

Korean Pension Reform from the Perspective of Women's Social Rights*

Kim, Soo-Wan**

This study seeks to understand Korean pension reform debate during 2003-2007 in gender perspective, and find theoretical and policy implications on women's social rights. First, previous gender-related perspectives on social policy are critically reviewed. A comprehensive analytic framework including not only women's three status - as a worker, a wife and a mother - but also a right as a citizen in society, and macro approaches as well as micro one is suggested. Second, Korean pension reform process and debates were reconstructed by gender perspective. In Korean pension reform process, the main critical issues were insignificant poverty reduction effect as well as financial instability. Most reform alternatives or measures argued seriously in reform debates had significant gender meaning, which has been rarely recognized as "gender issue". This study focused on analyzing weakening of male bread winner model unintentionally caused by reform measures for financial stability, gender meaning of multi-pillar system (or strengthen the private pension schemes), Wollstonecraft's dilemma issues in pension reform debate, social protection perspective versus compensation for child care perspective, and paradox of gender-equality measures.

Keywords: gender, social right, citizenship, pension reform, social insurance, male bread winner model

I. INTRODUCTION

This study seeks to comprehensively understand the Korean pension reform debate from a gender perspective by restructuring the debate from a women's social rights perspective and reports on the implications of gender issues in

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** College of Social Welfare, Kangnam University.

terms of establishing an income security system for senior citizens in South Korea. The long-term debate about pension reform from 2003 to 2007 and the political process of compromise resulted in the National Pension Bill, which was passed by the National Assembly in July, 2007. However, the amendment bill did not solve essential arguments, nor was an agreement reached for the strategic direction of elderly income security schemes. The gist of the disputes was a reorganization focusing on the basic pension system and the problem of senior citizens' income security, which had weakened due to financial stabilization reform. After all, the issue of financial stabilization reform has not been completely resolved. In this regard, pension reform disputes remain.

Then why does this study try to look into pension reform from a women's social rights perspective? First, literature from welfare states refers to the tendency for social security programs to be traditionally regarded as a social right of citizens (Esping-Andersen 1990; Korpi 1998; Palme 1990; Thompson 1999). Generally speaking, public pensions value the rights of citizens more than other social security systems, such as public assistance, and they cover a high rate of population as a powerful universal welfare scheme for senior citizens. Second, women's pension rights have been recognized as a typical social policy for analyzing women's social rights (Sainsbury 1996). It is not enough target policies for disadvantaged female groups. Analyzing women's social rights should not be limited to particular female groups. It is therefore necessary to have an integrated perspective of women's social rights viewed from the perspective of citizenship and feminist theories (J.M. Hwang 2007; Sainsbury 1996).

In relation to policy effectiveness, the pension in general has an enormous effect on women's economic welfare (Kim 2004). As for political issues, the debate over Korean pension reform has played a pivotal role in revealing the understanding and stance of Korean women on social policies as well as Korean society's overall perception of gender. Generally, the gender issue associated with Korea's pension reform dispute and reform process has not attracted significant public attention nor become a major issue. Feminists, as one of the power groups of civil society, criticized the government's unilateral reforms by issuing joint statements or expressing their interest in pension reform; however, they did not actively demonstrate their interest nor argue for the connecting link between the 'gender' issue and pensions.

However, the pension itself is not a specific policy made for women, and pension reform does not explicitly target the gender issue. This accounts for why women and the gender issue have been subordinated in terms of policy agenda regarding the income security scheme for senior citizens.

This study starts by regarding gender or women and the pension issue as substantially connected to each other. First, the limited coverage rate of the public pension, one of the main areas of concern regarding the Korean pension, is directly related to the gender issue itself because women have a tendency to be excluded from social insurance. Finding a solution to achieve financial stability is another significant matter in an aging society which has clear implications for family or gender, whether intentional or unintentional, explicit or implicit. As a result, this study intends to reinterpret the main perspective of pension reform arguments by restructuring the pension reform issue from the perspective of women's social rights. The existing women's pension rights studies have been limited by deliberately only investigating factors that are directly related to women; or only trying to identify what are the advantages or disadvantages. Thus, there has been a tendency not to deal with pension systems as a whole and to treat gender-related matters symbolically. Several theoretical perspectives have been employed in existing studies on women's social rights and pension studies, including gender-equality perspectives, women's social rights models based on the three different statuses, and typology of gender pension systems. In this paper, these main perspectives will be critically reviewed, and also work as a framework to analyze the discussions about the income security system for senior citizens in Korea.

