

Public Employment Support Service for Low-Income Vulnerable Groups

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I. Introduction

1. Background

1) Weakness of income support policy for the poor

- Implemented the income support service to pay living benefits as a social safety net for low-income vulnerable groups
 - 'National Basic Living Security System' introduced in 1999
- However, the basic income security system is less effective in encouraging the poor to work causing problems that reinforce their attitude to stay in the current situation rather than out of the situation.
 - when welfare system and employment support system not linked.

2) Supporting the poor in employment-welfare perspective as now

- Need for employment-welfare linked Employment Support Service to help through employment, not just to secure basic livings
 - Basic livings & opportunities for self-reliance via employment
- Integrating employment welfare functions, not simply supporting for living or not offering low-level jobs in the public sector
 - Since 2009, Employment Support Program facilitate vulnerable groups to join the labor market then boost their self-support & reliance

2. Objectives Essentials

One,

Introduce the employment-welfare linked Employment Support Service for vulnerable groups

Two,

Suggest improvement direction of Employment Support Service for vulnerable groups as a poverty exit strategy through employment

II. Social Welfare Policy for Low-Income vulnerable groups ; National Basic Living Security System

1. Overview

1) Background & Objective

- as Korea's representative public assistance program, *National Basic Living Security System* has been introduced in October 2000
- Lead the absolute poor to escape from the poverty by the government granting benefits such as living, education, medical, housing benefits, etc. for basic livelihood security, and providing self-support opportunities for the poor with work capability*
 - ☞ Contrary to the existing livelihood security system to grant benefits only for people who are not able to work, National Basic Living Security System grants eligibility of all benefits including livelihood benefits for the poor who are able to work.

* Ministry of Health and Welfare, 2016

2) Selection of Recipients

- Selecting recipients of basic living security benefits : The person who does not have obligatory providers or whose obligatory providers do not have no ability to support or who cannot be supported by them, and whose income is under the the minimum cost of living, recipients are selected when their recognized income of individual households is under selection criteria by types of benefits.
 - ↳ July 2015, *Customized Benefits System* reformed
- So far, provided all types of benefit for households whose income is under the minimum cost of living, but from July 1st differentiated selection criteria of each type of benefits and introduced relative poverty line

3) Core beneficial

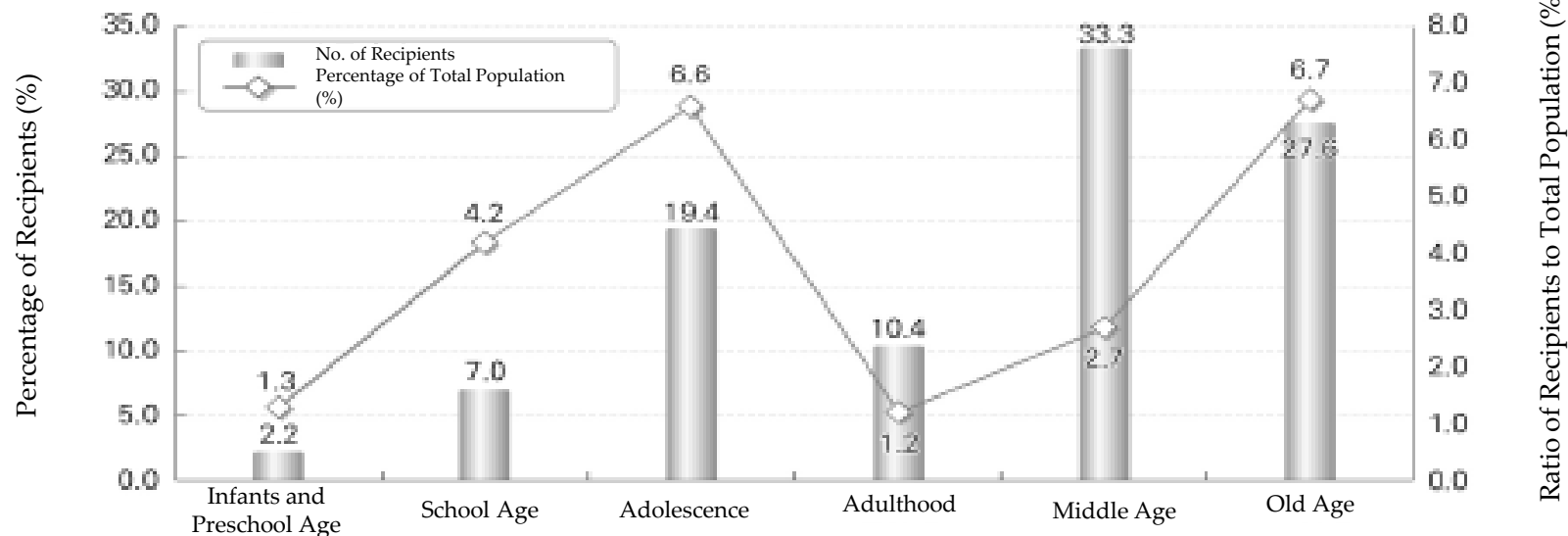
Unit of Assistance	- pay benefits to individual households - when deemed particularly necessary, may pay benefits to individual persons (Article 4 Section 3)
Assistances	- benefits such as livelihood, housing, education, etc. - according to criteria determined for each type of benefits

