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„Supporting the Needy Elderly in South Korea and China: A Comparative Analysis of Programmes and Policies Aiming at Universal Access to Old-Age Income Support and the Reduction of Old-Age Poverty”

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In loving memory of my father († 2017).

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1. INTRODUCTION

Due to decreasing fertility rates and an increasing life expectancy, East Asian countries (among other countries in the world) are facing challenges resulting from an ageing population. For example, it is estimated that by 2050 the proportion of the population aged 65 and over will range between 24-38% in the People's Republic of China, the Republic of Korea and Japan (Hayutin 2009, 7, 13 & 19). At the same time, the proportion of the working age population (aged 15-64) in these three countries has already started to shrink and will shrink even more in the next few decades (Hayutin 2009, 9, 15 & 21). Consequently, the number of elderly people who no longer participate in the labour force and therefore need to be supported by the state is increasing.

Due to a decline of the traditional system of old-age support within families, old-age income support by governments becomes increasingly important (Holzmann, Robalino, and Takayama 2009, 34). However, the individual incomes of more than 50% of the elderly population across the globe are not sufficient (ibid., 41). This can have several reasons, including "significant gaps in [the] contribution history" of a person and generally limited access to social benefits (ibid., 23). Among those people who are disadvantaged when it comes to pension coverage are, for example, informal and migrant workers, low income workers, people with disabilities and people living in rural areas. Furthermore, low pension coverage has a negative effect on old-age poverty rates, and insufficient financial support might force elderly people to participate much longer in the labour force. Therefore, it is necessary to provide universal access to old-age income support so that every elderly person in a country can receive sufficient financial support.

For several reasons, the People's Republic of China and the Republic of Korea (henceforth also referred to as China and South Korea) were chosen for the analysis of this thesis. First, the research interest focuses on two countries in East Asia, but also on the differences between an industrialised country (Republic of Korea) and a big developing country (People's Republic of China). Second, among all other East Asian countries, South Korea and China are most interesting for this thesis because the old-age poverty rates in both countries are relatively high. In 2015, "23.9% of people aged 60+" in China had "an income of less than half the country's median income" (HelpAge International 2015a), while in South Korea the percentage was even higher, namely 48.5% (HelpAge International 2015b). In comparison, the old-age poverty rate in Japan was 19.4% in 2015 (HelpAge International 2015c). The average old-age poverty rate across all OECD countries was 12.4% in 2012 (OECD 2015, 171). Third, the share of the rural population in China and South Korea (46% and 18% the of total population) is higher than, for example, in Japan (7%) (The World Bank 2017a) and therefore there are potentially more people in China and South Korea who do not have sufficient access to old-age income support due to limited physical access resulting from a remote place of residence.

This thesis also includes an analysis of the Dutch pension system. The Netherlands was chosen as a benchmark country in order to compare the pension systems of China and South Korea with the pension system of an industrialised Western country. According to international rankings such as the Global AgeWatch Index of 2015 and the Melbourne Mercer Global Pension Index of 2016, the Netherlands is one of the countries with the most efficient pension schemes in the world (Australian Centre for Financial Studies 2016, 7, HelpAge International 2015d, 4). In 2016, the Netherlands received grade A for its pension system, as it is classified as a system that is robust, of high quality and stable (ibid., 7) and additionally achieves the highest level of adequacy among all other examined countries (ibid., 8). According to the

Global AgeWatch Index of 2015, which "ranks countries according to the social and economic wellbeing of older people" (HelpAge International 2015d, 2), the Netherlands is ranked sixth in the overall ranking and fifth when it comes to income security (ibid., 4 & 22). Moreover, when comparing the income poverty rates of elderly people (aged 65 and above) in all OECD countries, the Netherlands is the best performing country with only 2.0% of the elderly population living in poverty (OECD 2015, 171). Thus, the Netherlands qualifies as a benchmark country for this thesis.

After examining the pension system of the Netherlands, the analysis of the pension systems of the Republic of Korea and the People's Republic of China will follow and it will be discussed how both countries can learn from the benchmark country. It will also be examined which aspects of the Dutch pension programmes could be introduced in China and South Korea.

The aim of this thesis is to analyse whether the People's Republic of China and the Republic of Korea have implemented old-age security programmes and policies that aim at universal pension coverage and the reduction of old-age poverty. The human rights concept was chosen as the theoretical approach for this thesis, as the focus lies on the situation of the people – especially of disadvantaged groups of people – and therefore this topic will be analysed from a social angle, rather than from an economic perspective. Economic aspects will not or only marginally be included in this analysis. The analytical framework will be based on the concept of social security (which includes old-age security) as a human right. It is a human rights principle that everyone is entitled to human rights, including the poor and other disadvantaged groups of people (OHCHR 2015). However, although the People's Republic of China and the Republic of Korea have ratified several international human rights treaties and therefore officially recognise their duty to ensure the human rights of their citizens, human rights violations in both countries are reported every year. In the theoretical part of this thesis the positions of the People's Republic of China and the Republic of Korea towards human rights guidelines will be examined in detail. As poltical rights are not part of the analysis of this thesis, the focus will lie on economic and social rights.

In the empirical part of this thesis it will be analysed and discussed whether the pension programmes and policies of the People's Republic of China and the Republic of Korea comply with human rights principles, and consequently, if equitable and universal access to old-age security is provided in both countries. The main sources for the analysis include national laws and legal frameworks. In some cases, reality checks will be conducted. This applies to the human rights principles of accessibility, participation, access to health care and gender equality. All human rights principles which are included in the analytical framework will be explained and discussed in the theoretical part. For the reality checks, only four principles were chosen due to the large scope of this topic and, in some cases, due to limited access to relevant information for all three countries.

This thesis focuses on the comparative analysis of currently existing programmes and already implemented policies as well as policies that will be implemented in the near future. The programmes and policies of South Korea and China will be compared in order to find out where similarities and differences exist, especially when it comes to deficiencies of both pension systems. The focus lies on the current situation (i.e. data and statistics of the past five to maximum ten years will be examined), not on the historical development of pension schemes in China and South Korea.

Literature on pension schemes as well as old-age poverty in China and South Korea already exists. However, reports and surveys about pension schemes in China and South Korea do not necessarily focus on the human rights aspect or only give a rough overview of the situation in these two countries. In order to find out if the pension schemes in China and South Korea provide access to every citizen of these countries – including disadvantaged groups of people – or if universal pension coverage can be achieved with these schemes, a detailed analysis based on the concept of social security is required. The objective of this thesis is to contribute a thorough analysis of the pension schemes in China and South Korea to the field of social policy, especially in regard to the compliance with human rights principles.

1.1. Research Questions

The following research questions will help to analyse and evaluate the pension schemes of China and South Korea:

1) **Which programmes and policies aiming at universal access to old-age income support and the reduction of old-age poverty exist in South Korea and China?**

In order to answer this research question, the pension schemes of South Korea and China will be analysed by applying the analytical framework (see chapter 2.2.2.). It will be examined whether the criteria of the framework are fulfilled in both countries.

2) **Are the programmes and policies in compliance with human rights principles?**

By applying the analytical framework, it can be assessed whether the pension schemes of South Korea and China comply with human rights principles. The framework includes nine human rights principles, which will be discussed in chapter 2.

3) **What are the (main) challenges and deficiencies of the laws and legal frameworks and certain implemented indicators in South Korea and China? Which similarities/differences can be identified?**

The challenges and deficiencies will be identified after applying the analytical framework. A comparative analysis shall help to identify similarities and differences between the two countries.

4) **How can the situation of needy elderly in South Korea and China be improved? Can certain aspects of the pension scheme of the Netherlands be applied to both country cases?**

The pension system of the Netherlands has received top marks in several international rankings. Thus, the Netherlands qualifies as a benchmark country for the comparative analysis in this thesis. By examining the Dutch pension schemes, aspects will be identified which could be applied to the pension schemes of South Korea and China.

1.2. Outline

The three main parts of this thesis are the research design (chapter 2), the empirical analysis (chapter 3) and the discussion of findings (chapter 4). After the review of already existing literature on old-age income support in East Asia and especially in South Korea and China (chapter 1.3.), the research design will follow in chapter 2, which is divided into the theoretical approach and the methodology. In the theoretical approach (chapter 2.1.), the focus lies on the concepts of human rights and social security, as this thesis focuses on the social aspects of pension systems. Thus, the criteria for the analytical framework will be derived from human rights principles. After explaining the methodology and the analytical framework for the analysis (chapter 2.2.), the empirical part of this thesis will follow in chapter 3. The pension systems of the Netherlands, South Korea and China will be analysed successively and in the order of the criteria of the analytical framework (chapters 3.1, 3.2. and 3.3.). A discussion of the findings will follow in chapter 4 by answering the afore-mentioned research questions. In the conclusion (chapter 5), the findings of this thesis will be summarised, limitations of this thesis will be described and potential areas for further research will be suggested.

1.3. State of the Art

The reviewed literature includes reports, studies, papers etc. which have been published in the past five to ten years, as the focus of this thesis lies on the present situation in South Korea and China.

Old-age income support in Asia and old-age income support in East Asia in particular have been discussed by Western and Asian authors alike. Mukul G. Asher of the National University of Singapore, for example, conducts research in the fields of "public finance and social security [...] in Asia" (Park 2012, xi). Asher "has been a consultant to several governments in Asia on tax policy and pension reforms, and to multilateral institutions including the Asian Development Bank (ADB), the World Bank and the World Health Organization (WHO)." (ibid.) Next, the research of Gemma B. Estrada of the Asian Development Bank focuses on "investment climate, poverty and inequality, labor markets, structural change, economic integration and financial development. She has also been actively involved in the annual publication of the *Asian Development Outlook*." (ibid.) Donghyun Park of the Asian Development Bank conducts research in the fields of "international finance and trade. His research [...] focuses on policy-oriented topics relevant for Asia's long-term development, including Asian pension reform and Asian sovereign wealth funds." (ibid., xiii) Scholars and organisations have pointed out that much needs to be done in this region in order to implement effective pension schemes. Donghyun Park, for example, states that the pace and dimension of the demographic transition in East Asia is "striking and unique" (Park 2012, 222). "Just as the region's economic growth and development is replicating centuries of advanced-economy experience within a few decades, the region is greying much faster than the advanced economies." (ibid.) Furthermore, it is not only important to improve a pension system itself, but also to improve other correlated policies as well (ibid.).

Old-age income support in China has been examined by several Western and Chinese scholars, including Dr. Lu Quan, Matthias Stepan, Armin Müller and Stuart H. Leckie. Dr. Lu Quan of the Social Security Research Centre at the Renmin University of China "[...] specialises in the policymaking process in China in general, specifically focusing on pension reform and the role of central-local relations in China's attempt to establish a nationwide, unified social security system." (Stepan and Lu 2016, 113) Matthias Stepan of the Mercator Institute for China Studies and the VU University Amsterdam conducts research on "governance in the Chinese context, and multi-level governance and social policy from an international comparative perspective." (ibid.) Next, Armin Müller of the University of Göttingen specialised in "China's healthcare and social security, local governments, public finances, migration and education." (Müller 2016, 53) Stuart H. Leckie, who "is based in Hong Kong, [...] advises on investments and pensions in Hong Kong [and China]." (Park 2012, xii) Leckie "has advised the Chinese Government on pension reform and advised the Hong Kong, China authorities on the establishment of the Mandatory Provident Fund." (ibid.)

Scholars have stated that China – as well as other East Asian countries – is facing challenges due to the demographic transition. Richard Herd, Hu Hu-Wei and Vincent Koen of the China/India Desk in the Economics Department of the OECD pointed out that a variety of "different pension arrangements currently [exists] in rural and in urban areas, and yet another set of rules governs public sector pensions." (Herd, Hu, and Koen 2010, 5) It is deplored that those policies that aim to achieve universal coverage have not yet been fully implemented and that "effective replacement rates are fairly low and projected to decline further, both for rural and urban residents" (Herd et al. 2010, 36). The long-term aim should be to unify the different pension programmes, "first provincially and then nationally, phasing out the distinction between rural and urban residents." (ibid.) Nicholas Barr of the London School of Economics and Political Science and Peter Diamond of the Massachusetts Institute of Technology were "[members] of a small group invited to advise the government of China on pension reform, presenting their findings to the Premier in 2004" (LSE Department of Economics 2003). In 2009, Barr and Diamond "presented a follow-up report" (ibid.). Barr and Diamond pointed out that it is necessary to introduce a uniform "set of rules […] (with locally varying parameters)" throughout the country in order "to foster the labour mobility that is essential in an efficient economy, and to provide horizontal equity" (Barr and Diamond 2010, 75). The Chinese pension system should be universally accessible and be standardised across the country when it comes to pension benefits, and the pension plans should be "compatible with longer-term economic and social developments" as well as "with moving towards a high-income country." (ibid., 77)

Old-age income support in South Korea has been discussed by Western and Korean scholars such as Seong Sook Kim, Randall S. Jones, Suk-Myung Yun and Hyungpyo Moon. Seong Sook Kim of the National Pension Research Institute of the National Pension Service in the Republic of Korea focuses on the "National Pension Scheme in the Republic of Korea. She has participated in several government committees related to pension and income security programs, and is now involved in four government committees. She has played a leading role in the Financial Review of the National Pension since this system was introduced in 2003." (Park 2012, xii) Randall S. Jones of the Japan/Korea Desk in the Economics Department of the OECD "has worked on Ireland and the Slovak Republic, in addition to Korea and Japan. In 2002, he became head of the Japan/Korea Desk. Dr. Jones has written all 15 OECD Economic Surveys of Korea and 13 OECD Economic Surveys of Japan, in addition to other publications." (The Cipher Brief 2018) Suk-Myung Yun of the Korea Institute for Health and Social Affairs and of the Department of Economics at the Korea University in Seoul has conducted research "on income support policies, especially on pension programmes." (Yang and Klassen 2010, xiii) Hyungpyo Moon of the Korea Development Institute "is a leading scholar on pensions in

Korea and has published numerous books and articles on various issues in public economics. In 2008, he chaired the Actuarial Valuation Committee of the National Pension Scheme in Korea." (Holzmann, Robalino, and Takayama 2009, xiii)

In terms of old-age income support in South Korea, scholars have discussed that South Korea faces challenges due to the rapid economic growth of the country. "In most industrialized countries, economic growth and population ageing have occurred at an incremental pace that has allowed them to develop social protection systems, including pension systems, progressively – in proportion to the speed of national development." (United Nations ESCAP 2015, 7) This is not the case in South Korea. The pension system of the Republic of Korea was expanded rapidly and in principle "it covers the country's whole population, but there are many subscribers who do not (or cannot) pay the monthly premiums for various reasons." (ibid.) According to Hyungpyo Moon, additional problems include that the system is not financially stable and that it is complicated to "[assess] the incomes of the self-employed." (Moon 2002, 22) Thus, it is necessary to modify and significantly improve the South Korean pension system. On the other hand, it is stated in a working paper of the UN Economic and Social Commission for Asia and the Pacific that the pension system of South Korea is "a reliable option as an old-age income source as a result of proactive measures to secure financial sustainability and engage in effective publicity activities. This experience can provide lessons for other countries in the Asia-Pacific region." (United Nations ESCAP 2015, 10)

After reviewing the existing literature, it could be determined that the pension systems of China and South Korea have been analysed in several papers, reports and studies, but that the focus does not necessarily lie on the human rights aspect. The academics and organisations touch on the concept of social security as a human right, but do not provide a detailed analysis of the question whether all core human rights principles are fulfilled by the pension schemes in both countries. In this thesis, the pension systems of the People's Republic of China and the Republic of Korea will be analysed in detail by applying an analytical framework based on the human rights approach. The aim is to contribute a thorough analysis of the pension schemes in China and South Korea to the field of social policy, especially in regard to the question if the pension schemes in China and South Korea comply with human rights principles.

2. Research Design: Theoretical and Methodical Approach

This chapter is divided into two parts: the theoretical approach and the methodology. First of all, the concept of social security as a human right will be examined. Next, the methodology for this thesis will be explained and criteria for the analytical framework will be derived from the theoretical approach.

2.1. Theoretical Approach

For this thesis, the concept of social security as a human right has been chosen as the theoretical approach, as it is the purpose of this thesis to give priority to the situation of the people – especially to that of disadvantaged groups of people – and therefore to analyse this topic from a social perspective. In order to analyse the pension systems of China and South Korea and to assess whether they comply with human rights principles, it is necessary to understand the theoretical background of old-age income support, which is a part of social security and therefore a human right. Thus, the aim of this subchapter is to provide the required theoretical background.

2.1.1. Human Rights

The Universal Declaration of Human Rights (UDHR) is the most important document in regard to human rights. It was "[d]rafted by representatives with different legal and cultural backgrounds from all regions of the world" and "proclaimed by the United Nations General Assembly in Paris on 10 December 1948" (United Nations 2017). In the declaration, which exists in more than 500 languages, it is pointed out that "fundamental human rights" shall "be universally protected" (ibid.). Human rights include "civil and political rights, such as the right to life, equality before the law and freedom of expression; economic, social and cultural rights, such as the rights to work, social security and education; or collective rights, such as the rights to development and self-determination." (OHCHR 2015)

It is stated in the Universal Declaration of Human Rights that "no distinction shall be made on the basis of the political, jurisdictional or international status of the country or territory to which a person belongs, whether it be independent, trust, non-self-governing or under any other limitation of sovereignty." (The Universal Declaration of Human Rights 1948, art. 2)

The United Nations Human Rights Office of the High Commissioner (OHCHR) "represents the world's commitment to universal ideals of human dignity. [It has] a unique mandate from the international community to promote and protect all human rights." (OHCHR 2018) The OHCHR defines human rights as "inherent to all human beings, whatever our nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status." (OHCHR 2015) Thus, everyone is "equally entitled to our human rights without discrimination." (ibid.) The right to human rights is grounded in international laws, treaties and principles, which not only define the rights themselves but also the "obligations of Governments to act in certain ways or to refrain from certain acts, in order to promote and protect human rights and fundamental freedoms of individuals or groups." (ibid.) Human rights "are indivisible, interrelated and interdependent. The improvement of one right facilitates advancement of the others. Likewise, the deprivation of one right adversely affects the others." (ibid.)

In addition to the Universal Declaration of Human Rights, several conventions were implemented especially to protect the human rights of people who are often disadvantaged. The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families was adopted in 1990 with the purpose to respect and ensure the human rights of "all migrant workers and members of their families without distinction of any kind such as sex, race, colour, language, religion or conviction, political or other opinion, national, ethnic or social origin, nationality, age, economic position, property, marital status, birth or other status." (International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families 1990, art. 1, sec. 1) The rights of migrant workers and their family members shall be ensured "during the entire migration process […], which comprises preparation for migration, departure, transit and the entire period of stay and remunerated activity in the State of employment as well as return to the State of origin or the State of habitual residence." (ibid., art. 1, sec. 2) This Convention was, however, only ratified by 51 States Parties. These do not include, for example, the People's Republic of China and the Republic of Korea and also not the majority of Europe (in Europe it was only ratified by Bosnia and Herzegovina, Albania and Turkey), the United States of America and the Russian Federation. Instead, mostly South American and African States Parties ratified this Convention (OHCHR 2014).

The International Convention on the Elimination of All Forms of Racial Discrimination came into effect in 1969 with the aim to prevent discrimination against people "based on race, colour, descent, or national or ethnic origin which has the purpose or effect of nullifying or impairing the recognition, enjoyment or exercise, on an equal footing, of human rights and fundamental freedoms in the political, economic, social, cultural or any other field of public life." (International Convention on the Elimination of All Forms of Racial Discrimination 1969, art. 1, sec. 1) This Convention was ratified by 179 States Parties, including the People's Republic of China (ratification/accession in 1981) and the Republic of Korea (ratification/accession in 1978) (OHCHR 2014).

The Convention on the Elimination of All Forms of Discrimination against Women, which was implemented in 1979, aims to protect the rights of women and prevent discrimination against them. It is the duty of States Parties to take necessary measures "in all fields, in particular in the political, social, economic and cultural fields, […] to ensure the full development and advancement of women, for the purpose of guaranteeing them the exercise and enjoyment of human rights and fundamental freedoms on a basis of equality with men." (Convention on the Elimination of All Forms of Discrimination against Women 1979, art. 3) The Convention was ratified by 189 States Parties, including the People's Republic of China (ratification/accession in 1980) and the Republic of Korea (ratification/accession in 1984) (OHCHR 2014).

Last but not least, the Convention on the Rights of Persons with Disabilities was adopted in 2006 (UN Division for Social Policy and Development 2018) with the purpose "to promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities, and to promote respect for their inherent dignity." (Convention on the Rights of Persons with Disabilities 2006, art. 1) It is stated in the Convention that people are included "[…] who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others." (ibid.) 175 States Parties have ratified this Convention, including the People's Republic of China (ratification/accession in 2008) and the Republic of Korea (ratification/accession in 2008) (OHCHR 2014).