This study is presented as follows. Chapter II examines theoretical perspectives related to gender and pension rights; especially regarding how the issues associated with women's social rights are related to the construction of an old-age income security system. In Chapter III, the controversies about Korean pension reform in 2007 and reform details will be restructured from the social rights perspective of gender. To be specific, this study will discuss how financial stability reform unintentionally causes a weakening of the male breadwinner model, the gender implications of multi-pillar system, and changes in social rights based on the status of each. A conclusion is provided in Chapter IV.

II. THEORETICAL DISCUSSIONS OF WOMEN'S SOCIAL RIGHTS AND PENSIONS

1. Perspectives of gender-equality

The gender issue in the recent discussion of social policy is linked to the gender-equality perspective. However, the non-feminist approach to gender equality is quite different from the feminist approach. First, the non-feminism approach has a general tendency to interpret gender equality in the social security system as sexual neutrality in the rules of pension systems. Thus, it emphasizes that the pension system must be gender neutral and that there should be no gender discriminatory factors; in addition, actions that favor women in terms of social protection should be adjusted to be the same as for men. This is because this view overlooks the aspects of structural inequality which are connected to the labor market in the social security; that is, it ignores the social stratification effect on the gender of the pension system.

One of the 11 goals of pension reform suggested by the European Union (EU) stated that “pension systems should be reexamined in order to assure the principle of equal treatment between female and male”. The detailed policy reform measures on this equal treatment principle are typical examples showing both approaches of gender equality. On the one hand, the reform measures taken in the direction of extending womens’ pension rights according to the equal treatment principle are the expansion of childcare credits and the division of pensions.

However, applying the equal treatment principle in reality does not necessarily mean that the pension system is amended in favor of women. In some cases, social protection measures favoring women have been eliminated to treat both sexes equally. First, the differences of pension age between male and female citizens have been eliminated in many countries such as Australia, Austria, Belgium, Germany, Greece, Italy, Japan, Switzerland, and the UK. Through the reforms, the female pension age to 65 has been increased, therefore corresponding with that of males in order to encourage women to contribute to pension system longer.

Second, discriminating factors against men have been reformed. In

some countries, the survivor's pension has been reformed to eliminate the difference between male and female survivors. For instance, since 2001, the UK changed from providing the survivor's pension to widows only to providing it for both sexes.

Third, in defined-contributory public pensions as well as private pensions such as corporate and personal pensions, the issue of how to deal with differences between men and women's average life expectancy was treated as an issue of mathematical equity. In other words, the logic defies equality because women who have a longer life expectancy than men will receive the same amount as men. In the Netherlands, the contribution rate of employers has a gender difference in the DC type earning-related pension. That is, employers pay an additional pension contribution rate for females, whose life expectancy is higher than men's (EU 2002). In Japan's defined-benefit public pension women's contribution rate was raised higher than men's in the reforms of 1980 and 1985.

In contrast to the non-feminist approach, the gender equality approach from the feminist perspective means a female-friendly approach *per se*. Existing studies of pension rights based on this perspective include Bertranou (2006), Scheiwe (1994), Sainsbury (1994), Ginn and Arber (1999), and Leitner (2001). In addition, studies about the effects of pension reform on women and the implications of pension system rules on women's pension rights (Ståhlberg et al. 2005; Kim 2005) have been useful in understanding the micro meaning of pension systems directed toward women.

Both perspectives have three major limitations in dealing with gender and pension arguments. First, previous feminist studies based on the gender equality perspective addressed whether certain social policies are beneficial to women or not, or female friendly or not. Thus, they tend not to reflect a rich theoretical discussion of feminism that criticizes the limits of the welfare.

Second, the gender equality approach from the non-feminist perspective falls into formal equality logic and cannot deepen the understanding of gender-related pension problems.