Source) Welfare at a Glance (2017, Ministry of Health and Welfare)

2. Current Status of Beneficiaries of National Basic Living System

- Recipients of National Basic Living Benefits are about 1.65 million persons as of the end of December in 2015 (1.106 households), and general recipients are 94.4% and institutionalized recipients are 5.6%.
 - Beneficiaries as a percent of total population is 3.2%.
 - old age covers 6.7% (the highest), adulthood covers 1.2% (the lowest)

< General Recipients Distribution by Stages of Life Cycle >



Source) Current Status of Beneficiary of National Basic Livelihood (2015, Ministry of Health and Welfare)

III. Employment-Welfare Linkage Policy Model

1. Selection of Beneficiaries of Employment Support Service : Evaluating Workability and Classifying Types

1) Evaluating abilities to work

- Selecting 'recipients with abilities to work' to promote the recipients to exit from the poverty through self-support
 - Evaluate if recipients have abilities to work or not
 - Pay livelihood benefits to the selected persons for 'recipients with abilities to work' condition that they should participate in self-support programs
- 'Recipients with abilities to work'
 - Diagnose aged 18 to 64 with abilities to work based on the medical judgement
- Recipients without abilities to work*
 - ① severely handicapped persons
 - ② persons who the mayor/the county governor/the head of *gu* determines as 'having no abilities to work' among those who need treatment or convalescence due to disease, injury or its aftereffects
 - ③ and other persons who categorized as 'having difficulties in working', etc.

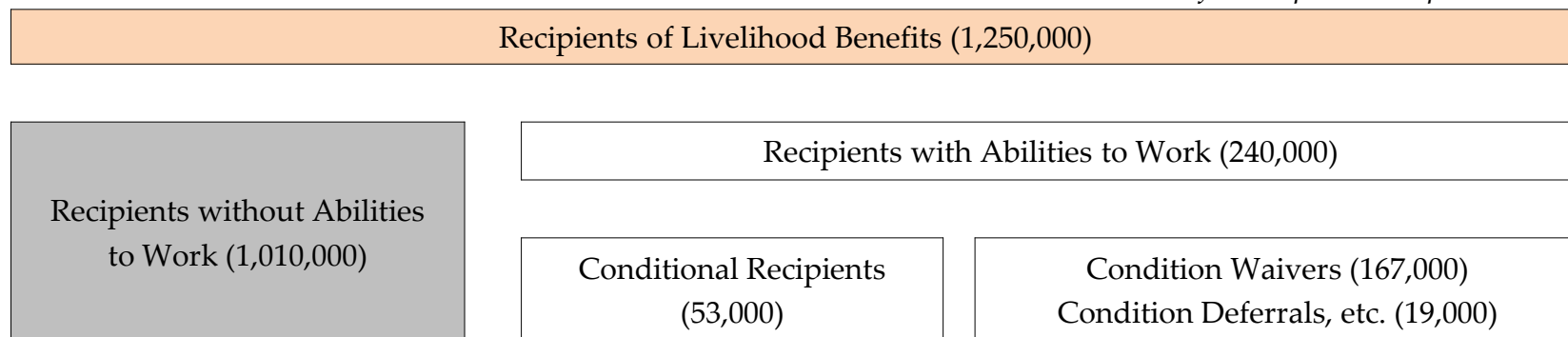
* Source : 「National Basic Living Security Act」 Enforcement Ordinance Article 7

2) Classifying types of recipients based on abilities to work

Abilities to Work	Conditional Y/N	Benefits
Recipients with Abilities to Work	With conditions	Livelihood benefits paid on condition that they should participate in self-support or employment support programs
	Without conditions	Eligible as recipients without conditions when persons have some reasons such as taking care of family, childcare, studying at universities, temporary workers, etc.
Recipients without Abilities to Work	-	No conditions imposed

3) Current status by types based on abilities to work

As of 2015, persons in parentheses



Source) *"Introduction to the Project linked to Customized Vocational Ability Improvement Program according to Changes in Criteria for Conditional Recipients"* (Ministry of Health and Welfare, 2016)

- As of 2015, only 20% (50,000 persons) among participated in self-support programs out of obligation recipients with abilities to work (240,000 persons), no employment support for 190,000 persons (condition waivers*)
 - ☞ Especially, condition waivers are required to enter the labor market when reasons for exemption or deferral are eliminated because they cannot work at present due to various situations in spite of their abilities to work
- Criteria and management of condition waivers who do not participate in self-support programs should be reinforced in order to encourage benefits recipients with abilities to work to escape from the poverty.

