

The Present Condition of Welfare and Employment in South Korea calls for a Basic Income

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1. The present condition of welfare in South Korea

Generally, there are three types of income security systems: the social allowance system with no income or asset evaluations as well as no contributions, the social insurance system with contributions but no income or asset evaluations, and the public assistance system with income or asset evaluations but no contributions. In South Korea, there are social insurance and public assistance systems but no social allowance system such as those have been implemented in parts of Europe. As for the social insurance system, the four main insurances — the health insurance, the National Pension, the unemployment insurance, and the occupational health and safety insurance — are the most representative. In general public assistance, the National Basic Livelihood Security system is the most typical one; in categorical public assistance, the Basic Elderly Pension¹⁾, the disability allowance²⁾, the allowance for children with disabilities³⁾ are typical.

1) The Basic Elderly Pension is a system that calculates the accepted income level from evaluations of the income and assets of all elderly 65 and above, and provides pensions only to those in the lower 70 percent.

2) The disability allowance is a system that provides a monthly maximum of KRW* 130,000 per person to registered people with disabilities over 18 who are recipients of the National Basic Livelihood Security system or in the near poverty class** and to people with disabilities who are admitted into security facilities and recipients of the National Basic Livelihood Security system.

* KRW: South Korean won, approximately USD 1 = KRW 1,200.

** Near poverty class: people whose income is in between minimum cost of living and

<Diagram 1> Present condition of South Korea's multi-pillar system⁴⁾

(Unit: individual)

		Classification					
		Total population in the productive age (20 to 64): 31,450,000					
Multi-pillar	Economically inactive population: 9,000,000	Economically active population: 22,450,000					
		Unemployed: 740,000	Employed: 21,710,000				
3rd						Individual pensions: 9,900,000	
2nd	Retirement grants: 15,160,000 (64.3 percent of the total population in the productive age)					Retirement pensions: 1,120,000	
1st	Non-members of National Pension or special occupation pensions: 11,660,000	Excepted from payment: 5.03 million	Defaulters: 2.48 million	Local membership payers: 1,28 million	Business members: 9,490,000	Voluntary (continuous) members: 60,000	Special occupation pensions
		7510000		10830000			Public officials: 1,030,000
		Members of National Pension: 18,340,000					
							Military personnel: 160,000
							Total: 1,450,000

Note: Based on data from December 2008.

Source: Office of National Assembly Member Eunsu Park (2009), p. 1.

First of all, let's check the present condition of the blind spot of the National Pension, which is the most representative social insurance. Diagram 1 above shows that out of a total of 31,450,000 people in the economic production age range (20 to 64), the number of people in the National Pension blind spot reaches 19,170,000, including the 11,660,000 non-members as well as the

120% of minimum cost of living in South Korea.

- 3) The allowance for children with disabilities is a system that provides a monthly maximum of KRW 200,000 per person to stay-at-home registered children with disabilities who are recipients of the National Basic Livelihood Security system or in the near poverty class.
- 4) The World Bank proposed the multi-pillar system in 1994, which consists of a mandatory public pension system (first pillar), a mandatory privately managed pension system (second pillar), and a private insurance system (third pillar).

5,030,000 excepted from payment and the 2,480,000 local defaulters (Office of National Assembly Member Eunsu Park, 2009).⁵⁾