2.1.2. Social Security

As was mentioned above, human rights include the right to social security. According to Article 22 of the Universal Declaration of Human Rights, every person is entitled to social security and the "realization […] of the economic, social and cultural rights indispensable for his [or her] dignity and the free development of his [or her] personality." (The Universal Declaration of Human Rights 1948, art. 22) Every human being is also entitled to an adequate standard of living, "including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his [or her] control." (ibid., art. 25, sec. 1)

In 1966, the International Covenant on Economic, Social and Cultural Rights was adopted by the United Nations General Assembly and it came into effect in 1976. This Covenant is a multilateral treaty which was signed by 71 States Parties and ratified by 166 States Parties, including the People's Republic of China (ratification/accession in 2001) and the Republic of Korea (ratification/accession in 1990) (International Covenant on Economic, Social and Cultural Rights 1966, UN Treaty Collection 2017). When the International Covenant on Economic, Social and Cultural Rights was ratified by the People's Republic of China, it was stated by the Chinese government that "[t]he application of Article 8.1 (a) of the Covenant to the People's Republic of China shall be consistent with the relevant provisions of the *Constitution of the People's Republic of China, Trade Union Law of the People's Republic of China* and *Labor Law of the People's Republic of China*" (UN Treaty Collection 2017). In Article 8.1 (a) it is stated that each state which ratified the Covenant shall take measures to guarantee

> *[t]he right of everyone to form trade unions and join the trade union of his choice, subject only to the rules of the organization concerned, for the promotion and protection of his economic and social interests. No restrictions may be placed on the exercise of this right other than those prescribed by law and which are necessary in a democratic society in the interests of national security or public order or for the protection of the rights and freedoms of others (International Covenant on Economic, Social and Cultural Rights 1966, art. 8, sec. 1(a)).*

According to Article 1 of the Covenant, "[a]ll peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development." (International Covenant on Economic 1966, art. 1, sec. 1) It is the duty of the States Parties to "promote the realization of the right of self-determination" (ibid., art. 1, sec. 3).

In regard to social security, the States Parties are obligated to "recognize the right of everyone to social security, including social insurance" (International Covenant on Economic 1966, art. 9), by adopting measures "to the maximum of [their] available resources, with a view to achieving progressively the full realization of the rights recognized in the present Covenant by all appropriate means, including particularly the adoption of legislative measures." (ibid., art. 2, sec. 1) Such measures can include the implementation of contributory schemes, non-contributory schemes, social assistance schemes, private schemes and “self-help or other measures, such as community-based or mutual schemes.” (UN Committee on Economic, Social and Cultural Rights 2008, 2) “Contributory […] schemes such as social insurance […] involve compulsory contributions from beneficiaries, employers and, sometimes, the State, in conjunction with the payment of benefits and administrative expenses from a common fund” (ibid.). Schemes that are non-contributory (i.e. universal insurance programmes) and social assistance schemes aim to support needy people (ibid.).

Social security plays a central role when it comes to ensuring “human dignity for all persons when they are faced with circumstances that deprive them of their capacity to fully realize their Covenant rights.” (UN Committee on Economic, Social and Cultural Rights 2008, 2) Ensuring social security enables “poverty reduction and alleviation” and helps to “[prevent] social exclusion and [promote] social inclusion.” (ibid.) Being entitled to social security also means that people have “the right to access and maintain benefits, whether in cash or in kind, without discrimination in order to secure protection” (ibid.). This protection includes protection “from […] lack of work-related income caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member” as well as from “unaffordable access to health care” and “insufficient family support, particularly for children and adult dependents.” (ibid.) Finally, states need to provide benefits and access to services for social security types such as unemployment, employment injury, health care, sickness, old age, family and child support, maternity, disability and benefits for survivors and orphans (ibid., 5-7).

2.1.3. South Korea’s and China’s Positions Towards Human Rights Principles

Before evaluating in the empirical part of this thesis whether the pension systems of South Korea and China comply with core human rights principles, the positions of the Republic of Korea and the People’s Republic of China towards the UN principles and guidelines on human rights will now be examined. As was mentioned above, the Republic of Korea and the People’s Republic of China have ratified several international human rights treaties, such as the International Covenant on Economic, Social and Cultural Rights and some conventions with the purpose to protect the human rights of disadvantaged groups of people. Thus, both countries officially recognise their duty to protect human rights. It will now be examined if the Republic of Korea and the People’s Republic of China also recognise the human rights of their citizens in practice, and in what way South Korea and China violate human rights. The focus lies on economic, social and cultural rights, whereas political rights are not part of the analysis in this thesis.

According to the Permanent Mission of the Republic of Korea to the United Nations, South Korea “upholds human rights as one of its core foreign policy principles and has actively participated in the international community’s efforts to promote and protect human rights around the world.” (Permanent Mission of the Republic of Korea to the United Nations 2015) As “a member of the United Nations Human Rights Council” and “a State Party to seven core international human rights traties,” South Korea is “actively participating in and contributing to human rights discussions and acitivities in the UN.” (ibid.)

However, critics state that there is still a lot of room for improvement when it comes to the compliance with human rights. Today, there are still human rights violations related to freedom of speech, workers’ rights, discrimination of LGBT people (lesbian, gay, bisexual, and transgender), discrimination of women, etc. (The Borgen Project 2017). Thus, “the Human

Rights Watch formally submitted a memo on human rights in South Korea to the UN with the aim of human rights being a main focus of the country's Universal Periodic Review in November 2017." (ibid.)

Furthermore, in October 2017 the UN Committee on Economic, Social and Cultural Rights reported about several human rights violations in South Korea. These include limited access to remedies due to "high costs associated with legal proceedings, such as the court stamp fee" (UN Committee on Economic, Social and Cultural Rights 2017, 2), issues related to corruption (ibid., 3), " the criminalization of same-sex acts in the military criminal act" as well as "discriminatory attitudes and acts against lesbian, gay, bisexual, transgender and intersex persons in many fields of public life" (ibid., 4), and the exclusion of "non-citizens [...] from the State party's social security system and public services, including those relating to birth registration and to the protection of victims of abuse" (ibid. 4). Additionally, the UN Committee on Economic, Social and Cultural Rights observes that certain "sectors such as agriculture, fisheries and domestic work, where workers are exposed to unfair and unfavourable conditions of work, are excluded from the labour standards act and other legislation protecting the right to just and favourable conditions of work and the right to social security" (ibid., 5). Other human rights violations include minimum wages that hinder "workers and their families to enjoy a decent living" (ibid., 5), a "gender wage gap [which] has not narrowed in spite of the measures taken by the State party" (ibid., 6), the exploitation of migrant workers (ibid.), "restrictive criteria for legal strikes" (ibid.), and "legal provisions [...] which hamper the independent functioning of trade unions" (ibid.). Last but not least, the UN Committee on Economic, Social and Cultural Rights criticises human rights violations in regard to eligibility criteria and the adequacy of "certain social allowances" (ibid., 7), "restrictive [health insurance] coverage" (ibid.), high old-age poverty rates and "abuse of older persons, including in care facilities" (ibid.), child abuse (ibid.), limited "availability of safe drinking water" due to "contamination of the State party's rivers" (ibid., 8), inadequate housing conditions and "high housing costs" (ibid.), high suicide rates and limited access to mental health services (ibid., 8), inequalities when it comes to access to education, a "lack of policies promoting cultural diversity that reach out to the population at large" (ibid., 9), etc.

The People's Republic of China is a member state of the United Nations and a state "party to several international human rights treaties" (Human Rights Watch 2017). As a member of the United Nations Human Rights Council, the country takes part "in reviews of its treaty compliance, allows some UN independent human rights experts to visit China, and joins in assessments of its human rights record and those of other countries as part of the Council's Universal Periodic Review (UPR) process." (ibid.)

However, critics state that the Chinese government's actions to protect human rights are more illusion than reality. For instance, China "appears to allow visits primarily by independent experts on topics that it sees as nonthreatening. It has also attempted to interfere with other special procedure visits, seeking to block civil society from meeting with the experts." (ibid.) Furthermore, the government of the People's Republic of China continuously enacts "national security laws that [present] serious threats to the protection of human rights. [...] Activists and human rights defenders [continue] to be systematically subjected to monitoring, harassment, intimidation, arrest and detention." (Amnesty International 2017)

Moreover, the UN Committee on Economic, Social and Cultural Rights criticised in June 2014 the existence of "gaps in the independence of the judiciary in the State party" (UN Committee on Economic, Social and Cultural Rights 2014, 3), the “prevalent and widespread corruption in the State party, which has a negative impact on the realization of economic, social and cultural rights, particularly at the provincial and municipal levels” (ibid.), “the lack of adequate and effective measures adopted by the State party to ensure that Chinese companies, both State-owned and private, respect economic, social and cultural rights, including when operating abroad” (ibid., 4), the lack of “a comprehensive anti-discrimination law that protects all marginalized and disadvantaged individuals and groups in their enjoyment of economic, social and cultural rights” as well as “the persistent and widespread discrimination against ethnic minorities, particularly in the western provinces and regions, especially in the fields of employment, social security, housing, health and education, in spite of efforts taken by the State party” (ibid.). Next, observations by the UN Committee on Economic, Social and Cultural Rights include that “migrant workers, particularly those who lack household registration, continue to be de facto discriminated against in the fields of employment, social security, health care and education” (ibid., 5), that “gender disparities persist in practice, especially in relation to employment, wages, housing and access to higher education” (ibid.), and that unemployment rates are very high “among persons belonging to ethnic minorities, especially Tibetans, Uighurs and Inner Mongolians, in part due to Han Chinese migration into minority areas” (ibid.). Furthermore, human rights are violated in regard to a “high rate of unemployment among persons with disabilities [and] existing disparities in relation to wages” (ibid., 6), minimum wages and “inadequate and unsafe working conditions, [...] particularly in the private and informal sectors” (ibid.), sexual harassment of female employees (ibid., 7), restricted trade union rights (in terms of forming and joining trade unions and the right to strike) (ibid.), and the “persistence of disparities between the urban and rural populations and among rural-to-urban migrant workers, in relation to access to and the quality and amount of [social security] benefits” (ibid.). Restrictions also exist when it comes to family planning (ibid., 8), and there is a “lack of effective measures to prevent instances of domestic violence, as well as the lack of support services to protect victims” (ibid., 8). Furthermore, human rights violations in China include “disparities in living standards between regions and between urban and rural areas” (ibid., 9), “food insecurity in some of the poor rural areas, particularly in the western mountainous areas, and [...] of child malnutrition, mainly in rural areas and in the Tibet Autonomous Region” (ibid.), evictions and resettlements that are forced by the government (ibid., 9 & 10), issues regarding pollution and food contamination (ibid., 10), “disparities in access to public health-care services between urban and rural areas and within regions” (ibid.), inequalities when it comes to access to education (ibid., 11), “severe restrictions [for ethnic minorities] in the realization of their right to take part in cultural life, including the right to use and teach minority languages, history and culture, as well as to practise their religion freely” (ibid., 12), etc.

Many of the human rights violations in South Korea and China are quite similar, but more violations were observed in China. Differences include that in South Korea bad housing conditions and high housing costs were observed, as well as high old-age poverty rates. In China, ethnic minorities are discriminated against and migrant workers are disadvantaged due to the household registration system. Furthermore, disparities between the urban and rural population exist. Overall it can be said that South Korea and China are officially willing to comply with human rights standards, as both countries have ratified several international human rights treaties. However, in practice there are still too many human rights violations in these countries and therefore the official positions of both countries towards the UN principles and guidelines on human rights need to be regarded sceptically.

2.2. Methodical Approach

The aim of this thesis is to find out which programmes and polices aiming at universal access to old-age income support and the reduction of old-age poverty in South Korea and China have been implemented, whether these programmes and policies comply with human rights principles, what challenges and deficiencies exist and, lastly, how the situation of needy elderly in South Korea and China can be improved. In this chapter, the methodology and analytical framework for this thesis will be introduced.

2.2.1. Methodology

First, the pension system of each country will be examined in chapter 3, starting with the Netherlands as the chosen benchmark country and followed by South Korea and China. In each subchapter, the compliance with one core human rights principle will be analysed. Next, the findings will be discussed in chapter 4.

An analytical framework will help to analyse in detail the implemented programmes and policies and to assess whether the core human rights principles are fulfilled. In the empirical part of this thesis, each subchapter deals with one criterion of the framework. By applying the framework, a comparative analysis can be conducted between South Korea and China on the one hand and the Netherlands as a benchmark country on the other hand.

The empirical analysis is organised text by text, meaning that each pension system will be examined on its own. First, the pension system of the Netherlands will be examined, then the pension systems of South Korea and China. In the first part of the empirical analysis this makes more sense than a point by point analysis, in which all pension systems would be analysed in regard to the first principle, followed by an analysis of all pension systems in regard to the second principle, and so on. A text by text analysis helps to get a detailed overview of each pension system. A point by point analysis will follow in the discussion, when it will be considered whether the pension systems are in accordance with human rights principles.

As the focus of this thesis lies on the situation of the people and not on the political or economic situation of the countries, the pension schemes will be analysed on the grounds of the human rights approach. Many of the existing studies and reports focus on political and economic angles. Thus, the aim of this thesis is to add a detailed analysis of the situation of the people – especially of the needy elderly – to the field of social policy.

South Korea and China were chosen for the analysis of this thesis, as the research interest focuses on two East Asian countries and also on the difference between an industrialised country (South Korea) and a big developing country (China). Next, the old-age poverty rates in both countries are relatively high (23.0% in China and 48.5% in South Korea in 2015) when compared to other East Asian countries (HelpAge International 2015a, 2015b). In comparison, the average old-age poverty rate across all OECD countries was 12.4% in 2012 (OECD 2015, 171). Last but not least, many people in China and South Korea live in rural areas (China: 46% of the total population; South Korea: 18% of the total population (The World Bank 2017a)) and therefore there are many people in these countries who – potentially – do not have sufficient access to old-age income support due to limited physical access resulting from a remote place of residence.

The Netherlands serves as a benchmark country as it is the aim to compare the Chinese and South Korean pension systems with the pension system of an industrialised Western country. In several international rankings, such as the Global AgeWatch Index of 2015 and the Melbourne Mercer Global Pension Index of 2016, many countries are regularly examined and compared in regard to the situation of elderly people and the characteristics of the pension systems in these countries. The Netherlands is one of the countries with the most efficient pension schemes in the world (Australian Centre for Financial Studies 2016, 7, HelpAge International 2015d, 4). In addition, the Dutch pension system achieves the highest level of adequacy among all other examined countries (ibid., 8). According to the Global AgeWatch Index of 2015, the Netherlands is ranked sixth in the overall ranking and fifth when it comes to income security (HelpAge International 2015d, 4 & 22). Moreover, among all other OECD countries, the Netherlands has with 2.0% the lowest old-age poverty rate (OECD 2015, 171). Thus, the Netherlands qualifies as a benchmark country for this thesis. By examining the pension scheme of the Netherlands and comparing it to the schemes of China and South Korea, it will be considered whether China and South Korea can implement certain aspects of the Dutch pension system into their own systems.

This thesis does not focus on the historical development of pension schemes but on the present situation, so the current pension schemes will be analysed, including developments of the past five to maximum ten years.

The analysis in the empirical part of this thesis will primarily focus on implemented national laws and legal frameworks and their theoretical compliance with human rights principles. In some cases it will also be examined whether the pension systems meet human rights standards in practice. Due to the amount of principles and the large scope of the topic of this thesis, it is not possible to conduct reality checks for all human rights principles. Thus, four principles were chosen for the conduction of reality checks, namely *accessibility, participation*, *access to health care* and *gender equality*. For these four principles, respective sources of information about all three countries were accessible. In the case of all other principles, restrictions included limited access to sources of information for all three countries or difficulties when it comes to the evaluation of the compliance with human rights standards (e.g. in terms of adequacy of benefits, transparency, accountability).

Sources of information are legal regulations and laws, as well as websites of respective ministries, administrative bodies, organisations providing pension services, etc. Other sources include statistics, rankings and surveys. Whenever possible, primary literature is used. However, for some aspects of the pension schemes there is only limited access to primary literature. This is due to the fact that the information is either not accessible to the public or that the information is only available in the official language of the respective country. Sources in Mandarin Chinese are used for this thesis. However, sources in Korean or Dutch are only useful to a limited extent due to my lack of proficiency in these languages. Most of the information is, however, available in English.

2.2.2. Analytical Framework

In this part of the thesis, the human rights principles will be introduced and then compiled in an analytical framework. The framework is not restricted to the analysis of pension systems. It can also serve as a method to examine other aspects of social security, after some of the indicators for each criterion have been appropriately adjusted.

In 2008, The UN Economic and Social Council, which "is the principal body for coordination, policy review, policy dialogue and recommendations on economic, social and environmental issues, as well as implementation of internationally agreed development goals" (United Nations 2018), published General Comment No. 19 on Article 9 of the International Covenant on Economic, Social and Cultural Rights. Article 9 deals with the right to social security. General Comment No. 9 provides comments on Article 9 and information on "the right to social security […], on States parties' obligations […], on violations […] and on [the] implementation at the national level […]," as well as on " the obligations of actors other than States parties" (UN Committee on Economic, Social and Cultural Rights 2008, 4). According to the General Comment, the four main elements of the right to social security are: availability, social risks and contingencies, adequacy and accessibility (ibid., 4-8). In the following, these four elements will be explained in detail.

Availability (Right to Social Security)

In terms of the first element, availability, it is stated that social security systems must be "available and in place to ensure that benefits are provided for the relevant social risks and contingencies." (UN Committee on Economic, Social and Cultural Rights 2008, 4) The right to social security should be included in national legal frameworks and it is the duty of governments and responsible authorities to "take responsibility for the effective administration or supervision of the [social security] system. The schemes should also be sustainable, including those [schemes] concerning provision of pensions, in order to ensure that the right can be realized for present and future generations." (ibid.) Additionally, the former UN Special Rapporteur on extreme poverty and human rights, Magdalena Sepúlveda Carmona, states in a report of 2010 that national legal frameworks should also include the right to non-contributory schemes. According to Sepúlveda Carmona, a strong framework and a long-term strategy are "essential to protect the programme against political manipulation" and to ensure "the long-term involvement of State authorities in all stages of the programme. It also allows rights-holders to know what their entitlements are, and the criteria for inclusion in and exclusion from the programme." (Sepúlveda Carmona 2010, 12) Sepúlveda Carmona states that it is important that the frameworks include the following factors: definition of eligibility requirements, explanation of roles and duties of involved and responsible bodies and authorities "at the national and local levels, [of] international organizations and civil society organizations", etc., "mechanism to ensure transparency and access to information", access to complaint mechanisms and participation channels for those who receive benefits (ibid., 12).

Social Risks and Contingencies

The UN Committee on Economic, Social and Cultural Rights defines the following social risks and contingencies: "health care, sickness, old age, unemployment, employment injury, family and child support, maternity, disability, and survivors and orphans." (Social Protection & Human Rights 2015a) States parties should take measures to implement social security systems that "provide for the coverage of [these] principal branches of social security." (UN Committee on Economic, Social and Cultural Rights 2008, 4) In this thesis, the focus lies on the branch of old age.

In terms of social security in old age, it is stated in General Comment No. 19 that governments should "establish social security schemes that provide benefits to older persons, starting at a specific age, to be prescribed by national law." (ibid., 5) Moreover, the retirement age in a country should be "appropriate to national circumstances which take account of, inter alia, the nature of the occupation, in particular work in hazardous occupations and the working ability of older persons." (ibid.) If elderly people "who, when reaching the retirement age prescribed in national legislation, have not completed a qualifying period of contributions or are not otherwise entitled to an old-age insurance-based pension or other social security benefit or assistance, and have no other source of income", they should get access to "non-contributory old-age benefits, social services and other assistance" (ibid.).

When it comes to health care, which will be examined in this thesis to some extent, the UN Committee on Economic, Social and Cultural Rights states that it is the duty of governments "to guarantee that health systems are established to provide adequate access to health services for all." (ibid.) The right to health care should be included in pension schemes. Access to health care must be provided in a timely manner and it must be affordable for elderly people. (ibid.) Costs for medicine and health care influence the financial security of elderly people, as these "expenses […] account for as much as three quarters of the income of the poorest groups." (Sepúlveda Carmona 2010, 17) Thus, "the positive impact of social protection initiatives on older persons' standards of living can be nullified by the burden posed by health-care-related costs." (ibid.) Additionally, "[t]he long-term care needs of older persons increase as they get to older ages, and where formal care is the only option, the costs can be overwhelming." (UN Department of Economic and Social Affairs 2016, 4) For elderly people and their families, long-term care can become a huge financial burden. This is especially the case "in low-income countries, where Governments do not finance long-term care" (ibid.). Finally, there is a social risk for elderly "persons who have not been able to accumulate sufficient income or wealth through contributory pensions, savings, intergenerational transfers or other sources," as they "are not able to access the health or care services they need without social-protection support." (ibid.)

Adequacy

The third element, adequacy, means that "[b]enefits, whether in cash or in kind, must be adequate in amount and duration in order that everyone may realize his or her rights to family protection and assistance, an adequate standard of living and adequate access to health care, as contained in articles 10, 11 and 12 of the Covenant." (UN Committee on Economic, Social and Cultural Rights 2008, 7) In order to be considered adequate, benefits "must be high enough to enable older people to […] afford the goods and services they require to realize at least the minimum core content of their economic, social and cultural rights." (Sepúlveda Carmona 2010, 17) It is important to regularly examine the adequacy of benefits. Older people are especially at "risk of becoming or remaining poor. In later life, people reduce their working hours or stop working because of retirement options or health issues, and when they need or prefer to continue working, many earn lower wages." (UN Department of Economic and Social Affairs 2016, 1)

It is the duty of the government to "pay full respect to the principle of human dignity […] and the principle of non-discrimination, so as to avoid any adverse effect on the levels of benefits and the form in which they are provided." (UN Committee on Economic, Social and Cultural Rights 2008, 7) The UN Committee on Economic, Social and Cultural Rights states that "[w]hen a person makes contributions to a social security scheme that provides benefits to cover lack of income, there should be a reasonable relationship between earnings, paid contributions, and the amount of relevant benefit." (ibid.)