4) Expanding eligibility of Employment Support Service

; Changes in criteria for conditional recipients with abilities to work

- Expand the scope of conditional recipients with abilities to work to support employment for recipients with abilities to work
- Expand recipients conditional on participation in self-support programs to all livelihood benefits recipients with abilities to work (Except persons with reasons prescribed by the law)
 - Reformed Enforcement Ordinance Article 8 of National Basic Living Security Act (reformed on June 21 in 2016, enforced on September 1 in 2016)
- Some of the condition waivers are obliged to participate in employment programs.

< Changes in Conditions for Recipients with Abilities to Work >

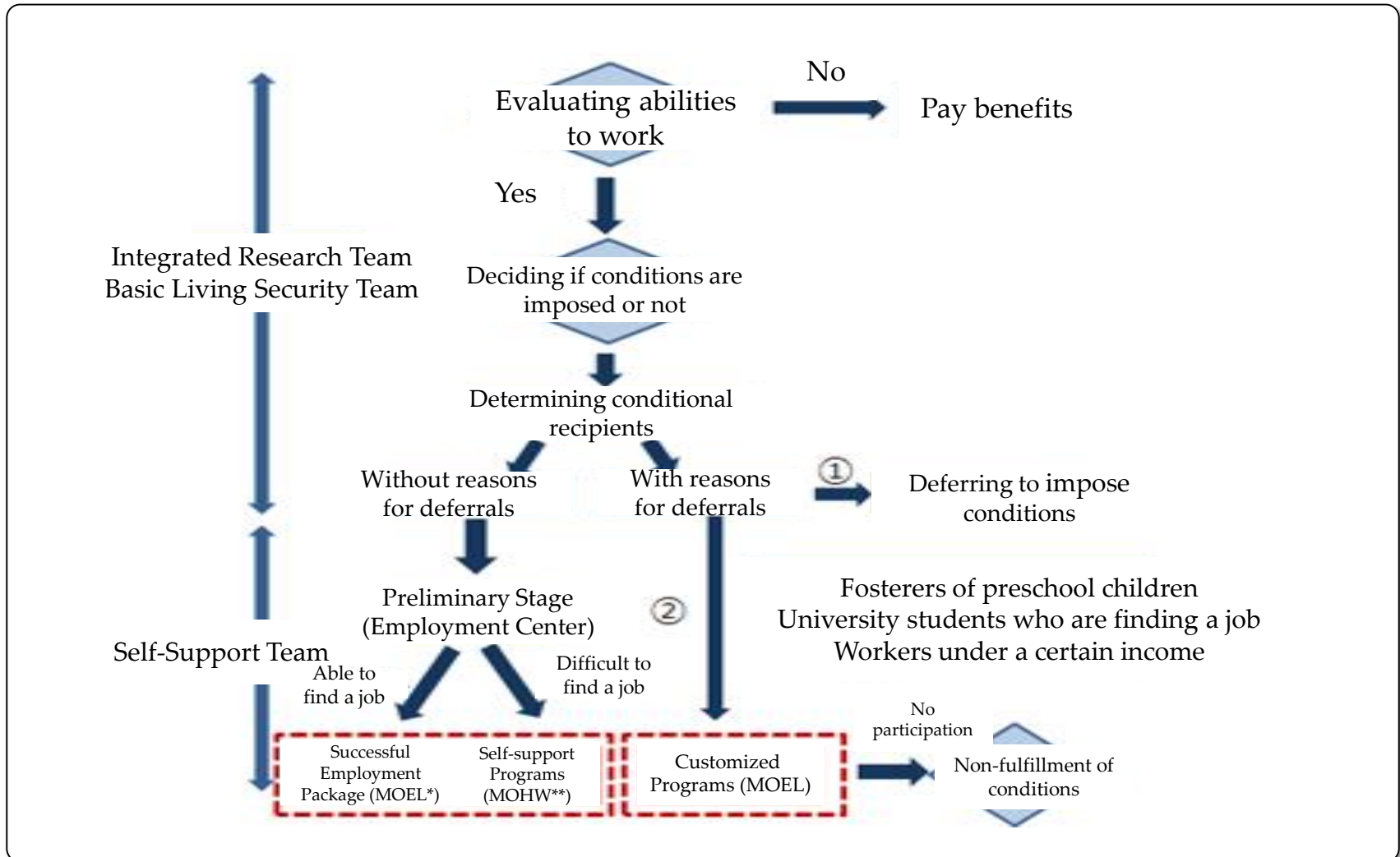
Recipients with Abilities to Work

Conditional Recipients	
Previous conditional recipients (No reasons for deferrals)	Some of the previous existing condition waivers (With reasons for deferrals) Child-careers, University students, low-income workers

Condition deferrals
Nursing care-givers, pregnant women, workers (above 900,000 won of monthly income), disabled workers, etc.