Last, these perspectives can be called the micro approach because they focus on the system's specific devices or partial elements. However, the gender implications of pension systems must be understood as part of a holistic pension scheme beyond individual elements.

2. Three status model of womens' social rights

Not dissimilar to the main social policy perspective, which analyzes pension in the context of social rights, scholars of feminism have tried to link women's social rights and pension rights. In particular, Sainsbury (1996) representatively suggested women's status as worker, wife, and mother as the three entitlements to obtain social rights for women. Since then, various studies on womens' social rights have been conducted theoretically based on these three statuses.

Several phenomena can be pointed out when the tendency of pension reform is analyzed according to the three-status model of womens' social rights. First, because of womens' increased labor market participation, individual pension rights based on womens' status as worker increased gradually, whereas the need for derived rights such as the survivor family's pension is apt to be scaled down. The reinforcement of women's individual rights was assured by active social policy that abandoned the discrimination of social insurance between regular and non-regular workers. The national strategic report on the pension system in EU member state highlighted 'the coexistence of labor market flexibility and security principle of pension rights' as one of its goals. Hence, in the Netherlands, earning-related pension benefits for workers in part-time or temporary jobs were prescribed by law so that women's pension rights increased. Also, in Germany, after 1999, non-standard workers have been authorized to join the legal pension system. The UK and France also authorized to equally join workers on a regular, non-regular, and part-time basis in the corporate pension system. .

Second, the meaning of 'status as wife' has been changing gradually from 'social protection for the dependent' to 'compensation for unpaid work' to include the perspective of property rights. In the past, pension sharing was understood as a traditional derived right based on 'status of wife' in that it provides social protection for the divorced women., Recently, to the contrary, it has been seen as an individual pension right based on equal property rights and compensation for unpaid work during marriage. In many developed countries, pension sharing and survivors' benefits are now maintained even after remarriage in the context of the latter. In addition, a widow can receive

the old-age pension based on one's contribution as well as the survivor's pension benefit. Third, the 'status of mother' has been gradually strengthened, which was almost insignificant in social insurance. The enlargement of care credit plans to compensate for the disadvantages of the pension benefit during the child care period is a typical example. As child-care leave has been expanded to male workers, the status of mother has been extended as a part of parental rights, not only for women.

Therefore, in the context of improvements to social policy, it is necessary to note that the traditional model of women's status as mother, wife, and female laborer has been gradually extending to gender-comprehensive status as parent, spouse, and laborer. This can be interpreted as either de-gendering¹ or gender equality.

Still, the status model has few limitations in regards to analyzing the pension reform dispute and issues. First, it cannot be used to explain the macroscopic changes in policy development. To investigate the whole picture of reforms regarding senior citizens income security system, the discussion needs to be combined with theories about the overall characteristics of social rights.

Second, it has failed to include social rights as a 'citizen', which are the most universal and powerful rights. Benefits based on citizenship (or pension rights) are not a policy just for women, but rather for all citizens. A typical example is the universal basic pension which provides pension rights based on the condition of residency. Third, the three-status model is restrictive for analyzing one policy. In regards to social insurance on the assumption of paid work, one's status as mother or wife can be often treated as residual or subordinated to the status of worker. This matter should be taken into full account in establishing the importance and priorities for the issue of women's social rights.

In the next chapter, the concept of women's social rights will be extended to understand the pension reform arguments comprehensively.

¹ Degendering means policy intervention to relieve unequal structures of gender division in family relations (Kim 2006).

3. Extension of women's social rights

1) Strategies for reorganizing the whole income security system for senior citizens from the gender perspective

Microscopic and synthetic perspectives on the characteristics of women's social rights can be found in gender regime studies or gender typologies of the welfare states (Lewis 1992; Pfau-Effinger 1999; Sainsbury 1996; 1999). On the other hand, numerous scholars have researched the pension typology from the gender perspective (Ginn and Arber 1992; Giuiano 2002; Christopher 1998).

To understand the strategies of pension reform, this study suggests categorizing them as three: the maintenance of the male breadwinner model, the extension of individual pension rights based on labor rights, and the reinforcement of basic pension coverage.

