the housing service program, various housing services for the rural elderly need to be provided within their communities. We need to facilitate various opportunities in selecting housing types for the rural elderly. The old residences of the low income rural elderly should be renovated or rebuilt by using the government financial support.

Fifth, in the social/psychological service program, it is necessary to develop the welfare program to be used by neighborhood, social groups, organizations, and communities. For example, various social groups such as the elderly clubs, women's clubs, and youth's groups can be connected with the public social/psychological services for the rural elderly. In the Elderly Club Houses, the heating expenses should be raised and some systematic management program needs to be introduced in the rural areas. Considering the government financial ability under the WTO system, many empty houses in the rural areas may be used for the rural elderly after renovation. The schools and classes for the elderly, elderly counseling, elderly welfare center, and home-helper program should be actively extended throughout rural areas.

Finally, the "Fostering of Life Guidance Villages for the Rural Elderly" as a total service program for the rural elderly should be supported by the central government. The program can be made successful by active participation of residents and adequate financial support from the local and central governments. Another example of a total service program for the rural elderly is to develop "Welfare Farm for the Elderly" within their communities.

VI. Conclusions

Korea has strong tradition of family support to the elderly. But now this has weakened due to social changes such as rural-to-urban migration, enlargement of women's social participation, disintegration of extended family, changed social values and way of thinking, and so on. In recent years, demand for welfare services of the rural elderly has greatly increased because of the socio-economic problems such as mass-unemployment, family disintegration and disparities in income levels among social classes. As a result, the rural elderly issue is surfacing as a serious social problem beyond the capacity of families. It is expected that the aging speed of rural people will be faster in the 21st century. Therefore, we have to prepare systematic measures devised to deal with the rural elderly problems. As the Government's burden of caring for the rural elderly is increasing, it is necessary to involve all members of the society to share the responsibility by creating public awareness. To obtain more effective planning and implementation of welfare programs for the rural elderly, close cooperation or partnership must be established between rural communities, the government, non-government organizations (NGOs), and private sectors.

Recently, the Korean government announced the 'plan of productive welfare' and the 'National Basic Livelihood Protection Act'. Therefore, for the rural elderly to be in good health, it is necessary to provide some assistance for productive activities such as farming, off-farming jobs, and public service activities. For the lower income rural elderly requiring nursing care, it is necessary to provide the minimum level of living expenses (including sufficient nursing support). It will be very important for us to reflect the special characteristics and interests of the rural elderly in the plan and the act.

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