2. Linkage Model of Employment Support Service for Recipients with Abilities to Work

1) Classifying Process



2) Employment Support Service by types of recipients with abilities to work

Type	Employability	Employment Support Service
Conditional recipients without reasons for deferrals	High	Successful Employment Package
	Low	Self-Support Program
Conditional recipients with reasons for deferrals (Child-carers, University students, Low-income workers)	-	Vocational Ability Improvement Program

IV. Employment Support Service for Low-Income vulnerable groups

1. Successful Employment Package

1) Objective

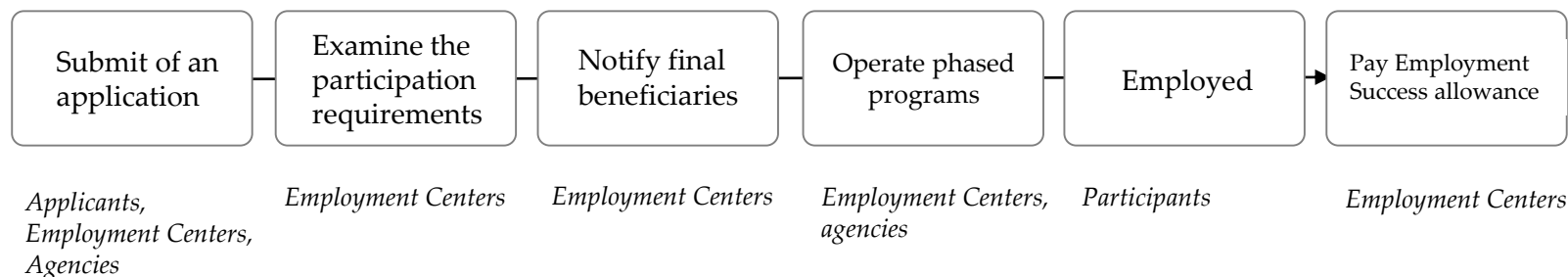
Provide low-Income employment disadvantaged group (package I) and the youth/the middle-aged unemployed (package II) with customized employment support program package based on diagnosing characteristics of participants (profiling) for up to 1 year in order to help employment and escape from the poverty

2) Target

Type	Target
Package I	<ul style="list-style-type: none">▪ Basic living security benefits recipients, low-incomers under 60% of median income and employment disadvantaged group▪ North Korean refugees, matriarch, adolescence at risk (15 to 24 years old), credit recovery applicants, the homeless, marriage-based immigrants, NEET (Not in Education, Employment or Training), the small self-employed (below 80 million won of annual sales), the disabled, etc.
Package II	<ul style="list-style-type: none">▪ Youth (18~34 years old): regardless of income, University graduates, High school graduates, students in the final year of high school/university/graduate school, the small self-employed (80 million won and more and below 150 million won of annual sales), etc.▪ The middle-age/ (35~69 years): under 100% of median income, persons who stops receiving the unemployment benefits, persons who do not meet requirements for the unemployment benefits, applicants among unemployment benefit recipients, the small self-employed (below 80 million won of annual sales), the disabled, etc.