First, the strategy to maintain male breadwinner model stresses a relatively high level of benefits to protect the dependent family, protection through the maintenance of derived pension rights, and supplementation by public assistance. However, the male breadwinner model has proven to be unsustainable in an aging society (Esping-Andersen 1996; 2002); it is also criticized for not corresponding with social changes such as an increase of females' labour market participation. Japan's pension system is an example following this model. The housewives' pension (the basic pension for dependents) for which male workers pay a contribution for the dependent spouse as well as a generous survivor's pension with which 80% of the female workers give up their welfare pension, collides directly with womens' social rights as workers (S.Y. Kim 2007, 163-164).

Second, there is a strategy to reinforce individual pension rights. Generally, based on pension reforms to reduce the level of benefits for financial stabilization, this strategy tries to reinforce individual pension rights based on one's status as a worker or a parent by enhancing female labor market participation and seeking to extend coverage through credit systems. The survivor's pension, which is based on one's status as a spouse, tends to be reduced. Countries such as Sweden and Norway, which have high rates of female labor force participation, lead this strategy. Finally, reorganizational

strategies toward a basic security-centered system pursues the facilitation of private pensions. This tendency has appeared in the UK and Latin America; general citizenship has been realized as the minimum income guarantee; women's individual pension rights have been increased; but social stratification has been intensified in terms of benefit adequacy.

2) *Rights as citizen and as worker*

The core criticism from feminists toward the welfare state has been that, to date, social citizenship has developed on the basis of paid work. Thus, they argue that the basis of citizenship should be expanded to include the concept of defamilialization, a degree to maintain a livelihood independent of the family, as well as decommodification, and that unpaid work should also be a basis of citizenship.

Their criticism fundamentally questions the principle of social insurance based on paid work. When trying to provide benefits according to the workers' rights, there is the limitation of not being able to include non-working groups. On the other hand, rights based on the status of citizens cover both decommodification and defamilialization, and can solve the problem of social exclusion.

However, Wollstonecraft's dilemma between paid and unpaid work has not been fully resolved even in the case of rights based on citizen status. In the pension system, there might be conflicts between general citizenship and labor rights, and between compensation for paid and unpaid work. Providing benefits regardless of paid work or contributions might have the effect of hindering the incentive for women to participate in paid work or lead to equity issue between working women and housewives. This tendency would accelerate if the amount of universal benefit is high.

How, then, should citizenship as a universal right beyond labor rights be pursued? Can universal social rights and labor rights be sought in harmony? Regarding the Wollstonecraft dilemma, scholars (Y.S. Kim 2006, 173; Y.M. Kim 2007, 17) who argue that women's social rights as workers are more important than an equality strategy itself are not the problem; rather, the conditions which restrict this strategy matter. According to this claim, the essential issue is the situation that some work, such as irregular work or informal employment, cannot guarantee a right to social security, and

therefore, efforts to reinforce individual pension rights of women in social insurance should be prioritized. The rights to secure one's minimum income as a citizen can be proposed as a form closely connected with labor rights.

4. Framework

Through the theoretical discussions above, this study provides a framework from the perspective of women's social rights integrating both macro and micro dimensions. First, from the perspective of the macro dimension, the overall direction of pension reform will be analyzed in terms of the male breadwinner model, the individual pension rights reinforcement model based on labor rights, and the basic security-centered model.

Second, from the perspective of the micro dimension, the pension rights model based on Sainsbury's (1996) three statuses will be extended. The framework of women's social rights will be discussed in terms of their rights as citizens, workers, parents, and spouses (see Table 1).

Table 1. Pension reform framework from the perspective of womens' social rights

Dimension	Main analysis contents	Concrete form
Macro dimension	Overall direction of pension reform	<ul style="list-style-type: none"> • The male breadwinner model • The individual pension rights reinforcement model based on labor rights • The basic security-centered model
Micro dimension	<ul style="list-style-type: none"> • Changes of rights according to each status • relationships between rights 	<ul style="list-style-type: none"> • Rights as a citizen • Rights as a worker • Rights as a parent • Rights as a spouse

III. RESTRUCTURING KOREA'S PENSION SYSTEM FROM THE GENDER PERSPECTIVE

1. Directions of pension reform

Originally, the national pension in Korea was designed for full-time workers who worked for a long period. The level of benefit was planned focusing on the single-earner family, and it assumed a guarantee for dependents, such as the survivor's pension. In regards to these, the national pension is relatively close to the male breadwinner model (S.W. Kim 2007).