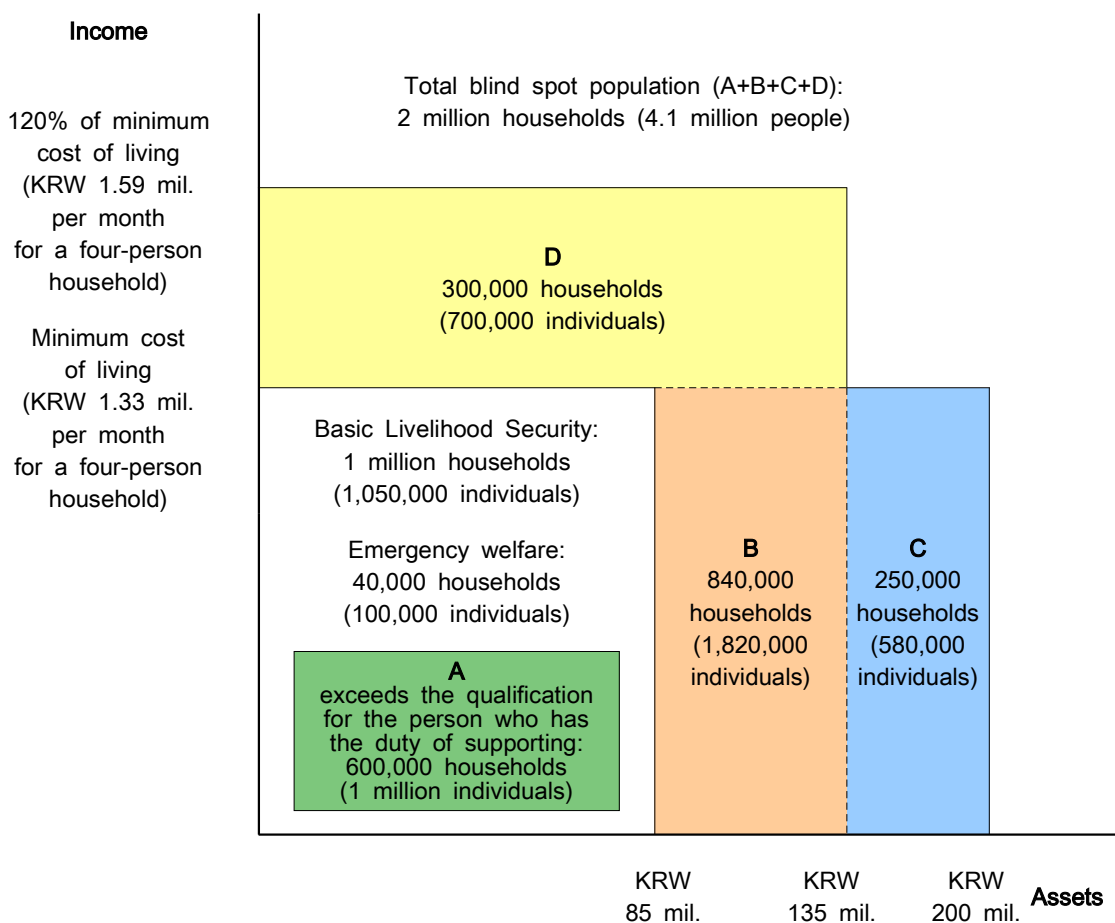
The scale of the unemployment insurance's blind spot is also enormous. It is the undeniable reality that no more than 40 percent of the employed are members of the unemployment insurance. That is, as many as 13,360,000 people as of 2009 are non-members. In the National Health Insurance Corporation's data, 1,110,000 households and 2,172,000 individuals are in the medical blind spot due to limited health insurance provisions, as of April 2009. This makes up 5.8 percent of all subscribing households. But as of July 2009, there are 2,053,000 households delinquent for more than three months in insurance payments, and among them, the ones delinquent for more than six months, after which health insurance provisions may get limited, are 1,528,000 households, also showing an increasing trend for the future. The non-members, the defaulters, and the ones excluded from industry accident and unemployment insurances are all part of the medical blind spot. Even if there are differences in between values more or less, it is definitely true that there are vast blind spots in social insurance systems. This is a predominant trait and a fundamental limitation of a social insurance system with contributions.

Next, it is necessary to examine the National Basic Livelihood Security system, which is a key public assistance system, is a livelihood security system in which exists a very particular screening procedure. In order to become a recipient, the person needs to be checked for the presence of financial support, ability, and the person who has the duty of supporting, the income and assets of the prospective recipient and the person who has the duty of supporting, the prospective recipient's working ability and the desire to make a living, and other matters needed for the approval of livelihood support. Even after the approval, annual validations are required. When one finally becomes a recipient after going through the fastidious evaluation process, living and residential costs are provided

5) The 9 million economically inactive population can be included in the blind spot as they are citizens whose later years the government must guarantee. As the average pension payment term is 35 months but the average payment exception term is 50 months, the excepted are actually not different from having been placed in the blind spot. Since the reason that defaulters are not making payments is that they currently have no financial ability, it is hard to expect regular payments from them in the future; thus they can be seen as included in the blind spot as well.

in cash, and educational, birthing, funeral, and medical costs are provided in kind. Amounts are based on the minimum cost of living per size of household. Meanwhile, the absolute poor may be guaranteed minimum living as stipulated in the National Basic Livelihood Security Act, but there still exists a large class of people who belong to the absolute poor but are excluded from this law.