Accessibility

Accessibility includes the following criteria: coverage, eligibility, affordability, participation, information, and physical access.

In terms of coverage, the UN Committee on Economic, Social and Cultural Rights explains that "[a]ll persons should be covered by the social security system, especially individuals belonging to the most disadvantaged and marginalized groups, without discrimination on any of the grounds prohibited under article 2, paragraph 2, of the Covenant." (UN Committee on Economic, Social and Cultural Rights 2008, 8) It is stated in the International Covenant on Economic, Social and Cultural Rights that "any discrimination, whether in law or in fact, [...] on the grounds of race, colour, sex, age, language, religion, political or other opinion, national or social origin, property, birth, physical or mental disability, health status [...], sexual orientation, and civil, political, social or other status" is prohibited (UN Committee on Economic, Social and Cultural Rights 2008, 9f.). It is particularly important for governments to ensure that disadvantaged and vulnerable groups of people enjoy social security. These include women, elderly people, children, people with disabilities, members of minority groups, migrants, people seeking asylum, refugees, "the unemployed, workers inadequately protected by social security, persons working in the informal economy, sick or injured workers, [...] adult dependants, domestic workers, homeworkers, [...] internally displaced persons, returnees, non-nationals, prisoners and detainees." (ibid., 10)

The implementation of non-contributory pension schemes can lead to universal coverage and the reduction of old-age poverty. Non-contributory schemes can either be universal or targeted. While "universal schemes [...] ensure that every individual above a given age is entitled to receive pensions", the characteristic of "targeted schemes [is] that [they] are intended to select beneficiaries on the basis of their income or poverty level and their age." (Sepúlveda Carmona 2010, 13) It is argued that universal pension schemes are most likely to comply with human rights principles, because

> *[...] a universal scheme [...] responds to the claim of universality of human rights norms; [...] complies with the principle of equality and [non-discrimination]; [...] reduces opportunities for corruption and manipulation in the selection of beneficiaries which typically excludes the poorest; and [...] reduces possible stigmatization as it is available to all who comply with the age requirement (Sepúlveda Carmona 2010, 14).*

When it comes to the criterion eligibility, it is stated in General Comment No. 19 that "[q]ualifying conditions for benefits must be reasonable, proportionate and transparent. The withdrawal, reduction or suspension of benefits should be circumscribed, based on grounds that are reasonable, subject to due process, and provided for in national law." (UN Committee on Economic, Social and Cultural Rights 2008, 8) Respective national laws and legal frameworks should include eligibility requirements (Sepúlveda Carmona 2010, 14).

The criterion affordability is fulfilled when contributions to a social security scheme are affordable. The UN Committee on Economic, Social and Cultural Rights points out that "those contributions should be stipulated in advance. The direct and indirect costs and charges associated with making contributions must be affordable for all, and must not compromise the realization of other Covenant rights." (UN Committee on Economic, Social and Cultural Rights 2008, 8)

It is stated in General Comment No. 19 that "[b]eneficiaries of social security schemes must be able to participate in the administration of the social security system" (ibid.), as it is "their right to take part in public life[,] which is a core component of human rights instruments." (Sepúlveda Carmona 2010, 16) Participation includes the participation in design and implementation processes as well as decision-making processes (ibid.). It is important to pay special attention to disadvantaged groups of people. The problem with the principle of participation is "that participatory strategies are often not meaningful as they are often reduced to mere consultation that does not allow for real input from participants into decision-making." (ibid.) Civil society organisations help elderly people to claim their rights and to voice their opinions (ibid.).

Information on social security systems must be provided by governments. According to the UN Committee on Economic, Social and Cultural Rights, a social security "system should be established under national law and ensure the right of individuals and organizations to seek, receive and impart information on all social security entitlements in a clear and transparent manner." (UN Committee on Economic, Social and Cultural Rights 2008, 8) Furthermore, social security systems need to be transparent to prevent "unequal power relations and" decrease "the likelihood of mismanagement", and they need to provide access to information, as restricted "access to information by beneficiaries impedes their access to programmes and their ability to claim their rights." (Sepúlveda Carmona 2010, 15)

Transparency is closely linked to the principle of accountability. "If rights holders are unaware of government rules, and indeed are not able to observe the implementation of social protection programmes in accordance with those rules, their ability to recognize violations and voice objections will be constrained." (Social Protection & Human Rights 2015b) Access to information enables beneficiaries to understand the contents of social security schemes and to claim their right to social security. Clear and transparent access to information shall at least be provided on core components of pension schemes, such as eligibility requirements, accountability and complaint mechanisms, benefit levels and the calculation of benefits, and necessary steps to claim the right to benefits. (Sepúlveda Carmona 2010, 15)

In addition, social security systems need to be accessible for beneficiaries. This includes physical and cultural access. Physical access means that "benefits should be provided in a timely manner and beneficiaries should have physical access to the social security services in order to access benefits and information, and make contributions where relevant." (UN Committee on Economic, Social and Cultural Rights 2008, 8) It is especially important to pay "[…] attention […] to persons with disabilities, migrants, and persons living in remote or disaster-prone areas, as well as areas experiencing armed conflict, so that they, too, can have access to these services." (ibid., 8f.) Next, social service offices should be conveniently accessible for all people and methods for the payment of contribution and reception of benefits should include electronic methods, such as "debit cards, smart cards and mobile phones" (Sepúlveda Carmona 2010, 15). Furthermore, there should be no "administrative barriers that prevent […] people from accessing [benefits], such as requiring identification documents for registration when such documents are costly or may not exist in countries where many people are not registered at birth." (ibid.) Social security systems are culturally accessible when information also "[reaches] excluded segments of society (e.g. [through] radio announcements, talk shows, community plays, etc.).” (ibid.) It is also important to provide illiterate people and people facing linguistic barriers (such as migrants, minorities, indigenous people etc.) with access to information, “e.g. by making information available in languages used by minorities and indigenous people” (ibid.).

In addition to the afore-mentioned elements, governments should ensure gender equality and implement effective accountability measures. To ensure gender equality, men and women must enjoy equal rights when it comes to social security. Women are often disadvantaged when it comes to the adequacy of pension benefits as many women have had to raise their children and have therefore lost important insurance years, received lower wages than men or only worked part-time. (Committee on Economic, Social and Cultural Rights 2008, 10) Gender equality can be achieved by an “equalization of the compulsory retirement age for both men and women; ensuring that women receive equal benefits in both public and private pension schemes; and guaranteeing adequate maternity leave for women, paternity leave for men, and parental leave for both men and women.” (Committee on Economic, Social and Cultural Rights 2008, 10) Additionally, elderly women often have limited access to social pensions due to a “structural discrimination, such as lack of access to adequate documentation and identification; difficulties to approach administrations or lack of gender sensitive social services.” (Sepúlveda Carmona 2010, 18)

According to the UN Committee on Economic, Social and Cultural Rights, “[a]ny persons or groups who have experienced violations of their right to social security should have access to effective judicial or other appropriate remedies at both national and international levels.” (UN Committee on Economic, Social and Cultural Rights 2008, 20) In the case of human rights violations, “[a]ll victims of violations of the right to social security should be entitled to adequate reparation, including restitution, compensation, satisfaction or guarantees of nonrepetition.” (ibid.) Additionally, “[n]ational ombudspersons, human rights commissions, and similar national human rights institutions should be permitted to address violations of the right. Legal assistance for obtaining remedies should be provided within maximum available resources.” (ibid.) Thus, accountability, complaint and decision-review mechanisms need to be implemented in social security schemes. Governments, organisations and other authorities and bodies involved “must […] be held accountable when their decisions and actions impact negatively on the right to social security of older persons.” (Sepúlveda Carmona 2010, 15f.)

To sum up, governments should pay attention to the following criteria when implementing social security schemes: A social security scheme should be available and the right to social security should be ensured, the scheme should be accessible to every person and no person should be discriminated against, physical access as well as cultural access should be ensured, information to the social security scheme must be accessible for every person and information must be transparent, accountability mechanisms should exist, beneficiaries must have the possibility to participate in design and decision-making processes, the level of benefits must be adequate, access to health care should be ensured, and women and men should be treated equally. The analytical framework for this thesis includes the afore-mentioned criteria and their indicators. An overview will be given in the following table:

Analytical Framework	
Human Rights Principles	**Indicators**
Right to Social Security	- Inclusion in domestic law/national legal and institutional frameworks - Inclusion of right to non-contributory pensions - Inclusion of the following factors: eligibility requirements, mechanisms to ensure transparency and access to information, roles and responsibilities, accessible complaint mechanisms, participation channels for beneficiaries
Equitable Access	- Equality and non-discrimination - Universal coverage - Special measures to protect most vulnerable and disadvantaged people
Accessibility	- Physically accessible (distribution of benefits: safe physical reach, convenient geographic location; electronic methods of payment) - No administrative barriers - Culturally accessible (outreach and information designed so that everyone has access, e.g. via radio announcements; no illiteracy and linguistic barriers) - No discrimination
Transparency and Access to Information	- Clear and transparent access to information (about targeting mechanisms, eligibility criteria, levels of benefits and complaint mechanisms, redress mechanisms)
Accountability	- Right to effective remedy - Effective accountability mechanisms - Complaint mechanisms - Decision reviews
Participation	- Participation of beneficiaries, civil society organisations, etc. - Participation in design, implementation and monitoring of social pensions - Participation in collective decision-making processes - Inclusion of disadvantaged groups
Adequacy of Benefits	- Adequate benefits to ensure adequate standard of living - Timely access - Old-age poverty rates
Access to Health Care	- Timely and adequate access to health care - Affordability
Gender Equality	- Equal access to social insurance for men and women (equal retirement age, equal benefits) - Equal contributions (hindering factors: family responsibilities, unequal wage outcomes,…)

All of these criteria are core human rights principles. A social security scheme only complies with human rights principles to the full extent if all criteria are fulfilled.

The first criterion can be measured by examining laws and legal frameworks of a country. Next, to find out if equitable access is provided, the target groups of various progammes and policies as well as eligibility requirements that need to be fulfilled to receive benefits can be examined. Content on websites of social security services, administrative requirements to receive benefits and eligibility requirements give some indication of the accessibility of pension schemes. When it comes to transparency and access to information, it is best to examine relevant laws and legal frameworks and also websites of social security services. It can be analysed which information on programmes is provided in which form. Accountability can be measured by considering whether people are informed – for example via legal frameworks or social security offices – about their right to complain and the procedure of filing complaints, as well as decision-review mechanisms and accountabilty mechanisms. Whether people and civil organisations have the right and ability to participate in decision-making processes and the design and implementation of social security programmes, can be established either by examining legal frameworks or by seeking information about the nature and objectives of existing organisations, such as non-governmental organisations, which aim to help (elderly) people to make their voices heard. The adequacy of benefits can be assessed by examining information on the calculation of benefits, statistics on old-age poverty rates, sources of old-age income, etc. The principle of access to health care is fulfilled if medication and health care services are accessible and affordable for everyone. This can be assessed by examining statistics and studies on health care schemes in the respective countries and information provided by governments. To determine whether men and women enjoy equal rights, labour force participation rates of both men and women, old-age poverty rates, statistics on gender gaps in pensions, coverage rates, etc. can be examined.

3. Empirical Analysis of Old-Age Income Support in the Netherlands, South Korea and China

In this part of the thesis, the afore-mentioned analytical framework will be applied. Each subchapter will deal with one criterion of the framework, i.e. one human rights principle. The analysis starts with the Netherlands, which serves as benchmark country. After examining the pension system of the Netherlands and pointing out which aspects have been implemented successfully, the analysis of the pension systems of the Republic of Korea and the People's Republic of China will follow.The aim of this chapter is to find answers to the posed research questions and to get a detailed overview of the three pension systems.

Sources mainly include national laws and legal frameworks. In some cases (human rights principles of accessibility, participation, access to health care, and gender equality), reality checks will be conducted. Only four principles were chosen for the reality checks due to the large scope of this topic and partly limited access to information. Sometimes, information is only available for one or two countries. But as the aim of this thesis is to compare the pension systems of all three countries, it will only be analysed if the implemented elements of the pension systems comply with human rights principles in practice, when information for all three countries is accessible.

3.1. Old-Age Income Support in the Netherlands

This chapter deals with old-age income support in the Netherlands. In several international rankings regarding old-age income support and the situation of elderly people, the Netherlands is among the top-performing countries. The pension system is classified as robust, stable and of high quality (Australian Centre for Financial Studies 2016, 7) and it achieves the highest level of adequacy among all examined countries (ibid., 8). In terms of income security in old age, the Netherlands is ranked fifth (HelpAge International 2015d, 22), and the old-age poverty rate in the Netherlands is the lowest (with 2.0%) among all OECD countries (OECD 2015, 171).

In the Netherlands, the Ministerie van Sociale Zaken en Werkgelegenheid [Ministry of Social Affairs and Employment] is responsible for old-age income support. Other fields of responsibility include "labour market policy, including migration and the free movement of workers, benefits and re-integration, income policy, work-life balance, and policy on working conditions and inspection." (Government of the Netherlands 2017)

The national insurance schemes of the Netherlands are implemented by the Sociale Verzekeringsbank (SVB) [Social Insurance Bank], which consists of a head office in Amstelveen and nine branch offices (Sociale Verzekeringsbank 2017a).

3.1.1. Right to Social Security

The right to social security is included in legal frameworks of the country. It is stated in the Constitution of the Kingdom of the Netherlands that everybody "in the Netherlands shall be treated equally in equal circumstances. Discrimination on the grounds of religion, belief, political opinion, race or sex or on any other grounds whatsoever shall not be permitted." (The Constitution of the Kingdom of the Netherlands 2008, art. 1) When it comes to the right to social security, it is the duty "of the authorities to secure the means of subsistence of the population and to achieve the distribution of wealth." (ibid., art. 20, sec. 1) Acts of Parliament shall regulate the entitlement to social security as well as the help from authorities for those “who are unable to provide for themselves” (ibid., art. 20, sec. 2 & 3). Additionally, it is the duty of authorities “to provide sufficient living accommodation” and to “take steps to promote the health of the population” as well as “social and cultural development” (ibid., art. 22, sec. 1-3).

The Dutch pension system is divided into three pillars: A basic state pension for people aged 65 and over (first pillar), an occupational pension (second pillar) and private pension provisions (third pillar) (Ministry of Social Affairs and Employment (Netherlands) 2008, 5).

The legal framework for the basic state pension is the General Old Age Pensions Act [Algemene Ouderdomswet, or AOW] (Overheid.nl 2017). The General Old Age Pensions Act was introduced in 1957 with the purpose “to entitle all people aged 65 and over to full AOW old-age pension rights.” (ibid., 7) Additionally, the Dutch Surviving Dependants Benefits Act [Algemene nabestaandenwet, or ANW] ensures that benefits are paid to people “whose partner has died and [to] children younger than 16 who have lost one or both parents.” (ibid., 5) Under the Participation Act [Participatiewet], which was implemented in 2015 (Buiskool, Broek, and Dente 2015, 7), AIO supplements – Additional Provisions for the Elderly – can be paid to people who “are living in the Netherlands and do not receive a full AOW pension, but have little other income and means besides [their] AOW pension” (European Commission - Directorate-General for Employment 2016, 26). The pension schemes included in the first pillar “are financed according to the pay-as-you-go (PAYG) system: today’s contributors finance the pension payments made to the retirees of today.” (Ministry of Social Affairs and Employment (Netherlands) 2008, 6)

The Pension Act [Pensioenwet, or PW] is one of the legal frameworks for the second pillar, the occupational pensions. The Pension Act was introduced in 2007 and aims “to safeguard the financial security of pension entitlements, individual security and protection of participants and security in the pension institution’s operational management.” (Ministry of Social Affairs and Employment (Netherlands) 2008, 14) This act defines the “duties and responsibilities [of] the employer, the employee and the pension administrator […] with regard to […] pensions.” (Philips Pensioenfonds 2017) Other legal frameworks for the second pillar include “the 2000 Mandatory Participation in an Industry-Wide Fund Act (Bpf 2000), the Mandatory Pension Act for Professional Groups (WVB) and the Equalisation of Pension Rights in the Event of a Divorce Act (WVPS).” (ibid.) The 2000 Mandatory Participation in an Industry-Wide Fund Act, which came into effect in 2000, “[covers] all employees in the respective industry, including private and public-sector employees.” (Ministry of Social Affairs and Employment (Netherlands) 2008, 9) The Mandatory Pension Act for Professional Groups was introduced in 2006 and covers “all professional members in a particular sector”, such as “pilots, civil-law notaries and medical specialists.” (ibid., 18)

Pension sharing in the case of a divorce is regulated in the Equalisation of Pension Rights in the Event of a Divorce Act of 1994 (Overheid.nl 2013). After a married couple gets divorced or after a registered partnership is ended, “[t]he pension provider pays out a share [50%] of the accrued pension entitlements to each of the former partners individually from the pension date of the partner that has accrued pension rights.” (Ministry of Social Affairs and Employment (Netherlands) 2008, 18)

In addition to the basic state old-age pension and the occupational pensions, people in the Netherlands can also take part in a supplementary private pension scheme (third pillar). This means that they can “individually […] make pension arrangements with an insurance provider by buying an annuity insurance or endowment insurance.” (Ministry of Social Affairs and Employment (Netherlands) 2008, 5) These private pension schemes will not be examined in this thesis.

Eligibility Requirements

It is stated in the General Old Age Pensions Act (AOW) that citizens of the Netherlands can receive AOW pension benefits if they have reached the retirement age. The retirement is currently 65 years, but will gradually be raised to 67 years by 2021 (Algemene Ouderdomswet [General Old Age Pensions Act] 2017, art. 7a) The recipients do not necessarily have to live in the Netherlands at the time of their retirement in order to receive pension benefits (Sociale Verzekeringsbank 2017b).

If a person fulfills the following requirements, he or she can receive ANW benefits (Surviving Dependants Benefits) before having reached the AOW retirement age. Someone can receive ANW benefits when his or her partner (unmarried or married) dies and if his or her “late partner lived or worked in the Netherlands,” and if the surviving dependant “[looks] after a child under 18, or [is] at least 45% incapacitated for work” (Sociale Verzekeringsbank 2017c). “A child can get an ANW orphan’s benefit if he or she has lost both parents. It makes no difference whether the child is a natural child or an adopted child. A child can only receive an orphan’s benefit if the parent who died last was insured under the Anw scheme.” (Sociale Verzekeringsbank 2017d) In the case of the death of a former spouse or registered partner, the surviving dependant can receive benefits if he or she “met the conditions for receiving the benefit on the date of divorce as well as on the date on which [the] former partner passed away,” and if the “former spouse was obliged to pay maintenance to [the surviving dependant] when he or she passed away. It makes no difference whether [the surviving dependant] actually received the maintenance.” (Sociale Verzekeringsbank 2017e)

Every year, the government of the Netherlands defines a minimum income level. If a citizen of the Netherlands has reached the AOW retirement age and if his or her “income is below the set minimum income,” and if he or she does “not have more than a certain amount in assets”, this citizen is eligible to receive AIO supplements. (Sociale Verzekeringsbank 2017f)

In terms of the occupational pension schemes, these “pensions are subject to negotiations between employer associations and trade unions.” (Ministry of Social Affairs and Employment (Netherlands) 2008, 14)

Transparency Mechanisms and Access to Information

The legal frameworks for the first pillar do not include provisions regarding transparency mechanisms and access to information. When it comes to the second pillar, the Pensions Act defines “information-related provisions” with the purpose “to boost pension awareness.” (Ministry of Social Affairs and Employment (Netherlands) 2008, 15) These provisions include adequate information on the pension scheme, information on “objectives of the pension fund and the rights of the scheme’s members and beneficiaries. Material changes in these objectives or rights must be reported to [beneficiaries] in a timely manner.” (ibid.) Additionally, a pension portal has been implemented, which will be introduced in more detail in subchapter 3.1.4). Furthermore, it is stated that employers must “ensure that within three months after the commencement of the acquisition of pension entitlements, the pension provider will inform the employees" in a so-called starting letter about the following topics:

> *[…] content of the base pension scheme; […] granting of supplements; […] employee's right to request the pension regulations applicable to the employee from the pension provider; […] existence of a voluntary pension scheme; […] circumstances relating to the functioning of the pension provider; […] employee's right to submit a request to the pension provider for a calculation of the effects of conversion on his pension entitlement. (Pension Act 2007, art. 21, sec. 1)*

Roles and Responsibilities

Contributions for the General Old Age Pension (AOW) are collected by tax authorities "through income tax. The administrative body for the AOW is the Social Insurance Bank (SVB)." (Ministry of Social Affairs and Employment (Netherlands) 2008, 8) The Minister of Social Affairs and Employment is responsible for appointing "[t]he members of the Boards of Directors and Advisors of [the] SVB" and also for the "adequate implementation" of national social security schemes, "such as the AOW and ANW" (ibid.). The Social Insurance Bank must "submit its annual plan and budget to the minister for approval. In addition, the SVB periodically reports to the minister about its performance and activities." (ibid.) The Work and Income Inspectorate (IWI) is a part of the Ministry of Social Affairs and Employment and has the duty to supervise the Social Insurance Bank (ibid.). The Work and Income Inspectorate also "supervises the administration of the statutory employee insurance schemes carried out by a number of other administrative bodies." (ibid.)