In 2003, National Pension Development Committee emphasized the financial instability of the system caused by unbalanced structure with the low contribution rate and high level of benefit in an aging society. The argument over pension reform was ignited when the government proposed a pension reform bill for financial stability according to the advice of the committee. Detailed pension reform bills are summarized in Table 2.

As a result, through pension reform undertaken in 2007, the benefit level of the national pension has been significantly reduced from 60% to 40% by 2028. Table 3 shows the benefit level of the national pension before and after the reforms. In particular, the benefit level of a dual-earner couple insured for 20 years would not reach minimum living costs due to the reforms.

Furthermore, it is hard to expect the national pension will be able to provide adequate income security in the situation where the average insured period of the national pension is only 21.7 years. Only when married couples have their own individual pension rights and long working periods can the adequacy of the pension benefit be achieved. It reveals that the male breadwinner model of the national pension is not valid anymore.

Consequently, the financial stabilization reform created an imbalance in the male breadwinner model of adequate income security for a single-earner household. This occurred because of the political decision that the gradual decrease of the benefit would be more feasible than the increase of contribution rate for the long-term financial stability of the national pension.

In addition, the reform of the decreased benefit brought about the weakening of the related benefits such as the survivor's pension benefits and

Table 2. Process of changes for pension reform

National Pension	Original plan of Ministry of Health and Welfare (03.10) Contribution rate 9% → 15.9% (until 2030); Benefit replacement rate 50%	Plan of Grand National Party (04.9) Contribution rate 9% → 7% Benefit replacement rate 20%	New plan of Uri party (06.9) Contribution rate 9% (maintenance); Benefit replacement rate 50%	Basic pension plan of Democratic Labor Party (06.10) Contribution rate 9%; Benefit replacement rate 40%	Agreement Plan of Grand National Party - Uri party (07.3) Contribution rate 9%; Benefit replacement rate 40%	Final reform details (07.4~7) Contribution rate 9%; Benefit replacement rate 40% (until 2028)
Basic pension	-	Introduction of the basic pension by taxation (benefit level: 20%, Coverage: 80% of the population aged 65+)	Introduction of the basic pension (benefit level: 5%, Coverage: r 60%)	Introduction of the basic pension (Level of the benefit 5% → 15%, Coverage 80%)	Introduction of the basic old-age pension within the national pension law (benefit level: 5% → 10%, Coverage 80%)	Independent legislation of the basic old-age pension (benefit level 5% → 10%, Coverage: 60% → 70%)

Table 3 National pension benefit levels before and after reforms (in the case of married couples)

(Unit: income replacement rate %)

	Spouse (Male) Spouse (Female)	Before reform (60%)				After reform (40%)			
		0	0.5	1	2	0	0.5	1	2
Insured for 20 years	0	0	22.5 (52.1)	30 (69.4)	45 (104.2)	0	15 (34.7)	20 (46.3)	30 (69.4)
	0.5	22.5 (52.1)	25 (57.9)	52.5 (121.5)	67.5 (156.2)	15 (34.7)	30 (69.4)	35 (81.0)	45 (104.2)
Insured for 20 years	1	30 (69.4)	52.5 (121.5)	60 (138.9)	75 (173.6)	20 (46.3)	35 (81.0)	40 (92.6)	50 (115.7)
	2	45 (104.2)	67.5 (156.2)	75 (173.6)	90 (208.3)	30 (69.4)	45 (104.2)	50 (115.7)	60 (138.8)
Insured for 40 years	0	0	45 (104.2)	60 (138.9)	90 (208.3)	0	30 (69.4)	40 (92.6)	60 (138.9)
	0.5	45 (104.2)	90 (208.3)	105 (243.1)	135 (312.5)	30 (69.4)	60 (138.9)	70 (162.0)	90 (208.3)
	1	60 (138.9)	105 (243.1)	120 (277.8)	150 (347.2)	40 (92.6)	70 (162.0)	80 (185.2)	100 (231.4)
	2	90 (208.3)	135 (312.5)	150 (347.2)	180 (416.7)	60 (138.9)	90 (208.3)	100 (231.4)	120 (277.8)

Note: The income replacement rate is the proportion of benefit compared with total average income, () is a percentage of the minimum cost of living (in 2006, the total average income is 1.7 million won, and the minimum cost of living of one person is 435,921won, of 2 persons is 734,412 won).