<Diagram 2> Low-income class in the blind spot of livelihood security



Source: Ministry of Strategy and Finance et al., 2009, p. 15.

Even in the government's data from March 2009, those who satisfied all other qualifications to become recipients as stipulated in the National Basic Livelihood Security Act but got rejected from exceeding the qualification for the person who has the duty of supporting⁶⁾ were shown to be one million individuals and

6) In this qualification, the person who has the duty of supporting is anyone who qualifies one of the following: prospective recipient's direct relative or the direct relative's spouse or the prospective recipient's parent or child and the parent's or child's spouse. In order to be acknowledged for the lack of financial supporting abilities, in

600,000 households (A of Diagram 2); 1,100,000 households and 2,400,000 individuals could not become recipients due to exceeding the asset qualification limit with residential real properties, cars, financial assets, or others, even though their income was below the accepted level (B and C of Diagram 2); and as many as 300,000 households and 700,000 individuals were in the typical near poverty class (D of Diagram 2) (Ministry of Strategy and Finance et al., 2009). In total, 2 million households, 4,100,000 people, and 8.7 percent of the Korean population are low-income class stuck in the blind spot of the livelihood security, as the blind-spot poor.

In conclusion, it is the actual circumstances that the near poor in between the absolute poor and the middle class, often referred to as the near poverty class, are excluded from both systems — the four social insurances and public assistance. Also, the four social insurances apply to most of the middle class including regular workers, but the majority of non-regular workers are still excluded. If the economic crisis continues, the groups to suffer the most will undoubtedly be those excluded from even the National Basic Livelihood Security system: the near and the absolute poor. The reason that these groups cannot get out of the blind spot is very simple: They have very little or no regular income, and those who have a hard time making insurance payments are naturally excluded from the social insurances that operate on the premise of insurance payments. Significant numbers of them are also excluded, as mentioned earlier, from the public assistance. This very fundamental limitation has been growing serious due to the neo-liberalism being prevailed since the Korean foreign-exchange crisis in 1997. If an economic crisis is continued or repeated, it will be harder for the framework of the current welfare system, such as the four social insurances and the National Basic Livelihood Security system, to be a viable solution for the disadvantaged. Because of this problem, even non-supporters of a basic income are calling for the alleviation of the current social insurance's contribution-provision relationship⁷⁾ and the very fastidious

the case where the minimum cost of living for the recipient's household is A and the minimum cost of living for the household of the person who has the duty of supporting is B, the actual income needs to be 130 percent of or below A+B and the income conversion of the assets needs to be 42 percent of or below A+B. However, the criteria for weak financial support and the special asset criteria partly makes up for this.

7) An example of such assertions is Research Center for the Opening of a New Society

qualifications and evaluations of public assistance.

Next, we look at the social welfare expenditure of South Korea. Korea Institute for Health and Social Affairs has estimated Korea's social welfare expenditure to be approximately KRW 73.3 trillion. The ratio of the GDP to this amount is 9.09 percent⁸⁾, stopping at merely about 50 percent of that of the United States (16.59 percent) and Japan (18.39 percent), known as the backward nations of welfare. And compared to Sweden (31.85 percent), France (29.08 percent), and Germany (28.40 percent) whose welfare expenditures reach almost 30 percent of their respective GDP, Korea's comes up to just a third of that number.