According to the Pension Act, employers must "[place] the pension contributions outside the company by joining an industry-wide fund, establishing a single-company fund or outsourcing the accrued pension assets to an insurance company." (ibid., 14) The duties of pension providers include to "[draw] up pension scheme regulations in accordance with the pension agreement and which comply with legal requirements. The pension provider is also responsible for the provision of information to members and beneficiaries." (ibid.) Employees and employers are represented by representatives in the board of a pension fund. The board's responsibility is "to take into account the interests of all active members, deferred members and retirees of the fund and ensure that each of these groups feels equally represented." (ibid., 16)

Accessible Complaints Mechanisms

It is stated in Article 78a of the Constitution that "[t]he National Ombudsman shall investigate, on request or of his own accord, actions taken by administrative authorities of the State and other administrative authorities designated by or pursuant to Act of Parliament." (The Constitution of the Kingdom of the Netherlands 2008, art. 78a) The areas for which the National Ombudsman is responsible include "every area of public administration, from government ministries and their executive agencies (such as the Tax and Customs Administration), to the bodies which administer social benefits, the police, water boards, provinces and municipalities." (De Nationale Ombudsman 2017) The duties of the National Ombudsman include "to safeguard the rights of the citizens in all dealings with administrative authorities", "to help citizens by investigating their complaints" and to "advise where appropriate" and to "refer cases to the relevant public administration." (ibid.)

Participation Channels for Beneficiaries

Information on participation channels for beneficiaries is not included in the legal frameworks for the first pillar. When it comes to the second pillar, pension funds have "to establish a council of participants", which is entitled "to prior consultation on a large number of issues. Furthermore, by law the ratio between employees and retirees (or their representatives) in the council of participants must be equal to the ratio between active members and retirees." (Ministry of Social Affairs and Employment (Netherlands) 2008, 16)

3.1.2. Equitable Access

Access to pension benefits is equitable if the coverage is universal, if people are not discriminated against, if all citizens of a country enjoy equal rights, and if measures are taken to protect vulnerable and disadvantaged citizens.

As was stated above, it is regulated in the Constitution of the Kingdom of the Netherlands that everyone in the Netherlands enjoys equal rights. Accordingly, this also applies to social security rights.

It is laid down in the General Old Age Pensions Act that AOW pension benefits are paid to "everyone who has reached the AOW pension age and lives or has lived in the Netherlands […]." (Sociale Verzekeringsbank 2017b) The retirement age in the Netherlands is currently 65 years, but will gradually be raised to 67 years by 2021 (Algemene Ouderdomswet [General Old Age Pensions Act] 2017, art. 7a) From 2022 onwards, the retirement age "will be linked to life expectancy." (Sociale Verzekeringsbank 2017b) People have the possibility to "build up rights to an AOW pension in the 50-year period preceding the date on which [they] reach [their] AOW pension age. Each year that [they] are insured entitles [them] to 2% of the full AOW pension." (Sociale Verzekeringsbank 2017g) Usually, people are not covered when they do not live or work in the country. However, people can be insured while living outside of the Netherlands if they fulfill the following requirements:

> *If you work and pay tax and national insurance contributions in the Netherlands, and you do not have a secondment certificate from another country.*
>
> *If you work outside the Netherlands and you have a Dutch secondment certificate.*
>
> *If you are a Dutch national working outside the Netherlands for a Dutch embassy or consulate or another Dutch government institution. Your family members will stay insured as well, unless they start working outside the Netherlands and earn more than the tax-free threshold.*
>
> *If you work in international transport for a Netherlands-based company and you transport goods or persons.*

> *However, you will not be insured if you work mainly in the country where you live or if you work for a branch of your company outside the Netherlands. If you live on board a ship, your family members living on board with you will also be insured. Different rules apply within the EU. See working in two or more countries.*
>
> *If you are staying outside the Netherlands temporarily to study and you do not work in that country.*
>
> *If you are receiving care in one of a number of care institutions outside the Netherlands, such as the Dutch sanatorium in Davos. (Sociale Verzekeringsbank 2017h)*

People who live in the Netherlands cannot be insured when they are employed outside of the country without a Dutch secondment certificate, if they are employees of non-Dutch employers, embassies, international organisations, etc., if they are employed in the Netherlands without having a Dutch secondment certificate or if they are temporary students in the Netherlands without having a job (Sociale Verzekeringsbank 2017h).

The same requirements apply for the ANW survivor benefits (Sociale Verzekeringsbank 2017c). Furthermore, people cannot receive ANW benefits in the following cases: If someone is only married for one year or less and the partner dies within this time "of an illness that he or she already had on that date [of marriage], and the death was expected", if the survivor is imprisoned or if the survivor "ended [his/her] partner's life or helped someone to do so." (Sociale Verzekeringsbank 2017i)

Additional Provisions for the Elderly (AIO) can be received by those people living in the Netherlands whose "income is below the set minimum income, and [who] do not have more than a certain amount in assets." (Sociale Verzekeringsbank 2017f)

When it comes to the second pillar, the occupational pensions, it is stated that "collective sector agreements […] ensure the quasi-mandatory coverage of more than 95 percent of the employed population." (Ministry of Social Affairs and Employment (Netherlands) 2008, 9) People covered by occupational pensions include "private and public-sector employees including civil servants", while "[m]andatory industry-wide pension schemes cover all employees in the respective industry, including private and public-sector employees. In the case of all other schemes – voluntary industry-wide and company specific pension schemes – coverage is regulated by the applicable scheme regulations." (Ministry of Social Affairs and Employment (Netherlands) 2008, 9)

Last but not least, statistics show that pension coverage in the Netherlands is with 100% the highest coverage possible (HelpAge International 2015e).

3.1.3. Accessibility

In reality, the principle of accessibility can be regarded as fulfilled, as physical and cultural access are ensured and there are no administrative barriers and no obvious cases of discrimination.

People who are eligible to receive AOW pension benefits will receive a letter from the Social Insurance Bank, stating that they have the possibility to claim their benefits. The following information and documents are needed when the claim is submitted: the bank account number and – if the person has been employed outside of the country – "scans of documents showing your periods of work outside the Netherlands and/or a statement of periods of insurance outside the Netherlands" (Sociale Verzekeringsbank 2017j). It is possible to claim benefits online on the website of the Social Inusrance Bank. (Sociale Verzekeringsbank 2017j)

If someone is eligible to receive ANW benefits, he or she will either be informed by the municipal authorities or has to submit a claim online or in paper form (Sociale Verzekeringsbank 2017k). The Social Insurance Bank will send a letter to people who might be entitled to AOI benefits. "By filling in a few questions [on the website of the SVB], [they] can find out whether [they] are eligible for an AIO supplement. If so, [they] can ask for a claim form online straight away." (Sociale Verzekeringsbank 2017l)

In order to receive information on the pension schemes, citizens of the Netherlands can visit the head office of the Social Insurance Bank in Amstelveen or one of the nine branch offices which are located throughout the country. Service teams at these offices can also be contacted "by telephone, email or letter" (Sociale Verzekeringsbank 2017a).

It is also possible to visit the website of the Social Insurance Bank – www.svb.nl. The website is available in the following languages: Dutch, English, German, French, Spanish, Polish, Turkish, Italian and Portuguese. (Sociale Verzekeringsbank 2017a) The Social Insurance Bank "took care to make the site as accessible as possible for visually impaired people." Furthermore, people with "reading difficulties" or people who "have trouble understanding the information on [the] website" can "visit [the] simplified site, svbabc.nl, where [they] can find easy-to-understand information about various social security schemes (only in Dutch)." (Sociale Verzekeringsbank 2017m)

3.1.4. Transparency and Access to Information

As was stated in the previous subchapter, information is accessible via offices of the Social Insurance Bank or via its website, www.svb.nl. The website offers information on the structure, organisation, tasks, etc. of the Social Insurance Bank as well as information on the AOW, ANW and AOI schemes. All necessary information on these schemes can be found on this website, including eligibility requirements, submission of benefit claims, calculation of benefits, complaint mechanisms etc. (Sociale Verzekeringsbank 2017g) The information is provided in a clear and transparent manner and in several European languages.

The pension portal www.mijnpensioenoverzicht.nl enables citizens of the Netherlands "to view their accrued pension rights online, including the benefit under the General Old Age Pensions Act (AOW)." (Ministry of Social Affairs and Employment (Netherlands) 2008, 15) This portal is only available in Dutch. Another website which provides information (in Dutch) on the pension system of the Netherlands is www.pensioenkijker.nl (Pensioenkijker.nl 2017).

Furthermore, information on the pension schemes is accessible via the respective laws and legal frameworks of the country. The laws are only available in Dutch.

3.1.5. Accountability

It is possible to file complaints via letters, telephone or online on the website of the Social Insurance Bank by submitting a complaint form. People can file complaints if, for example, they "are […] dissatisfied with [the SVB's] service, […]" or if benefits are constantly paid "into the wrong account" (Sociale Verzekeringsbank 2017n). Complaints can also be filed by sending a letter to the National Ombudsman, who tries "to safeguard the rights of the citizens in all dealings with administrative authorities", "to help citizens by investigating their complaints" and to "advise where appropriate" and to "refer cases to the relevant public administration." (De Nationale Ombudsman 2017)

If decisions are to be reviewed, the Social Insurance Bank needs to be called first. If there is still a disagreement between the SVB and the beneficiary, the beneficiary "can send […] a letter to request a review", which needs to be done "within six weeks of the date of the decision." (Sociale Verzekeringsbank 2017o) When the decision has been reviewed and the beneficiary is still not content, he or she "can lodge an appeal with the court." (ibid.) When requesting a decision review, it is necessary to state the following information:

- *your name and address*
- *your Burgerservicenummer (BSN) or your registration number (you will find this number in the letter we sent you)*
- *your telephone number*
- *the date of your request for review*
- *the decision you are objecting to*
- *your reasons for not agreeing with the decision*
- *the decision you think the SVB should take*
- *your signature*

(ibid.)

3.1.6. Participation

When it comes to occupational pensions, beneficiaries are represented by trade unions, which take part in decision-making processes and discussions with employer associations about matters related to the design and implementation of occupational pensions (Ministry of Social Affairs and Employment (Netherlands) 2008, 14). Trade unions in the Netherlands "enjoy the support of the Dutch Parliament, certain political parties [...] and social institutions. There is no legal statute in the Dutch Constitution on trade unions. However, the freedom to unionise is based on Article 8 of the Constitution" (Baker and McKenzie 2009, 190). In Article 8 it is stated that "[t]he right of association shall be recognised." (The Constitution of the Kingdom of the Netherlands 2008, art. 8) The two largest trade unions in the Netherlands are the Netherlands Trade Union Confederation (FNV) and the National Federation of Christian Trade Unions in the Netherlands (CNV) (European Trade Union Institute 2016). The FNV "emerged from the merger of the socialist and the catholic union federations" (ibid.) and is with 1.1 million members the largest trade union in the Netherlands (FNV 2018). The CNV describes itself as "a Christian trade union federation with a support base of over 350,000 members." (CNV 2018) Both trade unions do not have "formal ties with any political parties" (European Trade Union Institute 2016). It needs to be mentioned, however, that in reality, less than 20% of the employees in the Netherlands are members of a trade union (European Trade Union Institute 2016).

People in the Netherlands can also take part in decision-making processes by participating in various organisations. Some of these organisations are part of a European network called AGE Platform, which is a "network of non-profit organisations of and for people aged 50+" (AGE Platform Europe 2017a). The objectives of this platform are "to voice and promote the interests of the 190 million citizens aged 50+ in the European Union and to raise awareness on the issues that concern them most." (ibid.) The focus lies on policy areas such as "anti-discrimination, employment of older workers and active ageing, social protection, pension reforms, social inclusion, health, elder abuse, intergenerational solidarity, research, accessibility of public transport [...] and new technologies (ICT)." (ibid.) Organisations represent elderly people "at EU, national, regional and local levels" and the platform "[informs] older people on their rights as EU citizen or resident and on EU policy making processes and recent EU policy development." (ibid.) Another objective of the platform is "to promote older people's participation in the development of projects and devices intended for them" (ibid.).

The following Dutch organisations are members of the AGE platform: ANBO, KBO-PCOB, National Ouderenfonds, National Council for The Elderly [Nederlandse Vereiniging van Organisaties van Gepensioneerden (NVOG)], Older Women's Network Europe and Oudere Vrouwen Netwerk Nederland (AGE Platform Europe 2017b).

ANBO, for example, "is a […] Dutch advocate for senior citizens" and "an independent body", which "in the political arenas of The Hague, and in municipal councils too, […] stands up for effective policies in the areas of healthcare, income, housing and mobility." (ANBO 2017) The organisation represents more than 180,000 elderly people in the Netherlands and aims "to maintain and improve the quality of life for current and future generations of senior citizens, with the emphasis on emancipation, participation, solidarity between generations and freedom of choice." (ANBO 2013, 2, ANBO 2017)

The social network *50plusnet.nl* helps elderly people to get in touch with other senior citizens and to participate in joint activities. More than 33.000 elderly people have joined this online community. This platform aims to help elderly people to "get […] out of isolation and/or to prevent older people from getting isolated;" it provides a possibility for participation in social activities and social life and it aims "to motivate older people to take initiative" and "to promote a healthy lifestyle and mental well-being" (EuroHealthNet 2017).

Furthermore, retired elderly people have the possibility to join the organisation *Gilde Nederland* as voluntary consultants for other senior citizens, non-profit organisations, etc. Their consultation service includes the provision of tips and information on issues related to the life of elderly people, the organisation of joint activities and other projects. "This enables volunteers to contribute positively to society, while remaining active and socially involved." (ibid.)

3.1.7. Adequacy of Benefits

As of July 2017, a person can receive the full pension amounts if he or she has accured pension rights “for the maximum period of 50 years” (Sociale Verzekeringsbank 2017p). If this is the case, he or she will receive the following AOW pension benefits (gross rates): ca. 1,161.69 EUR per month when he or she is single, ca. 801.05 EUR when someone lives in a relationship (ibid.) Insured people “build up rights to 2% of the full AOW pension” for each year of insurance (ibid.). Factors that have an influence on the amount of pension benefits are “the number of years” a person “[has] been insured under the AOW scheme,” and if the person “[lives] on [his/her] own or with someone else” (ibid.).

When compared to other countries in international rankings, the Netherlands performed very well in recent years in regard to the adequacy of benefits, income security and old-age poverty. In the Melbourne Mercer Global Pension Index of 2016, the Netherlands was ranked first with a value of 78.2 when it comes to the adequacy of pension benefits (Australian Centre for Financial Studies 2016, 8). The Global AgeWatch Index of 2015 ranked the Netherlands fifth with a value of 85.9 when it comes to old-age income security (HelpAge International 2015d, 22). In terms of income poverty of elderly people aged 65 and above in OECD countries, the Netherlands was ranked first in 2012 with a rate of only 2.0%. The OECD average was 12.4%. (OECD 2015, 171) Furthermore, the relative welfare of elderly people in the Netherlands is 94.0% and therefore very high (HelpAge International 2015e).

All in all, in terms of adequacy of benefits, the pension system of the Netherlands shows no or only minor weaknesses.

3.1.8. Access to Health Care

The health care system of the Netherlands consists of health insurance, long-term care, social support and care and support for children and adolescents. Health insurance includes “essential medical care, medications and medical aids which are consistent with the state of the art and medical practice.” (Ministry of Health, Welfare and Sport 2016, 3 & 8) The principles of the Dutch health care system are that it should provide “access to care for all, solidarity through medical insurance (which is compulsory for all and available to all) and high-quality healthcare services” (ibid., 3).

Everyone in the Netherlands who is a resident or a non-resident and “pay[s] payroll tax in the Netherlands [is] under obligation to take out health insurance with a care insurer”, and the obligation of all care insurers is “to accept everyone who applies for insurance.” (Ministry of Health, Welfare and Sport 2011, 18)

To reduce the financial burden of the health care insurance for elderly people (65 and over), elderly people “have received since January 2009 a higher allowance on the payment under the terms of the General Old Age Pensions Act […], i.e. the AOW allowance.” (ibid., 84) After raising the tax credit of elderly people and the income limit, “more family members are eligible for the elderly person’s tax credit. The upper income limit for the rent allowance for the elderly has also been raised.” (ibid.)

People in the Netherlands can be insured by one of 24 “private, competitive health insurers and healthcare providers”, who “are not-for-profit cooperatives that allocate any profits they make to the reserves they are required to maintain or return them in form of lower premiums.”

(Ministry of Health, Welfare and Sport 2016, 3) The health care system of the Netherlands is "a private system," but the government "protect[s] the public interest" by supervising the system (ibid., 4).

It will now be examined whether the principle of access to health care – especially in terms of physical and geographic access to health services – is fulfilled in practice. The Netherlands is a rather small country with a high density of population. This is an advantage when it comes to developing a health care system with a good infrastructure. Health services in the Netherlands are "characterised by good geographical availability" (OECD/European Observatory on Health Systems and Policies 2017, 12). For example, within an average distance of 6.2 kilometres, citizens have access to a centre that offers general practitioner services at out of office hours (ibid.). Furthermore, "[i]n case of emergency, there are 89 hospital locations offering 24/7 emergency services, which more than 99% of the population can reach within 45 minutes." (ibid.) Even people who live in remote areas, for example on islands, have access to health services in case of emergency. It is possible to be picked up by a helicopter and to be brought to a hospital on the mainland (ibid.).

People in the Netherlands might have limited access to health service providers that do not have a contract with the chosen health insurance policy. In this case, "[i]nsurers are entitled to set the reimbursement rate for non-contracted care, that is, care given by a provider that they do not have an agreement with, although this rate should be above 75% of the official reimbursement rate." (ibid.)

When it comes to physical access, "regulation on […] access to health facilities can be found in the Building Decree (Bouwbesluit)", especially regarding access for people using a wheelchair (Kroneman et al. 2018, 51). Moreover, specific Dutch Standards (NEderlandse Normen, NEN) were introduced to regulate the "accessibility to the environment of buildings, and the buildings and houses themselves." (ibid.)

Thus, people in the Netherlands have sufficient geographic and physical access to health service providers and health facilities. In terms of waiting times, "care providers and insurers have agreed acceptable waiting times (Treek Standards), specifically four weeks for consultations and diagnostics, and seven weeks for treatments." (OECD/European Observatory on Health Systems and Policies 2017, 12) The good performance of the Netherlands when it comes to waiting times is reflected in international rankings. In 2014, for example, only 0.1% of citizens in the Netherlands "[reported] an unmet need for medical care due to waiting lists, which […] is below the EU average of 1.1%" (ibid.).

To improve the care of elderly citizens, the Ministry of Health, Welfare, and Sports has implemented the National Program of Elderly Care in 2008. The aim of this programme is to develop regional networks of "general practitioners, care and nursing homes, hospitals, home care services, health insurance companies, pharmacies and municipalities, but also the elderly themselves" to enforce regional cooperation and to provide "coherent care […] that is better suited to the individual needs of the elderly." (Beteroud 2018) Next, the programme involves elderly citizens in decision-making processes, as "[t]heir problems and wishes are key. [Thus, elderly people] are both regionally and nationally involved in the discussions about new subjects and projects." (ibid.)

3.1.9. Gender Equality

As was mentioned before, the retirement age for men and women is the same. Furthermore, in 2016, the labour force participation rate of people aged 15-64 was in total 79.7% of the population of the Netherlands. Among men, the labour force participation rate was 84.4%, while among women the rate was 75% (OECD.Stat 2017). Thus, three quarters of the female population aged 15-64 was eligible to be covered under an occupational pension scheme.

In reality, however, there is a gender inequality when it comes to pension benefits. The gender gap in pensions is with 40.4% relatively high. It has to be mentioned that there is no gender gap when it comes to the pension coverage of elderly people. There is also hardly any gender inequality when it comes to the first pillar pension scheme. However, inequalities occur in regard to occupational pension schemes and private pension provisions, with a gender gap of 23.1% in the second pillar and 28.4% in the third pillar. (Bettio, Tinios, and Betti 2013, 72)

This inequality is grounded in gender differences during the years of employment. Women often only work part-time, which is revealed by the high number of women in the Netherlands with part-time jobs, namely “75% of women (age 25-54) […] compared with only 26% in France.” (OECD 2016a) Many women choose to work part-time due to childcare duties. The possibility to work less hours per day and therefore to have enough time to look after children is an advantage of part-time work. But at the same time the “education and skills [of women] are not applied to their full potential in the Dutch labour market.” (OECD 2017a, 1) The main disadvantage of working part-time is that women earn less during their career and therefore will receive lower pension benefits in old age. This is reflected in international statistics on pension gaps. “The average pension payment to women is about half of what is paid to men on average […] and this ‘pension gap’ is among the largest” among OECD countries (OECD 2016a). Next, childcare duties of women lead to shorter careers, as many women take a break from work by going on maternity leave. In the Netherlands, “fathers’ paid leave arrangements […] are [with only 2 days very] short.” (OECD 2017a, 2) Thus, it is not an option for mothers and fathers to share childcare duties by taking an equal amount of time off work. In order to improve the situation of women, measures should be taken to enable women to work full-time while having children. These could include the improvement of childcare provisions and the possibility for fathers to take longer parental leave.