Source: S.W. Kim and M.I. Kwon 2007.

the disability pension benefits as well. In the national pension, the survivor's benefit of an average income earner was 12% to 18% according to the insured period; however, after the reform the income replacement rate of the survivor's pension has been lowered from 10-15% to 8-12% (see Table 4).

These aspects also show that the typical characteristics of the male breadwinner model which underscores the social protection for the

Table 4. The replacement rate of survivor's pension before and after the reform (in the case of average income earners)

(Unit: %)

Insured period	Before reform	After reform	
	60%	50% (2008)	40% (2028)
Less than 10 years	12	10	8
Less than 20 years	15	12.5	10
20 years	18	15	12

dependent have been weakened through pension reform led by the government. It means anything but weakening the income security and women's social rights without expansion of the alternative individual pension rights. In this reform process for financial stability, two logical models have been suggested to supplement income adequacy. One is the transition to a multi-pillar system in which private pensions are expected to supplement the lowering benefit of the public pension. However, according to the studied by S.W. Kim and S.O. Kim (2007), it was predicted that the proportion of female beneficiaries of private pension will be only one third of the proportion of male beneficiaries in 2030 due to women's inferior status as workers. The gender disparities of beneficiaries in the private pension are, in particular, expected to be wider than those in the national pension as the existing studies suggested.

The other is the reinforcement of basic security. The implementation of the basic old-age pension can be considered as a reinforcement of the state's responsibility toward senior citizens who are excluded from the national pension. However, the basic old-age pension cannot be seen as a universal basic pension based on citizenship. In the process of pension reform, the take-up rate of the basic old-age pension was determined as 70% of senior citizens over 65 not based on a specific standard or rationale but as a result of political compromise. In addition, there is a possibility that the coverage and benefit level of the basic old-age pension would be reduced as the national pension matures. For these reasons, the basic old-age pension has not been meant to resolve the problems of income inadequacy, but has been considered as a kind of public assistance system for poverty reduction for senior citizens. Furthermore, there might be a disincentive effect for low-income earners

to insure the national pension. In other words, the basic old-age pension for reinforcing basic security could cause a conflict with the national pension based on labor rights.

2. Argument on public pension exclusion: the relationship between universal citizenship and labor rights

In the process of Korea's pension reform, universal rights of citizens have received significant attention. Aggressive demand for 'universal social rights' and promotion of the legislation can be evaluated as the most leading and outstanding improvements in social security. Benefits based on citizens' s rights means 'one pension for one person' and is effective in reinforcing womens' individual pension rights.

However, it was not a simple question to answer whether the benefit based on universal citizenship is always more advantageous to the overall social rights. Even within the debates on a basic pension, diverse plans were proposed in terms of the whole system of the senior citizens' income security, benefit level, and coverage.

By comparing the pension reform plans proposed by the Grand National Party in 2004 and the Democratic Labor Party in 2005, it is apparent that the problem of how to design the basic pension is much more important than introducing the basic pension *per se*. The plan proposed by the Grand National Party (a dual plan national pension) was based on two major assumptions. First, the current national pension based on a social insurance system, cannot cover the current senior citizens' cohort, family workers, irregular workers, and housewives. Therefore they consider that this system is has failed as it is inappropriate to Korea's situation. Second, the responsibility of a nation is to dependably guarantee the minimum universal basic security to relieve poverty, and anything beyond should be the role of the private sector.