<Table 1> International comparison of social welfare expenditures in 2003

(Unit: percent of expenditure out of GDP)

OECD average	South Korea	Sweden	France	Germany	Denmark	United Kingdom	Netherlands	Japan	United States
21.83	9.09	31.85	29.08	28.40	27.80	21.43	21.38	18.39	16.59

Note: South Korea's data is from 2005.

Source: Go et al. (2007), p. 115.

Data: OECD. 2006. Social Expenditure Database.

(president Seokchun Son)'s "National Unemployment Insurance System." As of 2009, there are 9.4 million workers subscribing to the unemployment insurance, but the total economically active population is 24 million, including farmers and business owners. When the 600,000 people preparing for employment and the 1.7 million "rested" people are added in, the number of people who actually need the benefits of unemployment insurance is approximately 26 million. Thus only 36 percent of the total are recipients of unemployment insurance. In order to resolve this problem, the Center advocates greatly increasing the coverage of the now voluntary insurance for the daily and constructive workers and the inclusion of unemployed youth as well as business owners as unemployment insurance recipients. The government counters that measures need to be prepared in regards to their insurance payment, such as delinquency settlements or aids for all costs.

- 8) These numbers show slight differences by the statistics institution. The Ministry of Health, Welfare and Family Affairs' Estimation of Korea's Social Welfare Expenditure shows the ratio of Korea's 2005 social welfare expenditure to the GDP to be 9.05 percent (<http://www.index.go.kr/egams/default.jsp>). But the official value that the OECD announced is 7.5 percent (<http://stats.oecd.org/index.aspx>). So there is a 1.55 percent's difference in between the percentages that OECD and the Korean government each announced. The biggest reason this happens is whether or not the institution included the retirement grants. OECD sees Korea's retirement grant as more like a wage and so excludes all except the retirement grant due to retirement age whereas the Korean government counts all retirement grants into the social welfare expenditure (Oh, 2009: 63). Thus it can be said that the statistic following OECD's standards is more rational and allows for a more objective international comparison. But here, the goal is to see the general level of expenditures, so the table of Go et al. (2007) was included. Meanwhile, as of 2007, Korea's social welfare expenditure was estimated to be about KRW 98.65 trillion, 10.01 percent of the GDP. This was a slight increase from the numbers in 2005. The OECD average at that time was 23.9 percent (Go, 2009).

Meanwhile, it is necessary that we look closely at Korea's social welfare expenditure. In terms of the systems, social insurance expenditure was highest at 50.3 percent, followed by business welfare at 23.1 percent, public assistance at 12.6 percent, public welfare services at 13.1 percent, and private welfare services at 0.9 percent (Go et al., 2007: 106). In terms of the fields of expenditure, health-related matters such as health insurance, medical benefits, industry accident insurance, and others were highest at 35.2 percent with KRW 25.8 trillion, followed by unemployment-related matters at 24.1 percent with KRW 17.7 trillion, more than 90 percent of which was legal retirement grants, and elderly-related matters at 17.2 percent with KRW 12.6 trillion, most of which were special occupation pensions. These three fields take up 76.5 percent of Korea's social welfare expenditure (Go et al., 2007: 105). After putting aside the expenditure of social insurances that are kept up by the contributions of the subscriber and business welfare such as the legal retirement grants, which is really a wage, social welfare expenditure including public assistance and public welfare services that is purely provided by the government is only 25.7 percent of Korea's social welfare expenditure.

2. The present condition of employment in South Korea

First let's look at employment indexes from the last few years. In Table 2 below, it is shown that the labor force participation rate has been steadily decreasing. The employment rate, which can be used to discern the actual percentage of the employed, also indicates a decreasing trend. There has been a dramatic decrease in the employment rate, especially for men in their thirties, for whom even the 90 percent bar was broken recently. Even more serious is the rapid increase of employment forgoers. Although they are regarded as an economically inactive population and thus are not classified as the unemployed, they are in fact a group of people not very much different from the unemployed. It is not just the quantity of employment that is decreasing. The fact that the number of people employed for less than 36 hours is sharply increasing shows that the quality of employment is also growing significantly worse.