3.1.10. Summary

The right to social security is embedded in the Constitution of the Kingdom of the Netherlands, the General Old Age Pensions Act, the Participation Act, the Pension Act and other acts for certain occupations. The Dutch pension system consists of a basic state pension (General Old Age Pensions Act, Surviving Dependants Benefits and AIO supplements for needy elderly people), several occupational pensions and private pension provisions. (See chapter 3.1.1)

Every person aged 65 and above, who lives or has lived in the Netherlands and is/has been employed in this country, is eligible to receive pension benefits. It is quasi-mandatory for employees to be insured under an occupational pension scheme. In order to receive survivor benefits, the surviving dependant must have been married or must have lived in a partnership with the deceased partner for at least one year. AIO supplements can be received when the income of a person is below a set minimum income. In the Netherlands, the pension coverage is 100%. (See chapter 3.1.2)

The accessibility to pension services is ensured by providing access to offices of the Social Insurance Bank which are located throughout the country. Apart from visiting the offices in person, it is possible to contact them via telephone, e-mail, letter and their website. The website of the Social Insurance Bank is available in several European languages, and access to the website is also provided for people who are visually impaired or have reading difficulties. Eligible benefit recipients will be informed by the Social Insurance Bank or by municipal authorities. The website of the Social Insurance Bank and several other pension portals (the latter are available in Dutch only) provide clear and transparent information on the pension schemes of the Netherlands, eligibility criteria, accrued pension rights, etc. Thus, the principle of accessibility can be regarded as fulfilled in theory and practice, as physical and cultural access are ensured and there are no administrative barriers and no obvious cases of discrimination. (See chapters 3.1.3 and 3.1.4)

The responsible bodies and authorities can be held accountable by filing complaints, contacting the National Ombudsman and demanding decision reviews. Participation of elderly people in decision-making processes is possible via non-profit organisations and advocates for senior citizens. Furthermore, internet communities offer elderly people to exchange tips and information and to get in touch with other elderly people. It is also possible for elderly people to offer consultation services to others and thus to get socially involved. Trade unions in the Netherlands are independent and not connected to any political parties. However, only less than one quarter of the Dutch employees is a member of a trade union. (See chapters 3.1.5 and 3.1.6)

In terms of adequacy of benefits, the Dutch pension system is ranked highest or among the top five countries in several international rankings. The Netherlands also has the lowest old-age poverty rate among all OECD countries, and the relative welfare of elderly people is 94%. (See chapter 3.1.7)

The health care system of the Netherlands includes health insurance, long-term care, social support and care and support for children and adolescents. It is an obligatory private health care system, in which private insurers are obliged to accept everyone. Health facilities are physically and geographically accessible and waiting times in the Netherlands are shorter than the average waiting times in the European Union. (See chapter 3.1.8)

As was mentioned above, the old-age poverty in the Netherlands is very low and the pension coverage is 100%. Furthermore, the retirement age of men and women is the same. However, the analysis of the Dutch pension system revealed a large gender gap in pensions, which is one of the largest gaps when compared to other OECD countries. When it comes to the basic state pension (first pillar), an inequality between women and men is quasi non-existent. But there are inequalities in the second (occupational pensions) and third pillar (private pension provisions), as child care duties force many women to have part-time jobs, to have shorter careers and to earn less than men. Thus, the accrued pension rights of women are lower than those of men. (See chapter 3.1.9)

To sum up, positive aspects of the Dutch pension system include the existence of non-contributory pensions, a pension coverage of 100%, physical and cultural access to pension services, access to transparent information on the pension system, the existence of accountability and complaint mechanisms, the possibility of beneficiaries to take part in decision-making processes and of employees to join trade unions of their choice, adequate pension benefits, physical and geographic access to health services, short waiting times for health care, and gender equality when it comes to the retirement age of men and women.

However, although employees are free to join trade unions of their choice, only less than one quarter of all employees in the Netherlands has joined a trade union so far. Next, gender inequalities exist when it comes to occupational pensions and private pension provisions, as the accrued pension rights of women are lower than those of men. One of the reasons are child care duties which force many women to have part-time jobs, to have shorter careers and to earn less money than men.

3.2. Old-Age Income Support in South Korea

The empirical analysis of this thesis first focuses on the Republic of Korea. In South Korea, the Ministry of Health and Welfare is responsible for dealing with social security issues. Its aims include the provision of social safety nets and the securing of a healthy and stable life after retirement for the population of the country (Ministry of Health and Welfare (South Korea) 2015). The Ministry's Bureau of Pension Policy is responsible for pension issues. This Bureau is divided into the Division of National Pension Policy, the Division of Basic Pension and the Division of National Pension Finance (Ministry of Health and Welfare (South Korea) 2017).

The National Pension Service of South Korea is a public pension fund and "was established in 1987 to help secure the retirement benefits of Korean citizens with income security, thereby promoting national welfare in the case of retirement, disability or death." (National Pension Service of Korea 2014a) The tasks of the National Pension Service include the management of the "contributors' pension history, contribution-imposing, and benefits payment", as well as "retirement planning and welfare services for the disabled" (ibid.).

3.2.1. Right to Social Security

The right to social security – as a human right – is embedded in the Constitution of the Republic of Korea. In Article 10 it is stated that it is "the duty of the State to confirm and guarantee the fundamental and inviolable human rights of individuals." (The Constitution of the Republic of Korea, art. 10) These rights include – among others – the right to welfare, social security and health (ibid., art. 34, sec. 1 & 2, and art. 36, sec. 3).

The Framework Act on Social Security is a national legal framework dealing with social security in general. It was implemented in 2014 in order "to contribute to the enhancement of national welfare by defining the rights of citizens and the responsibilities of the State and local governments on social security[,] and by prescribing basic matters on the establishment and implementation of social security policies and their related systems." (Framework Act on Social Security 2013, art. 1) The aim is to "guarantee income and services necessary to protect all citizens from social harms, such as childbirth, nurturing children, unemployment, ageing, disability, illness, poverty, and death, and to improve their quality of life" (ibid., art. 3, sec. 1).

According to the Framework Act on Social Security, the term social security can be divided into three categories: social insurance, public aid, and social welfare services (ibid.). A social insurance system helps insured citizens of a country to deal with social problems (ibid., art. 3, sec. 2). Public aid systems aim to "[guarantee] the minimum standard of living" of people "who are unable to maintain a living or have difficulties in living" (ibid., art. 3, sec. 3). Social services systems cover "the fields of welfare, health and medical service, education, employment, housing, culture, environment, and others" and aim to support needy people "by providing consultation, rehabilitation, care, information, relevant social facilities, development of competence, support for social participation, in order to improve their quality of life." (ibid., art. 3, sec. 4)

South Korea's social security system includes several programmes which aim to support elderly people. The main programmes can be divided into the following three categories: public pension schemes, such as "the National Pension Scheme […] and occupational pensions", social welfare programmes, including the National Basic Livelihood Security Programme and the Basic Pension (which replaced the former Basic Old-Age Pension System in 2014 (OECD 2015, 299)), and private pension programmes (Jones and Urasawa 2014, 7).

The main national legal framework when it comes to public pension schemes is the National Pension Act. The promulgation of the National Pension Act took place in 1986 and the National Pension System was established in 1988 (National Pension Service of Korea 2014b). The National Pension Act was promulgated in order "to contribute to the stabilization of livelihoods and the promotion of national welfare by providing pension benefits in the case of old-age, disability or death."(The National Pension Act 2016, art. 1) The person who is "in charge of the National Pension Program under this Act" is the Minister of Health and Welfare (The National Pension Act 2016, art. 2). Occupational pension programmes include pensions for public officials, private school teachers and staff, post officers and war veterans (The National Pension Act 2016, art. 6).

Non-contributory pension programmes which aim to provide social safety nets are the National Basic Livelihood Security Programme and the Basic Pension. In 2000, the National Basic Livelihood Security Programme was established. It "provides cash and a package of in-kind benefits, such as housing and education, to eligible persons living in absolute poverty." (Jones and Urasawa 2014, 9) The National Basic Living Security Act was enacted in 1999 in order to guarantee "the minimum level of living for the needy individuals and help them support themselves by furnishing them with the required assistance." (National Basic Living Security Act 2014, art. 1) Benefits are paid according to the needs of a person and possible benefits include the following: "1. Livelihood benefits; 2. Housing benefits; 3. Medical benefits; 4. Education benefits; 5. Childbirth benefits; 6. Funeral benefits; 7. Self-sufficiency benefits." (National Basic Living Security Act 2014, art. 7, sec. 1)

In 2014, the Basic Pension replaced the Basic Old-Age Pension System, which had been in place since 2008 (Jones and Urasawa 2014, 10). The Basic Pension Act aims "to support stabilization of the living of senior citizens and to promote their welfare by providing a stable income base through payment of a basic pension." (Basic Pension Act 2014, art. 1)

Finally, citizens of South Korea can choose between hundreds of additional pension products to privately stock up their income after retirement. "Voluntary individual pension accounts […] are open to individuals regardless of their employment status [and] were introduced in 1994." (Jones and Urasawa 2014, 15) Those "personal pension products [are] offered by insurance companies, banks and asset management companies. Individuals who contribute a specified amount of money for more than five years are entitled to receive monthly pensions starting at age 55." (Jones and Urasawa 2014, 15) The focus of this thesis lies on the analysis of national pension systems as well as the pension coverage of needy elderly people who cannot afford to pay contributions for private pension programmes. Therefore, personal pension products will not be analysed in the following (sub-) chapters of this thesis.

It will now be examined whether the afore-mentioned legal frameworks and programmes comply with essential human rights standards. A more detailed examination will follow in the subsequent subchapters.

As was mentioned in chapter 2.2.2 (Analytical Framework), frameworks and programmes are in compliance with core human rights principles when they include information about the following aspects: "[…] eligibility requirements, […] mechanisms to ensure transparency and access to information about programmes, […] the various roles and responsibilities of all those involved in implementing the programme […], […] accessible complaints mechanisms […] [and] participation channels for beneficiaries.“ (Sepúlveda Carmona 2010, 12)

Eligibility Requirements

According to Article 11 of the Constitution, human rights apply to everyone, as “[a]ll citizens shall be equal before the law, and there shall be no discrimination in political, economic, social, or cultural life on account of sex, religion, or social status.” (The Constitution of the Republic of Korea, art. 11, sec. 1) When it comes to senior citizens, it is stated in Article 34 that it is “the duty [of the State] to implement policies for enhancing [their] welfare […]” and to protect those “[c]itizens who are incapable of earning a livelihood due to […] old age […] or other reasons […].” (ibid., art. 34, sec. 4 & 5)

It is also stated in Article 9 of the Framework Act on Social Security that “[a]ll citizens shall have the right to receive social security benefits […], as prescribed by related statutes on social security.” (Framework Act on Social Security 2013, art. 9)

As per Article 6 of the National Pension Act, “[a]ll citizens aged from 18 to less than 60 who reside in the Republic of Korea shall be covered under the National Pension Scheme”, while other people, such as the following, are excluded: “government officials, military personnel, private school teachers, and special post office employees” (The National Pension Act 2016, art. 6). The pension coverage of these groups of people is defined in other acts covering public officials, private school teachers and staff, post officers and war veterans (The National Pension Act 2016, art. 6). The National Pension Scheme covers four categories of insured people: “Workplace-based Insured Persons, Individually Insured Persons, Voluntarily Insured Persons, and Voluntarily & Continuously Insured Persons.” (The National Pension Act 2016, art. 7) The eligibility requirements are defined in Articles 8 to 13 of the National Pension Act and will be examined in more detail in subchapter 3.2.2 (Equitable Access).

According to Article 3 of the Basic Pension Act, recipients of basic pensions can be “persons of at least 65 years of age whose evaluated amount of income is less than the amount determined and publicly notified by the Minister of Health and Welfare […].” (Basic Pension Act 2014, art. 3, sec. 1) Moreover, “the Minister of Health and Welfare shall ensure that the number of recipients of basic pensions accounts for 70 percent of the total number of persons who are at least 65 years of age.” (Basic Pension Act 2014, art. 3, sec. 2) People who are already covered by other pension programmes are not eligible to receive basic pension benefits (Basic Pension Act 2014, art. 3, sec. 3).

People are eligible to receive benefits under the National Basic Livelihood Security Programme if they live in absolute poverty, meaning that their “income [is] below the minimum cost of living […], which the government sets each year at 40% of the national median income.” (Jones and Urasawa 2014, 9) Any “asset ownership, which is converted into property income”, is included in the term *income* (Jones and Urasawa 2014, 9) Furthermore, a recipient of benefits “should not have any person liable to support them, or if there is any, that person should be either unable or unreliable to support them.” (ILO - Social Security Department 2013) As per Article 3 of the National Basic Living Security Act, a person should only receive benefits and help if they “exert their upmost efforts to maintain and improve their living by making the most of their income, property and their ability to work, etc. […].” (National Basic Living Security

Act 2014, art. 3, sec. 1)

Transparency Mechanisms and Access to Information

In Article 33 of the Framework Act on Social Security it is stated that it is the obligation of the State and local governments to inform the citizens about the social security system (Framework Act on Social Security 2013, art. 33) and to "explain to [them] the rights and obligations […]." (ibid., art. 34) It is also the duty of the State and local governments to "respond to a request for consultation on social security by any person" (Framework Act on Social Security 2013, art. 35) and to "inform the relevant citizens of matters on social security […]." (ibid., art. 36) According to Article 37 of the Framework Act on Social Security, "[t]he State and local governments shall endeavour to electronically manage social security affairs in order to improve convenience for citizens and enhance efficiency of the social security affairs." (ibid., art. 37, sec. 1) The purpose of this electronic information system is to collect and record "information on selection of citizens entitled to social security benefits" as well as "the management of their social security benefits […]." (ibid., art. 37, sec. 2)

As per Article 46-3 of the National Pension Act, the National Pension Service shall "[p]rovide retirement planning services" and "[b]uild and manage an information system for the retirement planning services" (The National Pension Act 2016, art. 46-3). The National Pension Service is also responsible for the provision of information about the Basic Pension programme, as it "develops and maintains the information system, procures/processes/provides public records, manages the [Basic Pension] record, and collects application." (Ministry for Health 2008, 18)

It is stated in the National Basic Living Security Act that it is the duty of regional self-sufficiency centres to "[provide] information, counseling, vocational training and employment intermediation for self-sufficiency" (National Basic Living Security Act 2014, art. 16, sec. 1).

Roles and Responsibilities

The state and local governments are required to "[maintain] and [promote] a decent life for all citizens" (Framework Act on Social Security 2013, art. 5, sec. 1), to "reasonably share their responsibilities and roles concerning social security" (ibid., art. 5, sec. 2), to "meet the level of development of the State, [and to] preemptively respond to changes in social environments" (ibid., art. 5, sec. 3). Furthermore, the responsibilities of the state and of local governments include the "[establishment of] a sustainable social security system, and [to] raise funds necessary there for each year" (ibid.). It is also the duty of the State and local governments to "biannually calculate estimated financial needs for […] mid- to long-term social security projects and publicly announce them." (ibid., art. 5, sec. 4) Additionally, it is the duty of the Minister of Health and Welfare to "formulate, every five years, a master plan for social security", including issues such as the observation of the situation regarding social security in South Korea and other countries, mid- and long-term aims, methodologies, funding, etc. (ibid., art. 16). As per Article 18, "The Minister of Health and Welfare and the heads of relevant central administrative agencies shall annually formulate and implement an implementation plan for the major policies on social security under their jurisdiction […] pursuant to the master plan." (ibid., art. 18, sec. 1)

Central administrative agencies have the duty to submit "the results of the performance [of their jurisdiction]" to the Minister of Health and Welfare (Framework Act on Social Security 2013, art. 18, sec. 2), who, with the help of a professional institution, "shall compile and evaluate each of the performances and report the results thereof to the Social Security Committee" (ibid., art. 18, sec. 3 & 4). Furthermore, the formulation and implementation of regional social security plans in accordance with the master plan, shall be accomplished by "[t]he Special Metropolitan City Mayor, a Metropolitan City Mayor, a Special Self-Governing City Mayor, a Do[1] Governor, or the Governor of a Special Self-Governing Province, [and] the head of a Si" (Framework Act on Social Security 2013, art. 19, sec. 1 & 2). "A Social Security Committee […] shall be established under the jurisdiction of the Prime Minister to deliberate on and coordinate important policies on social security" (ibid., art. 20, sec. 1), including the master plan, the "[e]valuation and improvement of a social security system", "[s]ocial security benefits and bearing expenses", funding, statistics, "management of information", etc. (ibid., art. 20, sec. 2).

"The National Pension Service (NPS) was established in 1987 to help secure the retirement benefits of Korean citizens with income security, thereby promoting national welfare in the case of retirement, disability or death." (National Pension Service of Korea 2014a) As per Article 24 of the National Pension Act, its task is "to efficiently carry out services that accomplish the purpose as prescribed in Article 1 [of the National Pension Act] under the entrustment of the Minister of Health and Welfare." (The National Pension Act 2016, art. 24) The National Pension Service, which "shall be regarded as a juridical person" (ibid., art. 26), deals with the following matters:

1. *Management and maintenance of the records for insured persons;*
2. *Imposition of contributions;*
3. *Determination and payment of benefits;*
4. *Welfare promotion programs such as lending funds services and establishment and operation of welfare facilities for persons who are and were insured persons, eligible persons, and beneficiaries; […]*
5. *Loan services to insured persons who are and were insured persons for the purpose of increasing the funds of the NPS;*
6. *Retirement Planning Service for persons who are subject to coverage […] Article 6 and beneficiaries;*
7. *Research work regarding the National Pension Scheme, Actuarial Projections, and the management of the National Pension Fund; […]*

[1] Administrative Divisions of South Korea: "8 provinces (do), 1 special autonomous province (teukbyeol jachido), metropolitan cities (gwangyeoksi), and 1 special city (teukbyeolsi)", as well as "further [subdivisions] […] including cities (si), counties (gun), districts (gu), towns (eup), townships (myeon), neighborhoods (dong) and villages (ri)" (IIAS Knowledge Portal on Public Administration 2017)

8. *International Cooperation regarding the National Pension; […]*

9. *Matters entrusted to the NPS under this Act or other laws; […]*

10. *Other matters entrusted to the NPS by the Minister of Health and Welfare concerning the National Pension Program. […]*

(The National Pension Act 2016, art. 25)

According to the National Basic Living Security Act, "Livelihood Security Committees shall be established respectively under the jurisdiction of the Ministry of Health and Welfare, City/Do, and Si/Gun/Gu […] in order to deliberate and resolve on the planning, survey, and implementation of livelihood security projects under this Act" (National Basic Living Security Act 2014, art. 20, sec. 1). Furthermore, it is the duty of Central Self-sufficiency Centers to take necessary measures "to promote the self-sufficiency of recipients and persons in the next lowest income bracket" (ibid., art. 15-2, sec. 1). Livelihood security agencies can designate non-profit corporations or organisations "as metropolitan self-sufficiency centers for the Special Metropolitan City, a Metropolitan City, the Special Self-Governing City, a Do, and the Special Self-Governing Province", and these metropolitan self-sufficiency centers can "carry out […] projects necessary for promoting self-sufficiency of recipients and persons in the next lowest income bracket." (ibid., art. 15-3, sec. 1) Non-profit corporations and organisations can also apply to be designated as regional self-sufficiency centers, which also have the aim to "[promote] self-sufficiency of recipients and persons in the next lowest income bracket." (ibid., art. 16, sec. 1)

According to the Basic Pension Act, the duties of the state and local governments include the following: ensuring an adequate level of benefits, "securing financial resources", setting up investigations and inquiries, the payment of benefits, etc. (Basic Pension Act 2014, art. 4, sec. 1 & 2, art. 11, art. 13, art. 14).

Accessible Complaints Mechanisms

As per Article 39 of the Framework Act on Social Security, a "citizen whose right or interest is infringed due to an illegal or wrongful disposition, or an absence of the necessary disposition, may request the cancellation or change of such disposition by filing an administrative appeal […] or […] an administrative litigation" (Framework Act on Social Security 2013, art. 39).

In the National Pension Act it is stated that "[a]ny person who is dissatisfied with a disposition taken by the [National Pension Service] […] regarding insured status, Standard Monthly Income, pension contributions, and other dispositions regarding collection amounts and benefits […] may request that […] the issued disposition" is examined by the National Pension Service (The National Pension Act 2016, art. 108, sec. 1). If a person wants to file a complaint regarding a "decision in response to a Request for Examination made under Article 108", this person "may make a Request for Review in accordance with the request document prescribed by Presidential Decree to the National Pension Review Committee within ninety days after he/she has received notice of the decision." (ibid., art. 110, sec. 1)

It is stated in Article 38 of the National Basic Living Security Act, that

> *[w]here a recipient of benefits, or an applicant for benefits or for any modification thereof is dissatisfied with a disposition […], he/she may file a written or oral objection […] through the relevant livelihood security agency within 60 days from the date he/she is notified of such disposition. In such cases, the public official of any livelihood security agency who has received an oral objection shall help the applicant prepare a written objection. (National Basic Living Security Act 2014, art. 38, sec. 1)*

According to Article 22 of the Basic Pension Act, it is possible to file for appeals.