On the other hand, the basic pension plan proposed by the Democratic Labor Party showed fundamental differences in that it is still considered the national pension as the backbone of income security for senior citizens in Korea and it insists that the basic pension should supplement the national pension benefit. The reform plan of the national pension by the Democratic

Labor Party was to introduce a tax-based universal basic pension at the benefit level of 15% of average income, and adjust income replacement rate of the national pension by 40% without raising contribution rate. In summary, the Democratic Labor Party tried to maintain public responsibility in income security of senior citizens. The meaning of the basic pension from the social rights perspective must be evaluated in combination with these two dimensions in regards to the design of the pension system. First, does the expansion of universal rights of citizenship bring about negative effects on labor rights? Second, how much does the universal right as a citizen assure income security for senior citizens in reality?

The first issue is related to the example of the Grand National Party's reform plan, which focuses on the basic pension among the whole income security system of senior citizens. According to the Grand National Party's plan, the level of benefit for a dual-income household insured for 20 years with their average income is 60%, and that of a single-income household insured for 20 years with his or her average income is 50%. In the case of low-income earners (their income level = half of average reported income) insured for 20 years, the gap is reduced significantly in that the benefit level of dual-income household is 50% and for a single-income household it is 45%. This is because, with the introduction of the basic pension, the function of income redistribution of the national pension is eliminated, and its level decreases to 20% in the bill. In addition, as taxation is fundamentally and ultimately the burden of the working class, dual-income households are generally more disadvantaged than single-income households. That is, this example shows that the introduction of rights as a citizen might create inequity between single and dual-income households or disadvantage to labor rights according to pension design. The second issue implies that the actual benefit level matters because it determines the level of rights. To guarantee the minimum senior citizens' income security through the basic pension, a considerably high level of universal benefits must be provided. However, considering financial sustainability, in the long term a reduction in benefits for the basic pension for people above upper-middle class is possibly unavoidable in the long run, and the merits of the reform plan on the universal basic pension in terms of social rights might be encroached.

When the policy limitations such as financial restrictions are accepted to

some degree, it is inevitable to pursue dual development of both the benefit based on universal citizenship and rights based on social insurance in order to increase the quality of rights. In other words, the expansion of labor rights should be a crucial issue in the reform dispute.

It is helpful to pay attention to the pension reform arguments of Japanese feminists. In the process of pension reform in 2004, the Japanese feminists who participated in the Social Security Council-affiliated pension division conference in the Ministry of Health, Labor, and Welfare argued to abolish the basic pension and replace it with minimum guarantee benefit integrated to earning-related pension (S.Y. Kim 2007, 169-170). Their claims bear meaning that the factors interrupting females' labor market participation, such as preferential treatment for the dependent spouse based on the male breadwinner model, should be abolished and women's social rights as workers be reinforced.

On the contrary, efforts to reinforce social rights in the pension reform tended to focus on criticizing the fundamental limitation of social insurance and investigating the alternatives. In addition, policy interests focused on providing the benefits at old-age rather than assuring insurance during one's lifetime. Thus, an aggressive effort to encouraging social rights based on worker status was not made.

To summarize, in the process of pension reform from 2003 to 2007, one of the most important controversial points was how to introduce the basic pension to solve the problem of those who are not covered by the national pension under the assumption that it cannot be resolved within the national pension frame, which is a form of social insurance. Thus, policy interests in actual measures to extend the coverage of the national pension became significantly weakened.

3. Changes in parental and spousal rights

1) *Introduction of credit based parental rights*

The credit system which recognizes childbirth and childcare as a pension-insured duration is acknowledged as a typical example of pension rights based on the status of parent. However, the status of parent in the pension system has a distinctive side from that of other welfare systems. The question

is whether parental rights function as independent rights or are subordinated to labor rights. Sainsbury (1996, 9 cited in J.M. Hwang 2007, 37) highlighted that the meaning can differ according to whether the support for a mother is for compensating the income loss or for rewarding unpaid housework. J.M. Hwang (2007, 37) asserted that the basis for a mother to request her rights as a member of society will eventually depend on whether the care itself can be an entitlement of social rights.

However, the credit in the social insurance type pension carries the meaning of compensating income loss, and exists as an additional benefit for paid workers. In other words, the credit system basically can be seen as social rights based on labor rights that support the income loss for the transition period between in and out of the labor market due to unemployment, care, childbirth, study, etc. In Korea, besides childbirth credit, military service credit was also introduced in order to raise the benefit by acknowledging six months of military services as insured period. Childbirth credit was adopted as a measure to enhance income security and to promote fertility in Korea. Credit is consequently limited to those who obtain pension rights, and it is basically given to one of the married couple according to their decision; if they do not reach an agreement, it is equally divided. In other words, childbirth credit in Korea has a tendency to compensate for each family rather than each individual. In case of other countries, childbirth credit is provided to women, and childcare credit is linked to actual childcare givers regardless of gender.