2) Procedure

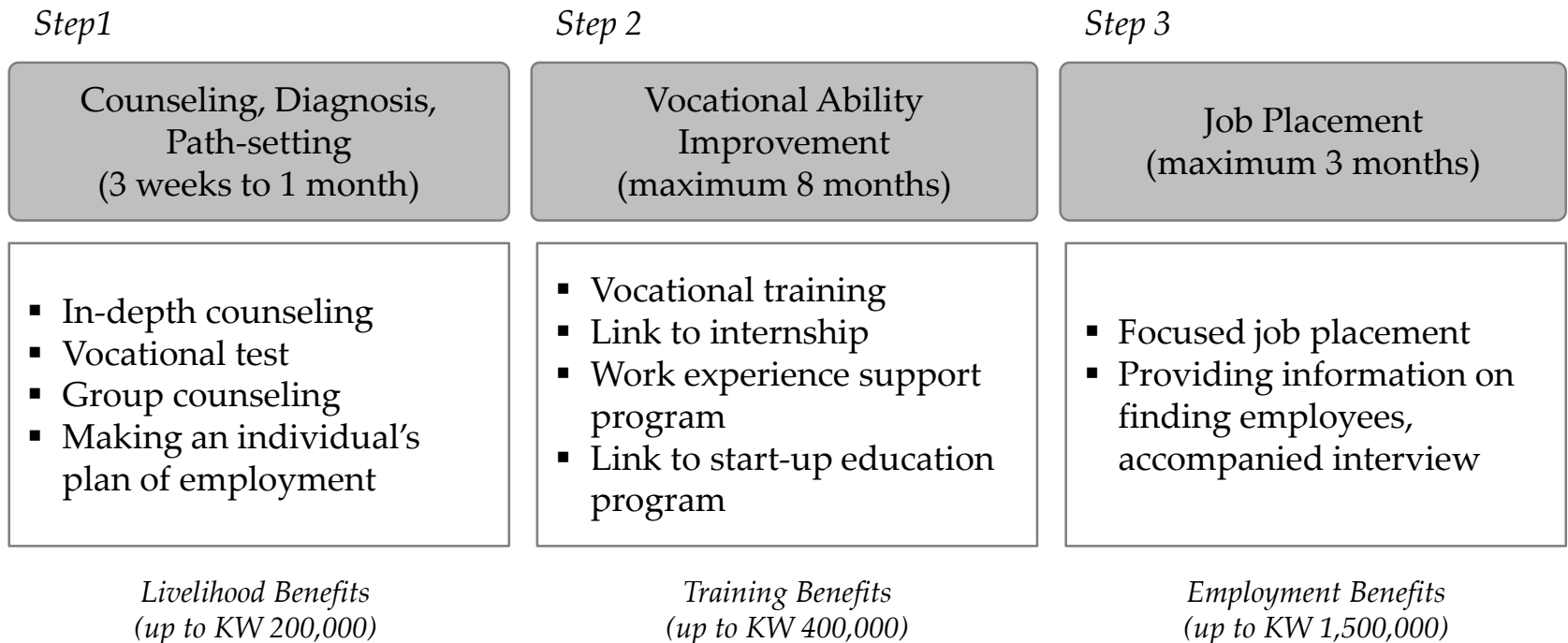
- Providing total employment support programs package such as 'Diagnosis/Path-setting → Strengthening motivation and abilities → Focused job placement'
- Providing systematic support in entering the labor market because granting 'Employment Success Allowance' when recipients are employed. Especially, this is the integrate employment support service for employment disadvantaged group, not for income-based vulnerable groups



Source) *The Complete Employment and Labor Policy*, Ministry of Employment & Labor (2017)

3) Core contents & benefits

- Providing support for up to 1 year based on diagnosing characteristics of participants .. profiling
- Step-by-step customized employment support programs package



cf. Support by Types of Package

Type	Target	Contents		
		Step 1	Step 2	Step 3
Package I	<ul style="list-style-type: none"> - livelihood benefits recipients - low-incomers of under 60% of median income, other employment disadvantaged group 	<ul style="list-style-type: none"> - 3 weeks to 1 month - up to 250,000 won of participation allowance 	<ul style="list-style-type: none"> - up to 8 months - Training expense 3 million won, tomorrow learning card, individual contribution 0~10% - up to 400,000 won of participation allowance 	<ul style="list-style-type: none"> - up to 3 months - up to 150,000 won of Employment Success Allowance, depending on service period
Package II	<ul style="list-style-type: none"> - youth, 18~34 years old & regardless of income - the middle-age, 35~69 years & under 100% of median income 	<ul style="list-style-type: none"> - 1 week to 1 month - up to 200,000 won of participation allowance 	<ul style="list-style-type: none"> - up to 8 months - Training expense 2 million won, tomorrow learning card, individual contribution 5~50% - up to 400,000 won of participation allowance 	<ul style="list-style-type: none"> - up to 3 months

* Source : The Complete Employment and Labor Policy, Ministry of Employment & Labor (2017)

cf. Key Contents of Package I for Low-Incomers

Type	Preliminary Step	Step1	Step2	Step3	Follow-up
Livelihood Benefits Recipients _Packaget	High employability	Minimum 2 weeks Setting IAP of a group counseling program	6 months Actively link to vocational trainings of local governments	3 months Strengthening accompanied interviews Collecting information on finding employees by linking to local job centers	3 months Providing job information Job placement Managing eligibility of target Inducing to work for a long time
	2 weeks Evaluating employability Target for close case management	<u>6 weeks+4 weeks</u> <u>exceptionally extendable</u> Solving short-term issues Consultation on role model Vocational-Psychological Test Strengthening link to EAP Understanding difficulties of employment (child-care, caring, housing, health, etc.) and linking to welfare services Group counseling program as a rule Establishing IAP including how to solve difficulties of employment	6 months+ <u>2 months</u> Issuing Tomorrow Learning Card Linking to internship programs for youth/adulthood Expanding support for Work-Learning Linkage System Actively link to vocational trainings of local governments	3 months+ <u>3 months</u> Providing support to expand job placement service Accompanied interview as a rule Job Search/Resume consulting Strengthen interview simulation Collecting information on finding employees linking to local job centers Using job networks to discover niche jobs in the area	3 months Providing information on finding employees Job placement Managing eligibility of target Inducing to work for a long time