> *A person dissatisfied with any determination […] may file an appeal with the Mayor of a Special Self-Governing City, the Governor of a Special Self-Governing Province, or the head of a Si/Gun/Gu. […] The filing of an appeal […] shall be conducted in writing within 90 days from the date on which the relevant person becomes aware of such disposition: Provided, That where he/she has attested that such filing could not be carried out within the aforementioned period due to any justifiable ground, he/she may file an appeal within 60 days from the date on which such grounds are extinguished. (Basic Pension Act 2014, art. 22, sec. 1 & 2)*

Participation Channels for Beneficiaries

It is stated in Article 25 of the Framework Act on Social Security that it is the duty of "[t]he State and local governments […], [to] determine and implement […] policies in a democratic way by giving opportunities for the representatives of public interest and other interested parties, etc. to participate in the aforementioned process." (Framework Act on Social Security 2013, art. 25, sec. 3) As per Article 40, before the implementation of a plan or policy "the State or a local government […] shall undergo an [adequate] opinion-seeking process with the public and relevant professionals by holding public hearings and using information communication networks, etc." (ibid., art. 40)

As per Article 30 of the National Pension Act, the interests of several groups of beneficiaries are represented by the groups' representatives. The officers of the National Pension Services consist of "a chief executive officer, four or fewer executive directors, seven directors, and an executive auditor. The directors shall include one or more representatives from each of the following groups: employers; employees; and Individually Insured Persons […]." (The National Pension Act 2016, art. 30, sec. 1)

It is stated in the National Basic Living Security Act that the members of the Central Livelihood Security Committee and regional/local Livelihood Security Committees should include representatives of the public (National Basic Living Security Act 2014, art. 20, sec. 3 & 4).

3.2.2. Equitable Access

As was stated in the analytical framework of this thesis, the access to pensions is equitable if the coverage is universal, if people are not discriminated against, if all citizens of a country enjoy equal rights, and if measures are taken to protect vulnerable and disadvantaged citizens.

It is stated in Article 6 of the National Pension Act that "[a]ll citizens aged from 18 to less than 60 who reside in the Republic of Korea shall be covered under the National Pension Scheme." (The National Pension Act 2016, art. 6) People who are covered under this scheme are divided into four categories: "Workplace-based Insured Persons, Individually Insured Persons, Voluntarily Insured Persons, and Voluntarily & Continuously Insured Persons." (ibid., art. 7)

Workplace-based Insured Persons are persons "aged from 18 to less than 60 in a workplace as determined by Presidential Decree on the basis of the type of business, the number of employees, etc." (ibid., art. 8, sec. 1). In order to be covered, workplaces need to have at least five employees working full-time (National Pension Service of Korea 2014b). The Workplace-based Insurance is mandatory but excludes people who are already covered by another pension programme (The National Pension Act 2016, art. 8, sec. 1). Citizens who are "from 18 to less than 60" years old and who are not covered as Workplace-based Insured Persons "shall compulsorily become Individually Insured Persons." (ibid., art. 9) People cannot be Individually Insured Persons if they do not have their own income and at the same time are spouses of the following persons: people who are covered by occupational pension programmes, "Workplace-based or Individually Insured Persons, or Voluntarily & Continuously Insured Persons", and "[b]eneficiaries of the Old-age Pension or beneficiaries of the Retirement Pension, etc." (ibid., art. 9) Furthermore, people who receive Retirement Pensions, people "aged from 18 to less than 27 who are in school or military service, etc., and have no income", people who are covered under the National Basic Livelihood Security Act and "[p]ersons who have been missing for over one year" are excluded (The National Pension Act 2016, art. 9).

If a person aged between 18 and 60 is not covered as Workplace-based or Individually Insured Person, he or she can apply to be insured as Voluntary Insured Person (The National Pension Act 2016, art. 10). A person aged less than 65 can apply to become a Voluntarily & Continuously Insured Person when he or she meets the following criteria: "1. A person who has reached the age of 60 and is or was an insured person", unless the "person […] has never made his/her contribution payments; […] [receives] benefits from an Old-age Pension; […]" or if the person "has received a lump-sum refund […]; 2. A person […] who has never received an Old-age Pension and is or was engaged in any of the specified occupations as prescribed by Presidential Decree […] and who […] acquires eligibility to receive an Old-age Pension […]; [or] […] has acquired eligibility to receive the special Old-age Pension […]." (ibid., art. 13, sec. 1) If a person who turns 60 years old – in some cases 55 – has been insured for at least 10 years, he or she is eligible to receive Old-age Pension for the rest of his or her life (ibid., art. 61, sec. 1)

It is also possible to receive a so-called Early Old-age Pension "[w]hen a person aged more than 55 who has been or had been an insured person for more than 10 years is not engaged in income-earning activities […]." (ibid., art. 61, sec. 2) Bereaved families have the right to receive Survivor Pension benefits if their "livelihood has been maintained by a person" who has died and who has been insured by the National Pension Scheme (ibid., art. 72, sec. 1 & art. 73, sec. 1). People who can receive benefits include family members such as spouses, children, grandchildren, parents and grandparents of deceased insured persons (ibid., art. 73, sec. 1).

The Public Officials Pension Act was implemented in 1982 with the aim "to contribute to the stability of the lives of public officials and their survivors and the promotion of the welfare thereof, by paying benefits for the retirement, death, or an injury, disease or disability of public officials incurred during his/her service." (Public Officials Pension Act 2016, art. 1) Public Officials are defined as "persons who serve full-time in a public service job", excluding "military personnel and public officials elected to office" (ibid., art. 3, sec. 1). Survivors include "persons who are supported by a present or former public official at the time of his/her death", such as spouses, children, parents, grandchildren and grandparents (ibid.). Pensions are paid to Public Officials aged 65 and above when they have served for at least 10 years, as well as to Public Officials with disabilities (ibid., art. 46, sec. 1). It is also possible to receive early retirement pensions when a Public Official is less than 65 years old (ibid., art. 46, sec. 2). As an alternative to regular pension benefits, a Public Official can receive "a lump-sum retirement pension […] in lieu of the retirement pension or early retirement pension" (ibid., art. 46, sec. 3).

The Military Pension Act, which was implemented in 1963, covers "military personnel or their bereaved family" when "military personnel have retired from faithful military service for a considerable period, have retired or died due to mental or physical disabilities, or receive medical care due to a disease or injury sustained in the line of duty" (Military Pension Act 2015, art. 1). A soldier receives pension benefits from the moment of retirement – provided that he/she has served at least 20 years – "until his/her death", unless he/she would like to "be paid a retirement pension in one lump sum in lieu of the retirement pension" (ibid., art. 21, sec. 1). Soldiers who have served less than 20 years until retirement can receive "a severance pay in one lump sum" (ibid., art. 22, sec. 1). If a person retires from military service "because he/she becomes disabled due to a disease or injury sustained in the line of duty, or where a soldier becomes disabled due to such disease or injury after his/her retirement from service, he/she shall be paid a pension for wounds […] from that time until he/she dies" (ibid., art. 23, sec. 1).

Bereaved families of military personnel receive Survivor's Pension if the "person entitled to a retirement pension [or a pension for wounds] has died" or if "the person has died in the performance of public duties while in active service or died of a disease or from injury sustained in the line of duty." (Military Pension Act 2015, art. 26, sec. 1) If a soldier has served less than 20 years before he/she dies, "a lump sum payment to the bereaved family shall be paid to his/her bereaved family." (ibid., art. 30, sec. 1) In addition, bereaved families of soldiers receive a compensation payment for death when the soldiers "[die] in the line of duty" (ibid., art. 31, sec. 1). Furthermore, a soldier receives a compensation payment for disability if he/she is forced to retire due to a "diagnosed physical or mental disability due to a disease or injury sustained while serving in the military (including cases where he/she is diagnosed with physical or mental disability within six months after retirement from service)" (ibid., art. 32, sec. 1).

The Pension for Private School Teachers and Staff Act was implemented in 2000 and covers private school teachers and staff, excluding "those who are employed temporarily, those who are employed under a certain condition, and those who do not receive any wage" (Pension for Private School Teachers and Staff Act 2015, art. 1 & art. 2, sec. 1). Bereaved families of teachers and staff are also covered by this act, including spouses, children, parents, grandchildren and grandparents (ibid., art. 2, sec. 1). In order to receive pension benefits, a person must have been "employed at any of the following educational institutions: […] 1. Private schools […]; 2. Private schools among the special schools […]; 3. Private schools specially designated by the Minister of Education" as well as "school operations institutions which establish and operate such [above-mentioned] schools […]." (ibid., art. 3) As per Article 33 of the Private School Teachers and Staff Act, "[s]hort-term benefits shall be paid for on-duty illness or injury of teachers and staff and for disasters, and the long-term benefits shall be paid for retirement, disability, and death of teachers and staff." (ibid., art. 33).

One of the purposes of the Special Post Offices Act, which was implemented in 1981, is to "[establish] an appropriate benefits system regarding the retirement and death of" people working at Special Post Offices as well as their bereaved families (Special Post Offices Act 2015, art. 1). A special post office "provides postal services delegated by the State after being designated by the Minister of Science, Information and Communications Technology (ICT) and Future Planning and which is located inside office buildings and other facilities at its own expense" (ibid., art. 2, sec. 1). In order for a person to become an employee at a special post office, he or she must first and foremost "be a citizen of the Republic of Korea and at least 19 years of age […]." (ibid., art. 3-2) Reaching the age of 60, a postmaster is eligible for pension (ibid., art. 8-2). The employee must have worked one or more years in order to receive pension benefits.

Benefits are also paid to the bereaved family if the postmaster dies (ibid., art. 25-7, sec. 1). Honourable retirement benefits are paid to "an employee (excluding a postmaster) who has completed at least 20 years of continuous service [and] voluntarily retires before the prescribed retirement age", as well as to "an employee who has served less than 20 years [and] voluntarily retires before the prescribed retirement age" when the following cases occur: the cancellation of "the designation of a special post office", the closure of an office, and when "total number of employees exceeds the prescribed number of regular employees due to any changes to or abolition of the prescribed number of regular employees, budget cuts, etc. […]." (ibid., art. 10-2, sec. 2) An off-duty disability pension is paid to a person "who contracted a disease or sustained an injury outside of work [and] becomes disabled and retires or becomes disabled after he/she retires due to such disease or injury […]." (ibid., art. 25-14, sec. 1)

Citizens with disabilities are either covered by the National Basic Living Security Act or by the Pension for Persons with Disabilities Act. (National Human Rights Commission of Korea 2015, 1) While the National Basic Living Security Act aims to support all citizens living in absolute poverty, the purpose of the Pension for Persons with Disabilities Act is "to support life stability, promote welfare, and promote the social integration of persons with severe disabilities[,] who have difficulty in their life functioning due to their disabilities[,] by providing them with pension." (World Health Organization 2017)[2] The support for people with disabilities includes basic and optional benefits. "The basic benefit is offered to help persons with disabilities and their families sustain basic standard of living even when they are incapable of supporting themselves as their disabilities hamper their ability to work and make ends meet." (National

[2] The Korean version of the "Pensions for Persons with Disabilities Act" (2011) is available at https://www.mindbank.info/item/4083 (World Health Organization 2017).

Human Rights Commission of Korea 2015, 5) On the other hand, optional benefits were introduced “to cover additional expenses which occur due to disabilities […].” (ibid.) People who are already covered by the National Pension Act when they become physically or mentally disabled “due to a sickness or injury,” can receive Disability Pension (The National Pension Act 2016, art. 67, sec. 1).

Elderly citizens in need are covered by the Basic Pension Act or by the National Basic Livelihood Security Act. Eligible for basic pension payments are people “of at least 65 years of age whose evaluated amount of income is less than the amount determined and publicly notified by the Minister of Health and Welfare […].” (Basic Pension Act 2014, art. 3, sec. 1) In order to be covered by the National Basic Livelihood Security Act, a citizen must “[live] in absolute poverty. Absolute poverty is defined as an income below the minimum cost of living […], which the government sets each year at 40% of the national median income.” (Jones and Urasawa 2014, 9) Citizens “with the possibility of assistance from family members are not eligible for benefits under the so-called ‘family support obligation rule’. However, many children cannot or will not help their elderly parents.” (ibid.)

Foreigners who live and work in South Korea are covered by the National Pension Act. “[I]f a foreigner aged between 18 and 59 works for a workplace covered under the scheme, he/she shall be a Workplace-based Insured Person, or an Individually Insured Person compulsorily.” (National Pension Service of Korea 2014c) Excluded are foreigners whose homecountries have not signed a bilateral agreement with South Korea, people “who are not registered according to the Immigration Act, or to whom a forced deportation order has been issued under the same Act, or who are staying in Korea without being permitted to extend their terms of sojourn”, as well as “[f]oreigners whose stay status is applicable to any of the following: D-1, D-2, D-3, D-4, D-6, F-1, F-3, or G-1” and “[f]oreigners who are excluded from the National Pension Coverage by the Social Security Agreement.” (ibid.) In general, foreigners are treated the same as Korean citizens, particularly when it comes to the level of pension benefits. “But there is a certain distinction regarding a Lump-sum Refund. In principle, a Lump-sum Refund is not paid to foreigners leaving Korea after having been covered under the scheme”, unless the homecountry of the foreigner has signed a bilateral agreement with South Korea (ibid.).

The pension schemes of South Korea are aimed at many groups of people. However, when it comes to the pension coverage, only 77.6% of the elderly people in South Korea (aged 65 and above) receive pension benefits (HelpAge International 2015b).

3.2.3. Accessibility

Accessibility of a social security system includes physical and cultural access as well as no administrative barriers (see chapter 2.2.2). In South Korea, this human rights principle can – to a great extent – be regarded as fulfilled in theory and in practice.

Elderly people who are eligible to receive pension benefits need to submit their application forms and the required documents to offices of the National Pension Service or their local governments. 109 regional offices of the National Pension Service are spread across all provinces of the country (National Pension Service of Korea 2014d). Foreigners can either submit their application documents to local offices or – when they have already left the country – apply via e-mail or through an agent in South Korea (National Pension Service of Korea 2014c). A foreigner can also apply “at the social insurance institution of his/her home country that has concluded an MOU [memorandum of understanding] on benefit applications with NPS [National Pension Service]" (ibid.).

Information on the website of the National Pension Service is available in several languages, namely Korean, English, Mandarin Chinese, Thai, Indonesian and Mongolian. A telephone service for foreigners is available in Mandarin Chinese, Thai, Uzbek (Russian), Indonesian, Filipino and Sri Lankan (National Pension Service of Korea 2014e). Thus, at least 73% of foreign residents should be able to get to information about pensions in South Korea, as most of the foreign residents in South Korea originate from countries in which these languages are spoken (Korea Immigration Service 2016, 17). Furthermore, South Korea is "a very homogeneous country in linguistic and ethnic terms: other than recent migrant groups, there is only one small Chinese minority […]." (Minority Rights Group International 2017) Consequently, language barriers for ethnic minorities should not exist when it comes to the accessibility to information about pensions, as all the information is available in Korean and English, as well as the other languages mentioned above.

Especially in the case of basic pensions, if a person is not able to visit a regional office, this person "can apply for the Visitation Service. Senior persons who prefer not to have their identities exposed, such as those who are not registered under any address, may appoint a desired place and time to receive discreet counseling services." (National Pension Service of Korea 2016, 31) These counselling services are also an opportunity for illiterate people or other disadvantaged people to receive information about pensions.

In reality, however, administrative barriers exist for some groups of people. Required documents when applying for pension benefits include, among others, "[a] copy of the applicant's resident registration card or other identification card" (National Pension Service of Korea 2014f). Thus, if a person is not registered, he or she cannot apply to receive benefits. However, regarding the completeness of birth registrations in South Korea, it is stated in an UN Paper on South Korean infant mortality statistics that in 2005, for example, "99.1 percent of births that occurred in 2005 was actually reported and registered in 2005 while the rest of 0.9 percent was reported in the following ten years." (Lee, Song, and Hwang 2016, 4)

There are two categories of migrant children living in South Korea: "those with citizenship [and] those without. Usually, the latter group consists of children of migrant laborers, children accompanied by migrant brides, refugees, and children of refugee applicants." (Suh 2012, 1) The birth of a migrant child needs to be registered at its country of origin or in South Korea, if the child was born there. Official statistics about the number of unregistered migrant children in South Korea do not exist (ibis., 2).

When it comes to migrant workers, there are three types of migrant workers: workers who are documented, industrial trainees and workers who are not documented. Documented migrant workers are foreigners who "can work in Korea eligibly [as] professionals, engineers, journalists, entertainers, and foreign language instructors. To work as a common worker in the manufacturing industry, one has to come to Korea as an industrial trainee." (Lee 2001) "Undocumented workers [have] originally entered Korea with tourist visas or for other purposes, or escaped from their original companies where they worked as trainees." (ibid.) It is estimated that "70 % of migrant workers in Korea are working in the wider Seoul area, and most of them are undocumented workers." (ibid.)

3.2.4. Transparency and Access to Information

As was stated in the analytical framework, transparency and access to information are measures against corruption and help to increase accessibility as well as participation. Citizens of a country should be able to get clear and transparent information about the pension system of their country.

Information about pensions in South Korea is provided in different forms. On the website of the National Pension Service (www.nps.or.kr), citizens of South Korea can get access to the following information: eligibility requirements, contributions, benefits, application forms, contact details of regional offices, the National Pension Act, the pension status, etc. (National Pension Service of Korea 2014e). The National Pension Act provides information about eligibility requirements, benefits, complaint mechanisms, and many other aspects (The National Pension Act 2016, art. 108). The other afore-mentioned pension laws contain similar information.

Other informative websites are *My Pension* and *Happy Living with the National Pension*. The first one, *My Pension* (http://csa.nps.or.kr), is available in Korean and enables people to "evaluate their potential for a comfortable life in retirement by having their social relationships, health habits, leisure and hobby activities and income and assets diagnosed. Individuals can review their estimated pension benefits or access a program for financial planning." (National Pension Service of Korea 2016, 38) The second website is a blog (http://blog.naver.com/pro_nps) written in Korean and offers information in the form of "online cartoons, quizzes, events and introductory videos about the National Pension." (ibid., 39)

Citizens of South Korea also get information offline, in hard copy, through the *Personal Guide to the National Pension*. This guide helps people to "check [their] registration status, complete [their] pension payment history, and estimated pension benefits payable in the future. The guide documents [their] entire history, as well as all the important information [they] need to know in preparation for [their] retirement." (National Pension Service of Korea 2016, 38) Moreover, the quarterly published magazine *National Pension* has been published for nearly 30 years. A subscription is possible via the website of the National Pension Service. The magazine "contains the latest information about the National Pension System, interviews and topics such as traveling and recipes for healthy eating." (ibid., 39)

It is also possible to visit a regional office or to make use of the telephone consultation service offered by the National Pension Service to receive information (National Pension Service of Korea 2014e).

3.2.5. Accountability

This subchapter deals with the questions whether complaint mechanisms exist and if decisions can be reviewed, as these are indicators for accountability, when it comes to social security systems (see chapter 2.2.2).

It is stated in Article 108 of the National Pension Act that it is possible to request in written form an examination of a disposition if a citizen of the country "is dissatisfied with a disposition taken by the NPS [National Pension Service] or NHIS [National Health Insurance Service] regarding insured status, Standard Monthly Income, pension contributions, […] collection amounts and benefits" (The National Pension Act 2016, art. 108, sec. 1 & 2). If the request is considered by the National Pension Examination Committee as "unlawful but presumed correctable, the Examination Committee shall ask for corrections to this claim, allowing a reasonable period of time" (The National Pension Act 2016, Enforcement Decree, art. 95, sec. 1). After the correction of the request it is the duty of "the claimant [to] submit the documents concerned, account books and material evidence, as well as [to] make a verbal statement to the Examination Committee." (The National Pension Act 2016, Enforcement Decree, art. 96) It is then possible for the National Pension Examination Committee to seek advice from an expert, while the claimant has the possibility to "withdraw the Request by written form at any time before a decision is made by the Examination Committee." (ibid., art. 97 & 98) The National Pension Examination Committee then decides if the request will be rejected (if unlawful) or dismissed (if unfounded), or if the disposition will be cancelled or changed "when the Request for Examination is presumed to have fair reasons." (ibid., art. 99, sec. 1-3) The claimant will then receive the decision in written form (ibid., art. 99, sec. 4). Within 90 days the claimant has then the possibility to submit a request for review to the National Pension Review Committee if the claimant "is dissatisfied with the decision in response to a Request for Examination […]." (The National Pension Act 2016, art. 110, sec. 1)

A request for examination is also included in other pension laws. In the case of the occupational pensions, the equivalent examination and review committees are the Military Pensions and Benefits Review Committee (Military Pension Act 2015, art. 5), the Pension Benefit Review Committee for Private School Teachers and Staff (Pension for Private School Teachers and Staff Act 2015, art. 53), the Public Official Pension Benefit Review Committee (Public Officials Pension Act 2016, art. 80) and – as for the Special Post Offices Act – the Pension Service Agency (Special Post Offices Act 2015, art. 36).

According to Article 38 of the National Basic Living Security Act, "a recipient of benefits, or an applicant for benefits or for any modification" can object to a disposition if he or she "is dissatisfied with a disposition of the head of a Si/Gun/Gu […]." (National Basic Living Security Act 2014, art. 38, sec. 1) The objection needs to be filed in written or oral form "through the relevant livelihood security agency […]. In such cases, the public official of any livelihood security agency who has received an oral objection shall help the applicant prepare a written objection." (ibid., art. 38, sec. 1) "The head of a Si/Gun/Gu […] shall [then] forward such objection to the relevant Mayor/Do Governor […]", who in return "shall make a necessary review of the objection […] to reject the receipt of the objection, dismiss the objection, or modify or cancel the relevant disposition, or order the payment of necessary benefits." (ibid., art. 38, sec. 2 & art. 39, sec. 1) The beneficiary or applicant will then be notified about the decision in written form (ibid., art. 39, sec. 2). If the beneficiary or applicant is not content with the decision, he or she can "file a written or oral objection with the Minister of Health and Welfare […]" (ibid., art. 40, sec. 1), who in return reviews the decision and then decides to "reject receipt of the objection or dismiss the objection, or make a determination to modify or revoke the relevant disposition." (ibid., art. 41, sec. 1)

3.2.6. Participation

This subchapter deals with the question whether the criterion participation is fulfilled in the pension system of South Korea. In the South Korean laws and acts on pensions it is not laid down that the citizens of South Korea can directly participate in decision-making processes or in the planning and implementation of social pensions. However, the interests of the public are represented by members of deliberation committees and councils as well as by trade unions.