<Table 2> Changes in employment indexes

(Unit: percent, a thousand people)

	2004	2005	2006	2007	2008	2009
Economic participation ⁹⁾	62.1	62	61.9	61.8	61.5	60.8
Total employment	59.8	59.7	59.7	59.8	59.5	58.6
Employment of males in their thirties	91.5	91.1	90.6	90.3	90.3	89.1
Employment forgoer ¹⁰⁾	100	125	122	108	119	162
Employed for less than 36 hours	2757	2904	2821	2642	3170	3126

Note: All data for people employed for less than 36 hours have been obtained in December of the respective year.

Data: National Statistical Office. Each year's (2004 to 2009) yearly employment trend.

Are deteriorations in both the quantity and quality of employment only temporary phenomena following economic crises or slumps? The problem is that they aren't. That is because the employment structure itself has been changing to the direction of going further away from employment creation since the beginning of the onrush of industrialization in the 1970s until now. Here we look at the trends of this since the year 2000. First of all, as can be seen in Diagram 3 below, the extended coefficient of employment¹¹⁾ of all industries of Korea in 2007 (based on the constant market price in 2005) was 8.2 people, showing a steady decline from 10.9 people in 2000. Meanwhile, the coefficient of employment¹²⁾ (based on the constant market price in 2005) in 2007 was 5.8 employees, indicating a steady downtrend from 7.0 in 2000, 6.1 in 2005, and 5.9 in 2006 (Bank of

9) Economic participation is the ratio of unemployed and employed people in the economically active population out of the total population ages 15 and above.

10) Employment forgoers are people among the economically inactive population who although having the intention and ability to work, have not been able to gain employment due to the job market, but have had a job in the past year.

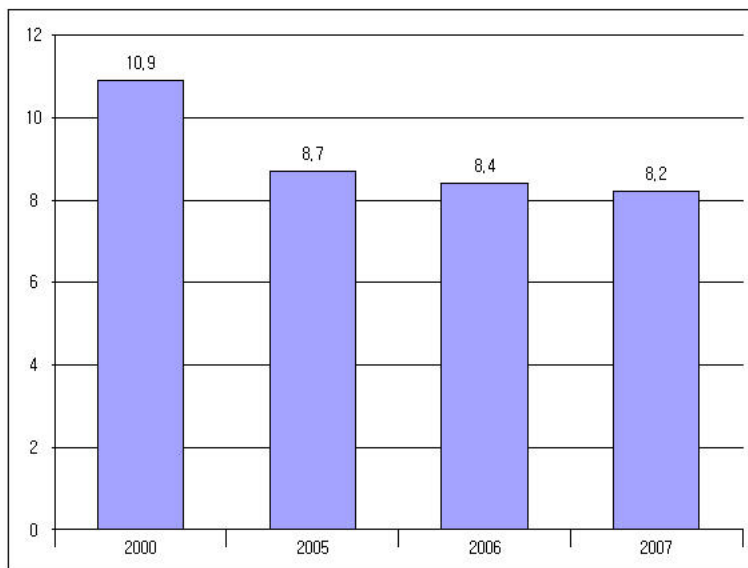
11) Referring to the number of employees, including self-employed, unpaid family workers and so on, needed for every KRW 1 billion produced, it is the reciprocal of labor productivity.

12) Referring to the number of employees needed for every constant market price of 1 billion one produced, it is the reciprocal of labor productivity.

Korea, 2009: 18).

<Diagram 3> Change in the average extended coefficient of employment
in all industries

(Unit: employee per KRW 1 billion)



Source: Bank of Korea (2009), p. 81.

<Table 3> Change in the extended employment induction rate

(Unit: employee per KRW 1 billion)

	2000	2005	2006	2007
Agriculture/forestry/fishery	62.9	51.1	50.2	46.8
Mining	9.8	10.4	10.1	10.3
Manufacturing	13.2	10.1	9.6	9.2
Electricity/gas/water	5.3	3.6	3.5	3.5
Construction	17	16.6	17.3	16.8
Service	21.5	18.4	18.2	18.1
Whole industry	18.1	14.7	14.3	13.9

Source: Bank of Korea (2009), p. 89.