* Source : Future Direction of Successful Employment Package (Jong-gil Park, 2017)

4) Policy Linkage Effect of Successful Employment

- Successful Employment Package to provide employment support and livelihood benefits has an effect of policy linkage as an integrated service of employment and welfare for the low-income group
- Escaping from the poverty by paying allowance, improving abilities to work by supporting vocational ability improvement programs, Psychological independence through close case management, linking to entering the labor market by giving Employment Success Allowance , etc.

Policy	Support for escape from the poverty (Securing income)	Improving/Maintaining abilities to work	Case management: psychology, society, child-care support	Integration of labor markets (attracting mechanism to work)
Employment Support Program				
Successful Employment Package	Paying livelihood benefits (participation allowance)*	Tomorrow Learning Card System Participating trainings (exempt from an individual contribution)/Work experience support program	Concentrated counseling and vocational psychological test, group counseling, profiling of participants	Employment Success Allowance (individual)

* Source : *Supporting Self-Reliance the Working Poor*, Gi-rak Ryu and others (2014)

5) Performance and Issues of Successful Employment Package

5-1. Performance

- Participation rate – 9,000 persons in 2009 → 365,000 persons in 2016 (increased by 40 times)
- Employment Success Rate – Employment rate of those who complete the program (including those who discontinued the program) 78.7% (2016)
 - Employment rate of Package I : 72.9% (2016)
 - Employment Retention Rate for 6 months : 64.7% (2016)
- Qualitative performance
 - High satisfaction on contents and operation of the program (Byung-you Jeon, 2012)
 - Recovering confidence through group counseling and close case management (Young-min Cheon and others, 2016)

5-2. Issues

- Need in strong supports of allowance in reward for time and expense spent to encourage low-incomers to continuously participate in the program
 - Small participation allowance at present
- It happens that standardized participation period is not fit for an individual's ability and situation.
- Low linkage of trainings-jobs, Required for long-term trainings rather than short-term employment preparation to improve job competency

2. Employment Ability Improvement Program

1) Objective

Support for Employment Ability Improvement of recipients with abilities to work in order them to enter the labor market smoothly when reasons for condition waiver

2) Target

Targets with reasons for condition waiver such as child-carers, university students, low-income workers, etc., and need to select recipients by types of the reasons for condition waiver

< Priority Target of Employment Ability Improvement Program >

Type	Definition
Type I (Child-carers)	People who participation obligation in self-support program are not imposed on due to their taking care of preschool children
Type II (Low-income workers)	Workers who are employed but whose income is low (Monthly above 600,000 won and under 900,000 won)
Type III (University Students)	Youth who have completed more than 5 semesters and are graduating among universities of recipient households

3) Program development direction and operation

- Developed vocational ability improvement programs for recipients with abilities to work (condition waivers) .. Completed development in Sep. 2016
- Developed short-term programs considering participants' situation that it is difficult to participate for a long time : Participate 1 session a quarter (4 times annually, 1.5 hours per session)
- Participation in the programs were obliged, attending a lecture in order
- Customized programs by type considering their characteristics