As stated in Article 5 of the National Pension Act, the National Pension Deliberation Council discusses issues such as finances, benefits and contributions and other issues. The council's members include representatives of employers, employees and people who are individually insured as well as representatives of the public interest (The National Pension Act 2016, art. 5, sec. 1 & 2).

The Korea Teachers Pension is a pension fund which "[helps to] provide a secure and stable life after retirement for private school personnel." (Korea Teachers Pension 2015) It deals with the following matters regarding pensions for private school teachers and staff: "1. Collection of contributions; 2. Determination and payment of various benefits; 3. Management of assets; 4. Execution of the welfare project for the teachers and staff; 5. Other affairs concerning pensions." (Pension for Private School Teachers and Staff Act 2015, art. 4) The Korea Teachers Pension "[has] one chair of the board of directors, up to two standing directors, up to six non-standing directors, and one auditor. […] [The] non-standing directors […] shall include a person who represents teachers and staff and a person who represents heads of school operations institutions." (ibid., art. 10) Thus, the interests of beneficiaries are represented by one member of the pension fund's executives.

When it comes to the National Basic Living Security Act, it is determined in Article 20 that the Livelihood Security Committee shall "deliberate and resolve on the planning, survey, and implementation of livelihood security projects" and that the committee "shall consist of not more than 16 members," with "[not] more than five persons who represent the public interest […]." (National Basic Living Security Act 2014, art. 20, sec. 1 & 3)

According to Article 21 of the Constitution of the Republic of Korea, "[a]ll citizens shall enjoy freedom of speech and the press, and freedom of assembly and association." (The Constitution of the Republic of Korea 1948, art. 21, sec. 1) Furthermore, it is stated in Article 5 of the Trade Union and Labor Relations Adjustment Act, that "[w]orkers shall be free to establish a trade union or to join it" (Trade Union and Labor Relations Adjustment Act 2014). The largest trade union federation in the Republic of Korea is the Federation of Korean Trade Unions (FKTU). It "was first established as a nationwide union in 1946 under the name of the 'Korean Labor Federation for Independence Promotion'. As of 2010, 2,292 trade unions with 728,649 members were affiliated with the FKTU." (Ki 2012) The Korea Confederation of Trade Unions (KCTU) is "[t]he second largest national trade federation" and "was founded in December 1995. As of 2010, 432 trade unions with 580,064 members were affiliated with the KCTU." (ibid.) In 2011, "[t]he Korean Labor Unions Confederation was [...] established [...] as a new national-level federation of trade unions, focusing more on the protection of the rights of workers and promoting workers' welfare." (ibid.) Furthermore, several "industry-based or regional unions" exist in South Korea, such as "the Korean Construction Industry Union, the Korean Financial Industry Union, the Korean Metal Workers Union and the Korean Public & Social Services and Transportation Workers Union." (ibid.)

However, it is still common practice that the South Korean government "[interferes] in trade union activities [...]. Standard conditions for collective bargaining and dispute resolution, including the right to strike, are not met." (Trade Union Advisory Committee (TUAC) to the OECD 2016, 3) An example for a state interference in the activities of trade unions is that "[a]uthorities can arbitrarily dissolve or suspend trade unions and interfere in their by-laws and internal organisation." (Trade Union Advisory Committee (TUAC) to the OECD 2016, 3f.) Additionally, it is stated in Article 2 of the Trade Union and Labor Relations Adjustment Act that dismissed or unemployed workers are not allowed to join a trade union (Trade Union and Labor Relations Adjustment Act 2014, art. 2, sec. 4). It might be worth mentioning that this "law was passed by the ruling Grand National Party at 1 am on 1 January 2010, while security guards were blocking access to the parliament for members of the parliament of the opposition. Based on [the afore-mentioned] article, several unions have been decertified in recent years." (Trade Union Advisory Committee (TUAC) to the OECD 2016, 4) Furthermore, "[d]ispute resolution and the right to strike are impeded by Criminal Act Art. 314 on 'obstruction of business' which can be used to oppose and sue trade union officers that engage in a strike." (Criminal Act 2009, art. 314, Trade Union Advisory Committee (TUAC) to the OECD 2016, 4) In 2013, Amnesty International reported about "arrests of trade union leaders" and urged the South Korean government to "rein in the police and respect the rights of striking workers" (Amnesty International 2013). Moreover, Human Rights Watch criticised the South Korean government in the World Report 2018 for several violations of trade union rights. For example, Human Rights Watch stated that "[t]he government has not ratified the International Labour Organization's fundamental conventions on freedom of association [...] and on the right to organize and collectively bargain [...]." (Human Rights Watch 2018) Furthermore, it was criticised that "[g]overnment officials are prohibited by law from exercising their right to form a union" and that "[t]he South Korean government refuses to legally recognize the Korean Teachers and Education Workers' Union (KTU) and the Korean Government Employees Union (KGEU)." (ibid.)

Next, when it comes to voicing their opinions, South Korean elderly people have been "passive citizens before, [but] they are now more active and dynamic, demonstrated by an increased willingness to voice their opinions in public." (Park 2017, 79) This interest results from the fast ageing of the Korean society. Individual communities for elderly people already exist, having been formed by people living in the same residential areas, belonging to the same religion or sharing the same hobbies. However, the Korean community for elderly people is still not very strong. This might change as websites, social networking services and the increasing usage of mobile devices help elderly people "[to express] their opinions publicly and [to form] their own communities. Online communities for the elderly are […] growing rapidly." (Park 2017, 81) The leading company in South Korea's senior industry is *Senior Partners*, which is "a [senior specialized] platform operating company […]." (ibid.) Several programmes, websites etc. for elderly people in South Korea are operated or co-operated by *Senior Partners*, including

> *[…] Yourstage.com (an online portal website for senior citizens); the Seoul International Senior Expo (an exhibition that shows the present and future of the senior industry in Korea); a retirement preparation class (a stepping stone to successfully prepare for the postretirement life); Senior Chosun (a magazine where seniors can voice their concerns); and Home Instead Senior Care (nonmedical home care services that help seniors live at home as long as possible). (Park 2017, 81)*

Thus, people with access to the internet have several possibilities to get information, to participate in the senior community of South Korea, and to voice their opinions regarding pensions and retirement.

People without access to the internet can take part in a campaign by the global network *HelpAge International*, which is a "network of organisations promoting the right of all older people to lead dignified, healthy and secure lives." (HelpAge International 2017a) HelpAge International has started a global campaign, *Age Demands Action*, which is "a grassroots movement of campaigners in 60 countries. Older people meet with decision-makers and lobby their local and national governments to push the issues most important to them, such as pensions and healthcare." (HelpAge International 2017b) The intention of this campaign is to "[call] for a UN convention to protect older people's rights by law." (Kim 2015)

Older people's associations also enable elderly people to engage in senior communities and to voice their opinions. Those associations are "[community] based organisations of older people [which] are found throughout [the Asian] region." (HelpAge International 2017c) In South Korea they are called older people's communities. They deal with many different issues regarding the lives of retired people, including "[governance] and community participation through submitting views to local [authorities] on government policy and initiatives […]." (ibid.)

3.2.7. Adequacy of Benefits

Adequacy of benefits is fulfilled when pension beneficiaries receive high enough benefits to be able to maintain a reasonable standard of living, as was explained in chapter 2.2.2.

According to statistics published by the national statistical agency KOSTAT (Statistics Korea), almost half of the 55- to 79-year-olds in South Korea – namely 49.5% – received pension benefits between 100,000 and 250,000 KRW per month between May 2015 and May 2016.[3] 0.9% of the people in this age group received the lowest amount of pension benefits, less than 100,000 KRW per month, and 8.6% received the highest amount, 1,500,000 or more KRW. The average amount of pension benefits per month between May 2015 and May 2016 was 510,000 KRW (Statistics Korea 2016). Elderly people who receive no benefits at all or "less than KRW 300,000 per month from their National Pension" can receive Basic Pension and thus "get an additional KRW 200,000 per month." (OECD 2015, 299) Basic pension beneficiaries can maximally receive "KRW 200,000 which is about 10% of the three-year average earnings of the insured of the National Pension (A value)." (ibid.) 70% of people aged 65 and above can be covered under the Basic Pension Act (ibid.).

Several rankings and indices illustrate whether pension benefits in South Korea are adequate or not. For this thesis, the Global AgeWatch Index and the Melbourne Mercer Global Pension Index were examined.

The Global AgeWatch Index, which was launched by HelpAge International, "assesses the factors determining the social and economic wellbeing of older people around the world." (HelpAge International 2015d, 5) The Index "measures four key domains for older people," namely "income security, health status, capability, and […] enabling environment" (ibid., 7).

The results of the domain *income security* will be examined for this subchapter. First of all it is necessary to understand which indicators are included in this domain and how income security

[3] Exchange rate as of 21st November 2017: KRW 1 = EUR 0.0007833 (European Central Bank 2017a)

can be measured. Income security is “[measured] by pension coverage, poverty rate in old age, the relative welfare of older people, and living standards using GNI per capita as a proxy.” (HelpAge International 2015d, 7) The first indicator, pension coverage, “measures the existence and coverage of the pension system in a country” and “is defined as the proportion of people aged 65 or over in receipt of a pension.” (HelpAge International 2015f, 3) Main sources for this data include statistics and studies published by the International Labour Organization and the World Bank (ibid.).

The old-age poverty rate “measures the poverty of older people, using the relative poverty definition” and is defined as the “[proportion] of people aged 60-plus living in households where the equivalised income/consumption is below the poverty line threshold of 50 per cent of the national equivalised median income/consumption (equivalising factor is the square root of household size).” (HelpAge International 2015f, 3) Data for this indicator were derived from studies and statistics by the World Bank, the Organisation for Economic Co-operation and Development (OECD) and Eurostat (ibid.).

The relative welfare of elderly people is an “indicator [which] measures the income/consumption situation of older people in relation to the rest of the population […]” and is defined as the “[average] income/consumption of people aged 60-plus as a proportion of average income/consumption for the rest of society.” (HelpAge International 2015f, 4)

Last but not least, the GNI per capita has the following purpose:

> *GNI expresses the income accrued to residents of a country, including international flows such as remittances and aid, and excluding income generated in the country but retained abroad. […] GNI per capita is a proxy for standard of living of people within a country. It aims to provide comparisons across countries. […] The use of the gross national income (GNI) per capita indicator implies that all citizens, old and young, would benefit equally from increased economic production in a country. (HelpAge International 2015f, 4)*

This indicator is described as “the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad and divided by the number of people in the country.” (ibid.) The data for this indicator is provided by the World Bank (ibid.).

96 countries were included in the Global AgeWatch Index of 2015. In the overall ranking, South Korea was ranked 60th, and when it comes to the income security, the country was ranked 82nd (HelpAge International 2015d, 4 & 14). The purpose of the Index ranking is to “[…] compare [different countries] in terms of older people’s wellbeing […].” (ibid., 26) The basis of comparison are the Index values, which “show how different countries compare with the best-performing countries and their potential for improvement. The difference in Index values between countries is sometimes minimal. A difference of 10 or more points can be considered statistically significant.” (ibid.) In the case of South Korea, the value for the domain income security is 24.7, while the value of the best performing country in this category – Luxembourg – is 89.7 and the value of the worst performing country – Malawi – is only 5.6 (ibid., 23). This

shows that in terms of income security, which includes the indicator relative welfare of elderly people, South Korea's pension system reveals major flaws. These results can be an indicator for non-adequate pension benefits in this country.

Next, the Melbourne Mercer Global Pension Index, which is annually published by the Australian Centre for Financial Studies, "compares retirement income systems in 27 countries which encompass a diversity of pension policies and practices." (Australian Centre for Financial Studies 2016, 3) The comparison focuses on three domains, namely adequacy, sustainability and integrity (ibid., 6). For this subchapter, the domain adequacy will be examined. It consists of the indicators benefits, benefit design, savings, tax support and growth assets (ibid.). Adequacy includes "benefits provided to both the poor and the median-income earner as well as several design features and characteristics which enhance the efficacy of the overall retirement income system", and also "net household saving [rates] and home ownership [rates]" because "non-pension savings represent an important source of financial security during retirement." (ibid., 49)

The Mercer Index ranking is based on the calculation of an index value, which can be a value between zero and 100 points (ibid., 8). A total of over 40 indicators are considered for the calculation of the index value. "Some of [these indicators] are based on data measurements which can be difficult to compare between countries. […] [When] the difference is five or more [points] it can be fairly concluded that the higher index value indicates a country with a better retirement income system." (ibid.)

In the overall ranking, South Korea received the grade D with an overall index value of 46 points (ranked 22nd out of 27; average index value is 58.1 points), meaning that the country's "system […] has some desirable features, but also has major weaknesses and/or omissions that need to be addressed. Without these improvements, its efficacy and sustainability are in doubt." (ibid., 7 & 8) In the category adequacy, South Korea was ranked 21st with 46.5 points (average index value is 59.0 points) (Australian Centre for Financial Studies 2016, 8). When comparing the adequacy of the different pension systems, the best country is the Netherlands with an sub-index value of 78.2 points, and the worst country is South Africa with 34 points (ibid.). Being one of the countries in the last third of the ranking and graded with a D, South Korea's pension system shows major weaknesses in terms of adequacy.

In addition to both indices, old-age poverty statistics will be examined. According to OECD statistics, the poverty rate in South Korea in the age group 66 years and above was 0.496 in 2013, while the OECD average was 0.13 (OECD 2016b, 57, 2017d). Amongst the OECD countries, South Korea has the highest poverty rate amongst elderly people. "The poverty rate is the ratio of the number of people (in a given age group) whose income falls below the poverty line, taken as half the median household income of the total population." (OECD 2016b, 56) Furthermore, the poverty gap is "the percentage by which the mean income of the poor falls below the poverty line." (OECD 2016b, 56) Again, South Korea's poverty gap in the age group 66 years and above was in 2013 higher than in most other OECD member countries, namely 0.46. The OECD average was approximately 0.23 (OECD 2017b).

Furthermore, the relative welfare of elderly people is only 62.4%. The relative welfare is the "[a]verage income/consumption of people aged 60+ as a % of average income/consumption of the rest of the population." (HelpAge International 2015b) The high old-age poverty rate, the relative welfare and the poverty gap in South Korea show that many elderly people do not have enough income after retirement, for example that they do not receive sufficient financial support from the state through pension benefits. The results of the comparison of South Korea with other countries in terms of old-age poverty therefore underline the results of the Mercer and Global AgeWatch statistics.

3.2.8. Access to Health Care

Access to health care is one of the criteria of the analytical framework, as health care costs can be a burden for elderly people and are therefore closely connected with financial security and social protection, as was mentioned in subchapter 2.2.2. In order to find out if elderly people in South Korea – especially the poor – have sufficient access to health care, it will first be examined whether the access to health care is regulated by any laws.

The Welfare of Older Persons Act was promulgated in 1997 (last amended in 2015) with the aim to "[promote] the health and welfare of older persons by preventing or detecting diseases affecting older persons early, maintaining mental and physical health through proper treatment and recuperation […] and formulating appropriate measures for stable lives of older persons." (Welfare of Older Persons Act 2015, art. 1) In Article 27 it is stated that "[the] State or local governments may conduct medical examinations and provide health education for those aged 65 years old or over […]. In such cases, the most common diseases by gender, etc. shall be taken into consideration in such examinations and education […]." (ibid., art. 27, sec. 1) If an elderly person is living alone, it is the duty of the state and local governments to "provide […] services, such as visiting medical treatment service, etc. and take protective measures, such as safety confirmation, etc." (ibid., art. 27-2, sec. 1)

The healthcare security system of South Korea consists of the National Health Insurance Program, Medical Aid Program and the Long-term Care Insurance Program.

"All people in South Korea are eligible for coverage under the National Health Insurance Program […]. In 2006, […] over 96.3% of the total population" was covered under this programme (Song 2009, 207). There are two categories of insured people, employees and self-employed people. People with a low income receive support under the Medical Aid Program, which will be explained later (National Health Insurance Service 2014, 9).

As is stated in the National Health Insurance Act, "[medical] care benefits […] shall be provided for diseases, injuries, childbirths, etc. of the insured and their dependants […]." (National Health Insurance Act 2006, art. 39, sec. 1) Benefits include benefits in kind and benefits in cash. Benefits in kind can be health checkups, cancer screenings and healthcare benefits such as "diagnosis tests, drugs medical materials, treatments, surgery, preventive care, rehabilitation, hospitalization, nursing, and transportation." (National Health Insurance Service 2014, 16) Benefits in cash include: "Refunding Allowance for Health Care", a "Copayment Ceiling System", "Appliance Expenses for the Disabled" and "Pregnancy & Childbirth Examination Expenses" (ibid.). Citizens of South Korea shall receive those benefits from medical care institutions, including "Medical facilities […]; Pharmacies […]; The Korea Orphan Drug Center […]; Public health clinics, public health and medical care centers, and branches of public health clinics" (National Health Insurance Act 2006, art. 40, sec. 1). Insurance premiums are reduced for – among other groups of people – people who live in rural or remote areas and people who are 65 years or over (ibid., art. 66-2, sec. 1).

People with low-income and people “with rare, intractable, and chronic diseases as well as children under the age of 18” are covered under the Medical Aid Program, which “was established in 1979 […]. Under this program, the Government pays all medical expenses for patients who are unable to pay for health care.” (National Health Insurance Service 2014, 209) In 2006, ca. “3.7% of the total population [was] covered under the Medical Aid Program.” (ibid.)

The Health Care System of South Korea covers most of the population. However, in reality it faces some challenges when it comes to physical access to health care and financial issues.

People living in rural or remote areas do not have sufficient access to medical facilities, because “[due] to medical profit maximization strategies, most private medical facilities are located in urban areas, and 92.1% of physicians and 90.8% of hospital beds are in urban areas, while 79.7% of the population lives in urban areas.” (National Health Insurance Service 2014, 209) When it comes to people with physical disabilities, their access to health facilities is regulated by several laws. For example, it is stated in the Convenient Use of Facilities for the Disabled, the Elderly, and Pregnant Women Act “that public facilities such as medical institutions provide appropriate means to help the disabled and other frail groups access hospitals easily.” (Chun et al. 2009, 42) These appropriate means include, for instance, “elevators, wheelchairs and a guide for the disabled and hearing impaired.” (ibid.) In the Welfare Act for the Disabled it is stated “that the government and local governments should provide sign language and guides for those with hearing and visual impairments” in health and other public facilities (ibid.).

Another problem is that, as the population in South Korea is ageing fast, the “medical expenditure for chronic degenerative diseases [has increased], which has become a large social burden. […].” (National Health Insurance Service 2014, 209) Thus, “The Ministry for Health, Welfare and Family Affairs is taking [and has already taken] various measures for the aged, such as the expansion of health care facilities and introduction of Longterm Care Insurance Program.“ (ibid.) The Long-term Care Insurance Program, a social insurance system, was introduced in 2008 “in several locations around the country as a pilot implementation study […]” because “taking care of elderly people had been a major family burden in South Korea.” (National Health Insurance Service 2014, 209) Ca. 3.8% of the elderly population are covered by this programme. People who can receive benefits include “those aged 65 years or older, or those aged less than 65 years old but suffer from an age-related disabling condition […]. If they are qualified as a beneficiary, they receive medical treatment services including baths, laundry, and nursing care.” (ibid.)

3.2.9. Gender Equality

In South Korea, the labour force participation rate of people aged 15-64 was in total 68.7% of the population in the year 2016. Thus, at least in this respect men and women are treated equally. In reality, however, gender inequalities exist.

Among men, the labour force participation rate was 78.9%, while among women the rate was 58.4%. (OECD.Stat 2017) Thus, almost half of the female population aged 15-64 was not eligible to be covered under an occupational pension scheme. Next, when compared to other OECD countries, “[t]he gender pay gap in Korea is the highest” as “women working in Korea earn only 63% of what men earn. Only 56.2% of women in Korea are employed and many women withdraw from work when they have children.” (OECD 2017c, 1)

Inequalities between men and women also exist in old age. In 2013, the total pension coverage of women was 42.4% of all insured persons, while the pension coverage of men was 57.6% of all insured persons (UNESCAP 2016, 27). When it comes to the Basic Old-Age Pension scheme, the percentage of female beneficiaries in 2013 was only approximately "one-third of the male beneficiaries" (National Pension Service, 2014). The gender gap in pensions (National Pension Scheme) is quite big, as "40 per cent of men [received] benefits in 2011 compared with only 15 per cent of women" (OECD, 2014). When it comes to pension benefits for people with disabilities, "most […] beneficiaries were male and most survivor's pension beneficiaries were female" in recent years (UNESCAP 2016, 27).

In a working paper on income security for South Koreans, which was published by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), it is stated that coverage of women under the National Pension Scheme as well as the enrolment status of women is influenced by "[the] career break for female workers aged 35-39 [due to] childbirth and child care" (UNESCAP 2016, 27). The percentage of covered women aged 50 and above is higher as "there are more voluntarily insured women in that age group." (ibid.)