Also, as can be seen in Table 3 above, the extended employment induction rate¹³⁾ (based on the constant market price in 2005) in 2007 was 13.9 new employees, significantly lower than 18.1 employees of 2000.

What can be confirmed by the indexes above is that the Korean economy's abilities to create employment are gradually declining. Here we can see that the so-called jobless growth is not a temporary phenomenon. Even the Ministry of Labor acknowledges that "due to the economic slowdown, the technological progress, and the change in the industrial structure, our economy's ability to create employment is decreasing. Also, the vulnerable for whom the entry into the labor market is difficult is still in existence."¹⁴⁾ This problem isn't only present in the Korean economy; rather, it is the natural process in a capitalistic society following the development of productivity. There are of course people who still believe that the growth of the service industry will be the way to create employment, because the service industry had successfully buffed the sharp decrease in jobs in the manufacturing industry in the late 20th century. However, because information technology has been introduced into the service industry bringing improvements in productivity and replacements for the workforce, it is difficult to concede that the growth of the service industry can overcome these traits and become a measure to achieve full employment (Rifkin, 1995[1996]: 194). Table 3 above proves that this trend is real, showing the service industry to be in a continuous downturn as well, although the downturn is much slower compared to the agricultural industry or the manufacturing industry.

Of course, none of this is to say that the government has given up on the issue of employment creation or that it should give up. As unemployment and unstable employment increase, social integration is impeded. So, the government also recognizes that this trend needs to be managed at some level. Therefore, the government is trying to initiate some measures such as the Social Employment¹⁵⁾ or the Labor of Hope¹⁶⁾, even though these are a mere expedient. The crucial

13) The number of newly induced employees, including self-employed, unpaid family workers and so on, in all industries either directly or indirectly for every KRW 1 billion of demand occurring for a specific industry.

14) Quote from the Ministry of Labor's Social Enterprise website (<http://socialenterprise.cafe24.com/work/work01.php>).

15) The Social Employment Generation Project that the Ministry of Labor acknowledges the decline in job creation ability and the existence of the weaker class in employment and extends social service provisions; it chooses a nonprofit private organization creating jobs and supports it in a limited period of time of 6 months up to a year.

16) The Labor of Hope Project that the Ministry of Public Administration and Security put into effect in June 2009 is a project targeted for people of weaker classes with working abilities, to support their living in relation to their labor for six months and provide KRW 830,000 a month in a mixture of cash and coupons.

problem is that these measures cannot be solutions to eliminate discrimination and exclusion in employment at all, considering the employment situation that is distinctly getting worse and worse. If income is to be still understood as earned income from capitalistic wage labor and thus there exists just earned income, it will be pretty hard for people without ability or willingness to work, or people who do have the ability or willingness to work but are continuously discriminated against and excluded from the labor market, to maintain the minimum standard of living at best.

3. The necessity for a basic income and its financing

With the results seen above, it is clear which direction Korea's welfare must head toward from now on. There are two main tasks that become regarded as urgent ones as discussed above. One is to move in the direction from the selective and charity-distributive welfare to the universal welfare without blind spots. The other is to guarantee moderate income for all without the premise that everyone must do work for wages. It goes without saying that a basic income is the simplest and the strongest alternative to accomplish these tasks efficiently. Of course, in this process, the social welfare expenditure will need to increase more than ever, and many difficulties accompany that. However, if we can succeed in spreading the understanding that realizing the universal welfare and guaranteeing unconditional income are more important than anything else, we will be able to weaken the antipathy to the big increase of the social welfare expenditure as well as the resistance to tax increases.

Since Korea is an OECD member, the logic that at least the social welfare expenditure must get nearer to the OECD average level can partly justify its increase. If we estimate that Korea's social welfare expenditure is 594 million dollars, 7.5 percent according to the OECD standards out of the total GDP of 7.92 billion dollars, in order to match this with the OECD average of 21.2 percent, it needs increase about 13.7 percent, or 1.09 billion dollars (approximately KRW 133 trillion).¹⁷⁾ This can be used for the supporting evidence

17) This is the result from increasing Korea's social welfare expenditure to the OECD level. However, if the amount covered by direct taxes, including the social security

for the increases in taxes and social welfare expenditure. But even if all of these increases are used as financing for a basic income, the amount is still too small compared to the budget of the basic income model of Gang et al. (2009) — KRW 290 trillion. However, it is almost enough to cover all the actual additional finances¹⁸⁾ of KRW 140 trillion in the Partial Basic Income I of the basic income models by Kim (2009), which provides KRW 300,000 per month to all citizens, and KRW 82 trillion in the Partial Basic Income II, which provides KRW 200,000.