< Characteristics of target by type >

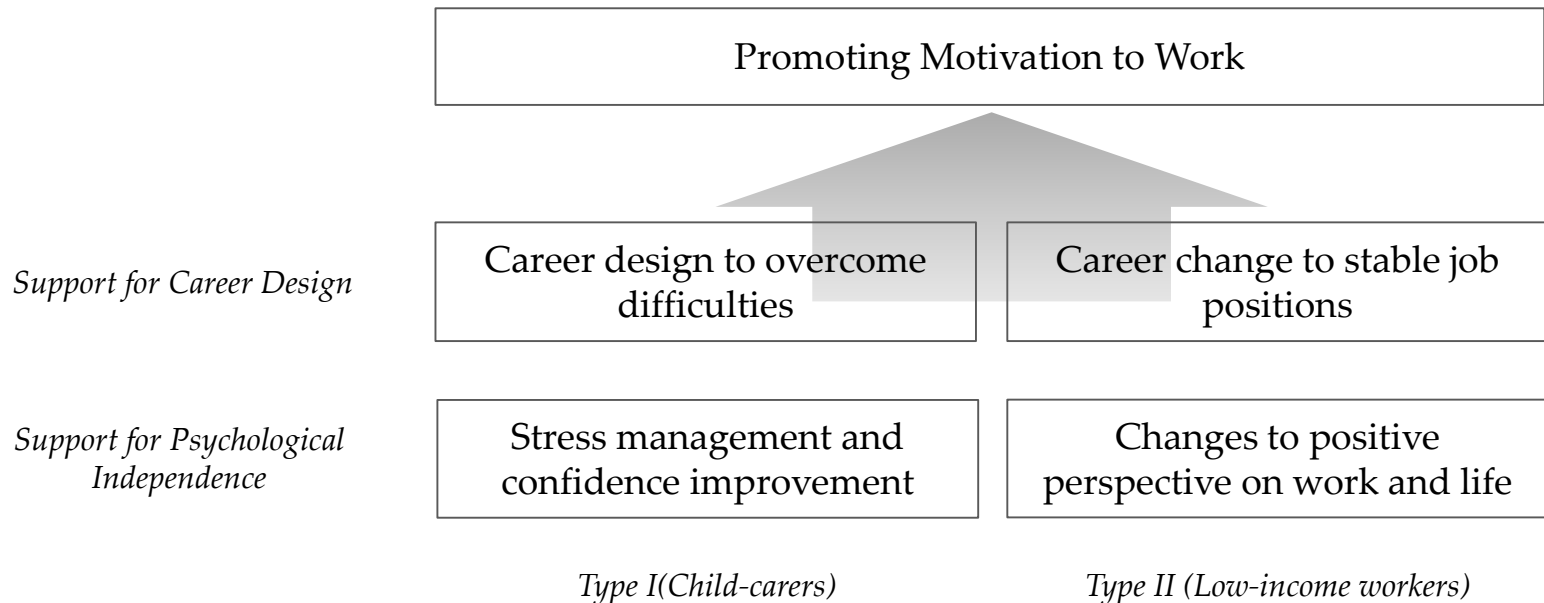
Type	Demographic Aspects	Social Psychological Characteristics
Type I (Child-carers)	- Mostly women aged 20 to 40 - Single parent matriarch such as single mothers, divorce, etc.	- Stress from care-giving responsibilities - Fear from long-time career discontinuity
Type II (Low-income workers)	- A lot of the middle-aged in 30s to 60s - Female 64% , Male 36% - Temporary workers	- Negative work ethic resulting from failures - No future plan due to scraping by on their small paycheck from low-level jobs
Type III (University Students)	- University students aged 20 to 30 of recipient households - Education benefits are granted.	- Deep mortification for inherited poverty - Lack of career design and job information in their family

* Source) Research Paper on Development of Employment Ability Improvement Program for Recipients with Abilities to Work (Hyo-nam Lee and others, 2016)

4) Key contents of Programs

4-1. Programs for Type I(Child-carers), Type II (Low-income workers)

- Model : Establishing theoretical model of strengthening '*psychological capital*' and '*social capital*' for the poor
- Two track of programs
 - 1) Psychological support program (2 sessions)
 - 2) Career design programs (2 sessions)
- Operation : Each program is composed of structured lecture as a short-term special lecture and individual activities to motivate participants



cf. Example of the Programs_ I. Child-Careers Type

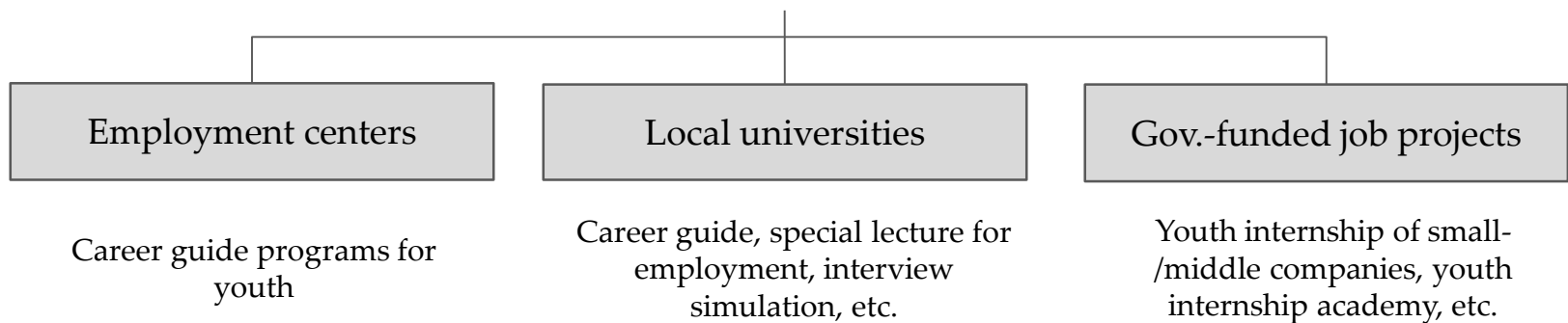
Purpose	Program Title	Details
Psychological Independence	Search for Happy Mind	<ul style="list-style-type: none"> ▪ Self-diagnosis of stress and stress management ▪ Praise 'Me' who had a hard job
	Design Happy Life	<ul style="list-style-type: none"> ▪ The hidden power inside myself ▪ My mission
Career Design	Prepare Happy Employment I	<ul style="list-style-type: none"> ▪ Understand obstacles to employment ▪ Search for supporting resources around me
	Prepare Happy Employment II	<ul style="list-style-type: none"> ▪ Reemployment cases of career-discontinued women ▪ Starting my job all over again ▪ The beauty of challenging life ▪ Employment information and supporting policy