As for the acknowledged period, a couple receives 12 months credit for the second child, and 18 months credit for the third child and beyond. On the other hand, the level of income during the credit period is accredited as 100% of the average income, regardless of one's previous income level. The credit system is partially or entirely burdened to the state.

2) Improvement on spousal rights in the context of modernization

In the process of pension reform, three changes were made regarding spousal rights mainly in the context of modernization. First, regarding pension sharing at divorce, now both partners can keep receiving the pension even after remarriage, and can combine it with their old-age pension.

Second, as for the age-related entitlement of the survivor's pension, the

rule has been changed to provide benefits to the spouse regardless of gender for the first three years, and resume at the age of 55. Before the reform, women could receive this benefit for the first five years without any age constraints, or could receive it after the age of 50 regardless of income status. On the other hand, men could obtain the survivor's pension rights if they were over 60 or had a disability. Consequently, it has weakened protection for women while the external features of gender discrimination were eliminated.

Third, duplicated benefits were partially admitted between the survivor's and old-age pension. Before the reform, one had to choose a pension between the two. After the adjustment, the old-age pensioner can also receive a part (20%) of the benefit from the survivor's pension. This can be considered as a measure to remove the disincentive associated with the individual pension rights, and a reflection of the social demand for strengthening spousal rights.

Meanwhile, a systematical review is necessary examine the benefit level of the survivor's pension which will be weakened in the long term by the pension reform. Society must consider whether the survivor's benefit should be increased for women outside the labor market until individual pension rights are fully developed.

IV. CONCLUSION

This study aimed to restructure arguments around Korea's pension reform from the perspective of women's social rights. In the long process of pension reform debate from 2003 to 2007, the most important and controversial issues were financial stabilization and the problem of those who are not covered by the pension system; the latter merged into debates on how to introduce the basic pension outside the national pension. Most alternatives or measures seriously argued in the debates had significant meaning of gender. As a result of the reforms for financial stability, the male breadwinner model has been weakened. Without strengthening individual pension rights, it would result in the decrease of income security and women's social rights. However, relatively little attention was paid to real measures to encourage individual rights within social insurance frame by expanding coverage of the national pension

This study provides the theoretical and academic implications by applying

the perspectives of women's social rights on senior citizens income security. First this study made an effort to integrate the gender problem with the main arguments about social policy. Without it, the pension system could be mistakenly treated as a system for women, and the relative importance of the issues could be overlooked. Of course, symbolic meaning of an issue is significant in setting the agenda, but setting the priority according to the importance and influence is more essential. Second, the study suggests comprehensive and gender-inclusive status model of social rights, extending the existing status model of women's social rights.

This study provides some policy implication as well. First, it is required to reinforce labor rights which guarantees accessibility to the current social insurance type pension. For instance, social insurance for temporary workers and part-time workers should be guaranteed. Second, multiple strategies to reinforce overall social rights are necessary. Searching for ways to expand the rights based on citizenship and to harmonize it with labor rights are necessary to seek the two social policy goals of financial stability and adequacy of the guaranteed income level at the same time. In this context, the development of the basic old-age pension should not be independently explored, but should be sought comprehensively with the national pension.

The final features of the 2007 reform can be summarized as the consequence of political compromise without consent in the long-term direction. Thus, the fundamental questions about the development direction of the whole income security for senior citizens are still left unsolved. For instance, the basic old-age pension can be developed into various forms in the future; the universal basic pension, the minimum guarantee system related to the national pension, or minimum public assistance. After all, politics will matter in decision-making among diverse choices.

Above all, in the Korean political situation where counterforce against expansion of the welfare state prevails, the policy rationale based on concerns only for women has little political persuasive influence. Therefore, an academic and political partnership encompassing various interests in social policy as well as gender issues should be sought beyond the gender-specific needs of women.

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