By the way, it would not be a actually progressive even if Korea's social welfare expenditure approached the OECD average level. It is simply because we do nothing but catch up with the leading countries. If the expenditure reaches the level, of course, it will not be sufficient to finance a basic income. Therefore, it should be considered to finance it that we not only recover the lost publicly owned assets due to the neo-liberalist attacks such as privatization, but also make a radical reform of the tax system for powerful income redistribution. Especially, it has been a long time since it became so serious in Korea that there are various forms of the immense unearned income mainly through the real estate market or speculation in real estate. Recapturing these forms of income can be justified because heavy taxation of the unearned income is reasonable, and it is indispensable for financing a basic income.

Meanwhile, Table 4 below shows that the amount of the unearned income from lands occurred over 10 years, from 1998 to 2007, was about KRW 2 quadrillion. On the other hand, the amount of the taxes and the development impact fees collected over the same period was only KRW 116 trillion, which takes up just 5.8 percent of the amount of the unearned income. This means that out of the KRW 2 quadrillion occurred from lands, 1.886 quadrillion fell into the hands of land owners. It can also be considered that KRW 200 trillion were formed through lands on an average a year, because KRW 2 quadrillion divided by 10 is KRW 200 trillion. If just half of this gets recaptured by the government, KRW 100 trillion can be provided every year. If the immense unearned income from

contributions, is increased from 17.1 percent to the OECD average of 24.4 percent, the government's tax revenues increase about KRW 83.2 trillion, from KRW 171.5 trillion to KRW 254.8 trillion. If the tax coverage amount is increased to France's 31.6 percent, the additional revenues would reach KRW 145.4 trillion.

18) "Actual additional finances" refers to the total budget minus the cash benefits that the government provides as of 2006.

lands that have a trait of public goods is returned to society and added to the financing for a basic income, it is feasible to guarantee all citizens a full basic income.

<Table 4> Change in the total land price and the unearned income from lands

(Unit: KRW 10 billion)

	1998	1999	2000	2001	2002	2003
Total land price	147,196	135,766	141,071	143,044	148,609	169,281
Unearned income	-11,430	5,305	1,973	5,565	20,672	31,447
Collected amount of unearned income	828 (-7.2%)	851 (16.0%)	906 (45.9%)	1,017 (18.3%)	1,246 (6.0%)	1,410 (4.5%)
	2004	2005	2006	2007	Total*	
Total land price	200,728	239,065	252,574	317,150		
Unearned income	38,337	13,509	64,576	30,218	200,173	
Collected amount of unearned income**	1,510 (3.9%)	1,038 (7.7%)	1,255 (1.9%)	1,539 (5.1%)	11,601 (5.8%)	

* The respective sums of the unearned income from lands and the collected amount of the unearned income.

** The collected amount of the unearned income consists of the acquisition tax, the possession tax, the tax on transfer, and the development impact fees.

Source: Byeon et al. (2009), Tables 5 and 8.

4. The tasks for the introduction of a basic income

Lastly, let's look at some of the main tasks necessary for the introduction of a basic income. First of all, the biggest problem would be the possibility of political realization. Unless the current government undergoes a sudden change, the actual implementation can come only after seizing of power under the premise of creating a government that is in favor of a basic income. Then do we simply leave it be before a party supporting a basic income scheme comes into power? That is not so. Indeed, a basic income is a post-seizing-of-power program, but it

will come true only if a basic income project is a program for seizing of power and a method to gain the support of as many people as possible.