cf. Example of the Programs_II Low-Incomers Type

Purpose	Program Title	Details
Psychological Independence	My Job for Tomorrow	<ul style="list-style-type: none"> ▪ My job in 100-year life ▪ Diagnosis of an attitude to work
	Career Design for Tomorrow	<ul style="list-style-type: none"> ▪ The power to support me ▪ The new start together
Career Design	My Career for Tomorrow	<ul style="list-style-type: none"> ▪ Preparation for tomorrow ▪ Common sense you should know when getting a job
	Job Information for Tomorrow	<ul style="list-style-type: none"> ▪ Search for job information ▪ Notes for searching job information

4-2. Type III (University Students)

- Considered differentiated characteristics of university students
 - University students feel resistant to programs only for livelihood benefits recipients
 - Diversified needs of employment support according to a major, a school year, a gender, a location of a school, etc.
- How to operate the program
 - Do not provide individuals with programs in uniform
 - Participate in some of following programs based on individuals' needs
 - Participate the program individuals want freely and submit evidential data to the districted employment center



5) Performance and Issues of the Program

5-1. Operation Status and Performance

- Operation Status

- Program is actively implemented from February 2017, introduced in October 2017
- As of June 2017, about 1,800 persons of nationwide 70 employment centers participated in vocational ability improvement programs

- Analysis of Qualitative Performance

- Program is in the initial phase and is impossible to evaluate quantitative performance
- Monitoring employment centers which operated the program in April to May 2017
- More of condition-waivered recipients who completed the program linked to Successful Employment Package or employment programs by employment centers.

- Recipients with low work enthusiasm and sense of defeat are highly satisfied with *Psychological Independence Support Program*

5-2. Issues

- Faced participants' resistance in the initial stage of implementation because condition waivers are obliged to participate in the employment program
- Difficult in operating the program due to the sharp increase in participants
- Short-term programs not enough to be effective, need some long-lived programs

IV. Remaining Tasks of Employment Support Service from the Employment-Welfare Linkage Perspective

1. Selecting Target (the Poor) – From Obligatory Participation to Voluntary Participation

- Need to provide opportunities of self-motivated selective participation rather than obligatory participation in a lump to enhance the program effect
- Develop linkage programs that are allowed to participate voluntarily and the inducement strategy after the initial obligatory participation

2. The Customized Programs to Individuals' Characteristics

- Low-income vulnerable groups among the recipients show a wide variety of mental state and demand for employment according to individuals' personalities and situations
- Need to develop modular employment support programs considering individuals' diverse demand for employment, and recipients should be allowed to flexibly participate in the program based on close case management by counselors.

3. From Leading the Poor to Work in short-term to Strengthening Human Competency

- The existing employment support programs are designed to help to find a job within a short time by strengthening short-term employability.
- High possibility of getting low-quality jobs due to the weak competency of low-income vulnerable groups -> Need to strengthen competency by developing long-term vocational abilities in order to move to better jobs continuously and stay employed

4. Evaluating Performance – From Quantitative to Qualitative Evaluation

- Quantitative performance is at risk of degenerating into getting a target quantity although it is important to evaluate qualitative performance such as employment rate, employment retention rate, etc.
- Furthermore, variables (high employability of individuals, temporary employment effect, etc.) other than effects of the program itself cannot be controlled when evaluating the qualitative performance such as employment rate
- Need to introduce the qualitative performance evaluation system to understand the demand for participants and and their behavioral changes

5. Enhancing the Competency of Service Consultants : Strengthening Both Competencies of Employment and Welfare

- Consultants of Employment Support Service for low-income group are required of combined competency 'employment' and 'welfare' because the two issues are simultaneously handled in the whole process of selecting/counseling beneficiaries, operating the programs and job placement
- Consultants of employment centers and self-support centers are cooperating each other when operating the employment support programs for low-income group at present, but complain about their limits and difficulties in handling issues out of their own specialties
- Not just integrating the functions into Employment Welfare Plus Center, we should develop how to improve integrated competencies of service consultants in terms of infrastructure.