Next, it is important whether we are able to form a social consensus and a broad base of supporting a basic income. Although there is a deviation from country to country, even in the national basic income networks affiliated with the Basic Income Earth Network (BIEN), supporters of a basic income are composed mainly of intellectuals or activists. In order for a basic income to succeed as an active social reform program, it is essential to have widespread support of the public. In some countries, there have been cases where some trade unions actively supported a basic income¹⁹⁾, but the occurrences failed to last or spread widely. Unions and groups for non-regular workers, poor people, women, people with disabilities, and others are gradually showing interest to a certain degree, but that is yet too small. It is taken for granted that it is a very important task to obtain an active support base in realizing every system or policy as well as a basic income. In order to this, therefore, it is necessary to have a concrete plan.

Especially, it is imperative that we make a plan to gain the support of trade unions, which are the biggest mass organizations, and that we get them to take the lead in the front line. In Europe, the trade unions' position is often the polar opposite of a basic income. First there is a very negative standpoint that a basic income itself weakens the strength of trade union, and on the other hand there is a positive standpoint that a basic income strengthens the power of trade union. Also, non-regular workers and unemployed people showed active support due to their unstable station in life, but regular employees showed a response of indifference or opposition. Therefore, in order to acquire the widespread support of trade unions, we need to dispel concern that a basic income might have a negative impact on trade unions and make specific efforts to convince regular workers who have stable jobs and income. A basic income will get a social consensus if we make active efforts to provide more obvious and persuasive

19) The most representative of these cases in Europe was the union of food workers (Voedingsbond) of the Dutch confederation of trade unions (NFV). This union, which had an exceptionally large percentage of women and part time workers among union members, played an important role in the basic income movement of the Netherlands in the early 1980s. This union practiced supporting for an unconditional basic income combined with the drastic reduction of working time (Vanderborght, 2004: 11-12; 2006: 14-16). Outside Europe the most representative case is COSATU in South Africa (Standing et al., 2003: viii-x).

evidence.

It is also a problem to convince the interested parties of the existing systems. Basically the existing public assistance needs to be combined with a basic income, and while the National Pension is also combined with a basic income, there needs to be a plan to adequately give back subscribers' insurance premiums they paid in the past. In this process, it would be preferable to combine the public officials pension, military personnel pension, private school personnel pension, and others with a basic income, all of which have been relatively preferential compared to the National Pension. The problem is the possibility of opposition from the beneficiaries of the existing pensions. But the basic direction would be to provide at least more than the principal sum. It is desirable that a balance point be found in between the principal sum and the expectant return. If so, the opposition of the existing subscribers will be minimized. Another task is to secure employment for employees of existing pension-related institutions. A solution must be found by creating jobs in welfare or public service fields.

Also very important is the issue of the coexistence of a basic income²⁰⁾ and basic welfare. One of the biggest worries about a basic income system is that in South Korea where the basic medical, educational, residential, and other welfare systems are not properly established, the introduction of a basic income might rather damage even these inadequate welfare systems. An argument is also proposed in this context that if sufficient financing is possible, those finances must be directed to basic welfare first. Another reason to feed these worries is that a small minority of the basic income supporters tend to assert that the existing welfare be dismantled and replaced with a basic income. However, most supporters of a basic income oppose this kind of neo-liberalistic idea, and strongly support the combination of a basic income and basic welfare.

Of course, it is not a simple task to combine a basic income and basic welfare, but there is no impassable river between the two. The establishment of the universal welfare that a basic income system is based on becomes a solid

20) A basic income is basically provided in cash, but it can also be provided in kind. But a basic income is defined here as a income provided only in cash. Also, a basic income provided in kind is regarded here as a part of basic welfare.

foundation for the strengthening of basic welfare. Also, since the financing for basic welfare is relatively small compared to the financing for a basic income, it might even be easier to secure finances for basic welfare in the process of financing a big bulk. As for the unemployment insurance and the occupational health and safety insurance, it is desirable that their frames remain for the stability of the labor community, but it is necessary to remove blind spots in those areas and expand those insurances in terms of universality. For the existing health insurance, it is important that we achieve universal social security of medical services and heighten its quality by financing through taxes.

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