Furthermore, there is also an inequality when it comes to pension benefits, as "women [are] drawing just 60% as much in benefits as men despite their growing National Pension enrollment numbers." (The Hankyoreh 2015) This is mainly due to "relatively higher numbers of low-wage and irregular positions among women, along with the many who interrupt their careers to birth and raise children." (ibid.)

Non-working women, such as housewives, are usually not covered by the National Pension Scheme, but it is possible for them to be covered as voluntary insured persons. However, "the scheme required voluntary contributors [in the past] to pay premiums above the average subscriber's income level. To increase participation rates by housewives, the scheme recently allowed voluntary contributors to participate with various levels of income below the average subscriber's level (KRW 2 million)" (ibid.).

As many women are disadvantaged due to childcare leave, the government of South Korea has reformed the childcare leave scheme. For example, "it can be difficult for mothers [...] to (re-) enter well-paid regular employment and resume their careers [after they went on maternity leave]." (OECD 2017c, 1) Thus, from 2004 onwards the Korean government has invested "in subsidised early childhood education and care (ECEC)", which has "led to a major increase in participation in early-years education among Korean children, and helps both parents to participate in the labour market if they [...] wish." (ibid.) Furthermore, childcare leave can be taken by "[e]ither the mother or the father […]; the duration of the leave has been extended as well." (UNESCAP 2016, 4) Shared parental leave is a possibility for women to re-enter into employment earlier after they had children, which means that they will not loose too much time in which they could accrue pension rights.

3.2.10. Summary

The right to social security is embedded in the Constitution of the Republic of Korea and the Framework Act on Social Security, as well as in other acts of parliament dealing with different aspects of social security, such as the National Pension Act. Programmes and policies aiming at old-age income support and the reduction of old-age poverty are divided into public pension schemes, social welfare programmes and private pension programmes. Public pension schemes include several occupational pension programmes and the National Pension Scheme, social welfare programmes include the Basic Pension and the National Basic Livelihood Security Programme. (See chapter 3.2.1)

People in South Korea can retire aged 55 (early old-age pension), 60 (National Pension Scheme and some occupational pension schemes) or 65 (Basic Pension and most occupational schemes). The Basic Pension Scheme is a non-contributory scheme and covers people with a low income. However, the pension coverage in South Korea is rather low. Among all people aged 65 and above, ca. 78% are covered under a pension scheme. (See chapter 3.2.2)

Accessibility is provided via local offices of the National Pension Services as well as websites in several languages and counselling services. However, administrative barriers exist for unregistered people, as a resident registration card or another identification card is required in order to receive pension benefits. Next, clear and transparent information can be accessed via local offices, websites and information material on old-age income support provided in hard copy. (See chapters 3.2.3 and 3.2.4)

Accountability of responsible bodies can be ensured through the examination of dispositions and decision reviews. To participate in decision-making processes and the design and implementation of pension schemes, elderly citizens can join older people's associations or access websites, social networking services, etc. However, South Korean communities for elderly people are not very strong and developed yet. The rights of elderly citizens are also represented by representatives in councils and by HelpAge International, which is a network of organisations whose aim is to ensure the rights of elderly people to a healthy and secure life. Employees in South Korea also have the possibility to become members of trade unions. However, the government often interferes in the acitivities of trade unions and violates the rights of the citizens to freedom of assembly and association. (See chapters 3.2.5 and 3.2.6)

In terms of adequacy of benefits, several international rankings reveal that the South Korean pension system has major flaws. It is also stated that the relative welfare of elderly people (compared to the rest of the population) is only ca. 62%. Furthermore, South Korea has the highest old-age poverty rate when compared to other OECD countries. (See chapter 3.2.7)

All South Korean citizens are principally eligible to be covered under the National Health Insurance Program. Probelms of the health care system of the Republic of Korea include issues related to the accessibility of health care services. For example, as most private medical facilities are located in cities, people living in rural or remote areas are facing disadvantages compared to citizens in urban areas. (See chapter 3.2.8)

Last but not least, the empirical analysis revealed a gender inequality in pension coverage and pension benefits. This results, for example, from childcare duties of women and therefore less years of contribution when compared to men. (See chapter 3.2.9)

3.3. Old-Age Income Support in China

In this chapter, the focus of the empirical analysis lies on old-age income support in China. The ministry that deals with social security issues is the Ministry of Human Resources and Social Security of the People's Republic of China (MOHRSS). It was formed in 2008 and is responsible for areas such as "national labor policy standards, regulations" and the management of "the national social security system. It is thus responsible for labor force management, labor relations, social insurance management and legal construction of labor." (The State Council of the People's Republic of China 2014)

The Pension Insurance Bureau is a department of the MOHRSS and its duties include the planning and development of pension policies, the formulation of methods to manage the pension insurance funds, formulation of forecasts and early warning systems, the auditing of the basic pension benefits at provincial level, etc. (Ministry of Finance of the People's Republic of China 2008).

3.3.1. Right to Social Security

In the People's Republic of China, the right to social security is embedded in the constitution of the country. Before the law, all citizens of the People's Republic of China enjoy equal rights, including human rights, which "[t]he State respects and preserves" (The Constitution of the People's Republic of China 2004, art. 33).

Elderly citizens as well as citizens who suffer from illnesses or disabilities are entitled to "the right to material assistance" and therefore "[t]he State develops social insurance, social relief and medical and health services that are required for citizens to enjoy this right." (ibid., art. 45)

Work-related issues are regulated in the Labour Law of the People's Republic of China, including topics such as labour contracts, working hours, wages, safety and health, labour disputes, social insurance and welfare, etc. The Labour Law was promulgated in 1994 by the National People's Congress of the People's Republic of China. The purpose of this law is "to protect the legitimate rights and interests of labourers, regulate labour relationship, establish and safeguard a labour system suited to the socialist market economy, and promote economic development and social progress." (Labour Law of the People's Republic of China 1994, art. 1)

The Social Insurance Law of the People's Republic of China deals with issues regarding several types of insurances, such as basic old-age insurance, health insurance, unemployment insurance, maternity insurance, etc. The Social Insurance Law was promulgated in 2010 by the National People's Congress of the People's Republic of China. This law was implemented "for the purposes of regulating social insurance relationships, securing citizens' legitimate rights and interests to participate in a social insurance system and receive social insurance benefits, achieving a fair sharing of benefits of development by citizens, and promoting social harmony and stability." (Social Insurance Law of the People's Republic of China 2010, art. 1) The following principles are the basis of the social insurance system of the People's Republic of China: "wide coverage, modest benefits, multi-tiered programmes and a sustainable system. The level of the social insurance system shall correspond to that of economic and social development." (ibid., art. 3)

The social security system of the People's Republic of China includes several old-age income support programmes, which can be divided into public pension schemes and social welfare programmes.

Public pension schemes include the Basic Old-age Insurance Scheme for Enterprise Employees (BOISEE), the Basic Old-age Pension System for Civil Servants (BOPSCS), the Urban Social Pension Scheme (USPS) and the New Rural Social Pension Scheme (NRSPS). The BOISEE was established in 1995 and is aimed at employees in urban areas. "Employees with labour contracts (migrant workers included) are statutory participants, while the self-employed are voluntary participants." (Quan Lu 2012, 12) The BOPSCS was introduced in 1952 and covers – as its name implies – civil servants. In 2011, the USPS was established for "[n]on-employed urban residents aged 16 and over." (ibid.) The NRSPS covers rural residents and was introduced in 2009 (ibid.).

Social welfare programmes, which were introduced with the aim to provide a social safety net for needy eldery people and needy citizens in general, include the Rural Minimum Living Standards Scheme (RMLSS), the Five Guarantees Scheme for Rural Residents (FGS) and the Urban Minimum Living Standards Scheme (UMLSS). The RMLSS was established in 2007 for "[those] living in poverty with rural *hukou*[4]", the FGS was introduced in 1956 for people "living in poverty, without dependants, and with rural *hukou*" and the UMLSS, established in 1999, covers people "living in poverty with urban *hukou*." (ibid.)

It will now be examined whether the legal frameworks and programmes in the People's Republic of China dealing with old-age income security comply with essential human rights standards. In the following subchapters these programmes will be examined in more detail.

Eligibility Requirements

It is stated in the Constitution of the People's Republic of China that all citizens of the country enjoy equal rights, including human rights, which "[t]he State respects and preserves" (The Constitution of the People's Republic of China 2004, art. 33). The retirement system of the People's Republic of China is aimed at "workers and staff members of enterprises and institutions and for functionaries of organs of State according to law. The livelihood of retired persons is ensured by the State and society." (ibid., art. 44) The right of the residents of the People's Republic of China include "the right to material assistance from the State and society when they are old, ill or disabled. The State develops social insurance, social relief and medical and health services that are required for citizens to enjoy this right." (ibid., art 45) Furthermore, equal rights between women an men "in all spheres of life, in political, economic, cultural, social and family life" are promoted in the Consitution (ibid., art. 48). The State protects the rights and interests of women, applies the principle of equal pay for equal work to men and women alike and trains and selects cadres from among women." (ibid.)

It is stated in the Social Insurance Law that every citizen in China shall "make social insurance contributions, have the right to access the related contribution records and individual social

[4] *Hukou*: "The *hukou* system is a governmental household registration system", which "is used to actively limit where a person is allowed to live[;] especially if one is born into a rural *hukou*[,] attempting to change to a more attractive residence or to an urban *hukou* can be extremely difficult, if not impossible." (Juneja 2017)

insurance benefit credits, and request social insurance consultancy and other relevant services from a social insurance agency." (Social Insurance Law of the People's Republic of China 2010, art. 4) Furthermore, everyone shall be covered by "the basic old-age insurance system; and the employer and the employee shall jointly make basic old-age insurance contributions." (ibid.) It is stated in Article 10 of the Social Insurance Law that

> *[a] proprietor of privately or individually-owned business with no hired labour, a part-time worker who is not covered by the basic old-age insurance system through his or her employer, and any other person in employment of flexible forms, may elect to enrol in the basic old-age insurance system, and the person in question shall make basic old-age insurance contributions. The approach to the basic old-age insurance for civil servants and that for working people who are governed likewise by the Civil Service Law shall be regulated by the State Council. (ibid., art. 10)*

The Labour Law of the People's Republic of China is generally aimed at "individual economic organizations (hereinafter referred to as employing units) and labourers who form a labour relationship therewith within the territory of the People's Republic of China." (Labour Law of the People's Republic of China 1994, art. 2)

The eligibility requirements for each pension programme in China will be examined in subchapter 3.3.2.

Transparency Mechanisms and Access to Information

In Article 75 of the Social Insurance Law it is stated that a "National Social Insurance Information System shall be jointly constructed by the People's Governments at and above the county level, following the principle of [a] jurisdiction-based responsibility system." (Social Insurance Law of the People's Republic of China 2010, art. 75) Furthermore, it is the duty of social insurance agencies to "provide at regular intervals to the public information concerning social insurance coverage, and incomes and expenditures, balances and investment returns of social insurance funds." (ibid., art. 70) Employers and individual members have the possibility to "inquire about and verify their records of contributions and social insurance benefit credits with the social insurance agency free of charge, and demand from the social insurance agency social insurance consultancy and other services." (ibid., art. 74) According to Article 71, "[t]he National Social Security Fund shall provide at regular intervals to the public information concerning revenues and expenditures, management and investment operations of the Fund." (ibid., art. 71)

Roles and Responsibilities

It is stated in the Social Insurance Law of the People's Republic of China that it is the responsibility of the State to "establish a social insurance system consisting of a basic old-age insurance, basic medical insurance, work injury insurance, unemployment insurance, and maternity insurance" with the purpose "to guarantee citizens' rights to receive material assistance from the State and society according to law upon old age, sickness, work injury, unemployment and maternity.” (Social Insurance Law of the People’s Republic of China 2010, art. 2) Additionally, the State shall “set up social insurance funds so that labourers may receive assistance and compensations under such circumstances as old age, illness, work-related injury, unemployment and child-birth.” (Labour Law of the People’s Republic of China 1994, art. 70)

The duties of agencies that are in charge of social insurance funds include that those agencies “collect, expend, manage and operate the funds in accordance with legal provisions, and assume the responsibility to preserve and increase the value of such funds.” (ibid., art, 74) Supervisory organisations “shall exercise supervision over the revenue and expenditure, management and operation of social insurance funds in accordance with the stipulations of laws.” (ibid.)

Social insurance services shall be offered by social insurance agencies, including services such as “social insurance registration, book-keeping for the participants, and paying social insurance benefits to the beneficiaries.” (Social Insurance Law of the People’s Republic of China 2010, art. 8)

Furthermore, trade unions shall be established to represent workers and their rights and interests. Those trade unions shall also “have the right to participate in studies and research on fundamental issues related to social insurance, and act as members of the social insurance supervisory committees to perform supervision over the matters related to workers’ social insurance rights and interests.” (ibid., art. 9)

Employing units shall “set up supplementary insurance for labourers according to its actual conditions” and “create conditions to improve collective welfare and increase labourers’ social benefits.” (Labour Law of the People’s Republic of China 1994, art. 75 & 76)

Accessible Complaints Mechanisms

If social insurance laws and regulations are not fulfilled, it shall be the right of individuals and organisations “to report or complain about any non-compliance” (Social Insurance Law of the People’s Republic of China 2010, art. 82). If a person files a complaint, the respective department or agency shall respond to this claim. These departments and agencies include “[a]ny social insurance administrative department, health administrative department, social insurance agency, social insurance contributions collecting agency, finance department and audit office” (ibid.). It is the duty of the department or agency in charge to “handle the complaints and reporting in a timely manner, and any act of shifting of responsibility shall be prohibited.” (ibid.)

Employers and individuals have the right to “apply for an administrative review or initiate administrative proceedings according to law” if they are of the opinion “that their legitimate rights have been violated by an act or acts of a social insurance contributions collecting agency” (ibid., art. 83). These violations can be related to issues such as “social insurance registration, calculation and determination of social insurance contributions, paying social insurance benefit obligations, processing transfer or renewal of social insurance relationships, or any other act violating social insurance rights” (ibid.).

Social insurance disputes between employees and employers can be solved by “[applying] for mediation, arbitration or initiate court proceedings according to law.” (ibid.) It is also possible to “demand a lawful settlement by the social insurance administrative department or social insurance contributions collecting agency.” (ibid.)

Participation Channels for Beneficiaries

The Social Insurance Law and the Labour Law of the People’s Republic of China do not offer much information about participation channels for beneficiaries. However, insured people, employers and trade unions are represented in social insurance supervisory committees in their respective pooling district, alongside professional experts. The tasks of these committees include to “conduct analysis of social insurance funds in terms of income and expenditure accounts, management, and investment operations. The committee can provide consultancies and recommendations on social insurance affairs, and perform public oversight.” (Social Insurance Law of the People’s Republic of China 2010, art. 80)

To sum up, the right to social security is regulated in the Constitution of the People’s Republic of China and in several other respective national laws and legal frameworks. However, this does not mean that Chinese citizens also enjoy the right to social security in practice. Thus, the analysis in the following subchapters not only focuses on the implementation of legal frameworks but – where possible – also on the compliance with human rights principles in practice.

3.3.2. Equitable Access

In this subchapter it will be examined whether the pension coverage in the People’s Republic of China is universal, if all citizens of the country enjoy equal rights, and if measures are taken to protect vulnerable and disadvantaged citizens.

China’s pension system consists of four pension schemes: the Basic Old-age Insurance Scheme for Enterprise Employees, the Basic Old-age Pension System for Civil Servants, the Urban Social Pension Scheme and the New Rural Social Pension Scheme. Additionally, three programmes with the purpose of social assistance and poor relief were introduced for the general population, namely the Rural Minimum Living Standards Scheme, the Five Guarantees Scheme for Rural Residents and the Urban Minimum Living Standards Scheme. Those programmes were introduced by the central government of the People’s Republic of China. “Some local governments have altered the structure of these schemes, for example in practice the Urban Social Pension Scheme (USPS) and [the New Rural Social Pension Scheme] are often combined.” (Quan Lu 2012, 11) And “some regions have established new schemes, such as non-contributory pension schemes for older people.” (ibid.) The central government’s aim, however, is “to establish a comprehensive, equitable, and unified pension system that covers both urban and rural residents by 2020.“ (Social Security Administration (US) 2016, 73)

The Basic Old-age Insurance Scheme for Enterprise Employees (BOISEE) was introduced in 1995 (Quan Lu 2012, 12) and covers “[employees] (including legally employed foreigners and migrants, and part-time employees) in urban enterprises and urban institutions managed as enterprises; self-employed persons and small business owners with no employees [and] casual workers […].” (Social Security Administration (US) 2016, 73) This scheme includes statutory participants and voluntary participants. Statutory participants are “employees with labour contracts”, whereas voluntary participants are self-employed people (Quan Lu 2012, 12). It is stated in Article 10 of the Social Insurance Law that “[each] employee shall enroll in the basic old-age insurance system; and the employer and the employee shall jointly make basic old-age insurance contributions." (Social Insurance Law of the People's Republic of China 2010, art. 10) Employers shall make contributions of 20% of the employees' total wage (Quan Lu 2012, 12), which "shall be deposited into the basic old-age insurance pooling fund" (Social Insurance Law of the People's Republic of China 2010, art. 12), and employees shall pay 8% of their individual wages into their individual account (Quan Lu 2012, 12f.). In 2011, 68.2 millon people received benefits from this scheme (Quan Lu 2012, 12).

The Basic Old-age Pension System for Civil Servants (BOPSCS), which was introduced in 1952, is aimed at civil servants. This scheme "covers all employees working in state-owned administrative agencies and institutions, with around 40.2 million people currently [in 2010, *author's note*] working in the civil service. As a non-contributory scheme, funding for BOPSCS comes entirely from public finance." (Quan Lu 2012, 13) In 2010, 40.2 million people received benefits from the BOPSCS (Quan Lu 2012, 12).

According to Article 10 of the Social Insurance Law of the People's Republic of China, the following people can choose to be covered by the basic old-age insurance and to make contributions to this insurance: "[a] proprietor of privately or individually-owned business with no hired labour, a part-time worker who is not covered by the basic old-age insurance system through his or her employer, and any other person in employment of flexible forms […]." (Social Insurance Law of the People's Republic of China 2010, art. 10)

People who do not contribute to the Basic Old-age Insurance Schemes can be covered by non-contributory schemes. The Urban Social Pension Scheme (USPS) was introduced in 2011 and covers "[non]-employed urban residents aged 16 and over." (Quan Lu 2012, 12) "Relying on a mixture of individual contributions and government funding, the scheme pays 55 yuan[5] a month to eligible individuals aged 60 and over." (Quan Lu 2012, 13) "Unemployed urban residents aged 60 and over are exempt from contributions. Those aged between 45 and 60 must have paid contributions for up to fifteen years, whilst those aged 45 and under must contribute for at least fifteen years." (Quan Lu 2012, 13) In 2011, 2.6 million people received benefits from the USPS (Quan Lu 2012, 12).

The non-contributory pension scheme for people living in rural areas is called New Rural Social Pension Scheme (NRSPS) and was introduced in 2009. The government pays a basic pension on a monthly basis to people aged 60 and over. Additionally, beneficiaries receive a "monthly pension from [an] individual account which consists of individual contributions, collective subsidies, local government's financial input and the investment revenue of the fund." (Quan Lu 2012, 14) The NRSPS started as a pilot programme in chosen counties and "only those counties […] could receive revenues from the central government." (Quan Lu 2012, 14) Later, this programme was also implemented by other provinces, which did not have "access to the subsidy from central government. Official statistics suggest that 326.4 million people were participating in the NRSPS by the end of 2011, with 237.2 million contributors (accounting for 57.1 per cent of all workers with rural *hukou*) and 89.2 million recipients (accounting for 48.2 per cent of the total population of older people in China)." (Quan Lu 2012, 14f.) Since the introduction of the NRSPS, "the Chinese rural population has access to a public old-age pension scheme [for the first time in history]" (Stepan and Lu 2016, 139) However, there are still some

[5] Exchange rate as of 12th December 2017: CNY 1 = EUR 0.1284 (European Central Bank 2017b)

problems that need to be solved. Although “basic income security [is guaranteed],” a reamining issue is that “the scheme creates new boundaries for social mobility – between the informal and formal labour market. Second, it constitutes an increasing financial burden for local governments.” (ibid., 140f.) Last but not least, inequalities between the urban and the rural pension scheme still exist. “In 2011, [for example,] three times the amount of subsidies paid into the residence-based social insurance pension schemes were channelled in the pension funds for urban employees: CNY 77 billion vs. CNY 207 billion” (ibid., 141).

In addition to the above mentioned pension schemes, social assistance programmes and programmes aimed at poverty reduction were introduced for the general population.

> *Current schemes aimed at reducing poverty in China include the Urban Minimum Living Standards Scheme (UMLSS), the Rural Minimum Living Standards Scheme (RMLSS) and the Five Guarantee Scheme for Rural Residents (FGS). Together, these schemes cover 27.7 million older people in China [...]. However, while older people may benefit from these schemes, [the schemes] are targeted on the basis of poverty rather than age.” (Quan Lu 2012, 10)*

The Rural Minimum Living Standards Scheme was introduced in 2007 and covers people with a rural *hukou* who live in poverty. Beneficiaries receive a cash transfer from public finance. In 2011, 19.3 million people aged 60 and over received benefits from this scheme (i.e. 10.4% of all people aged 60 and over in China), with an average monthly cash transfer of 96 yuan (Quan Lu 2012, 12 & 15).

The Five Guarantees Scheme for Rural Residents (FGS) was introduced in 1956 and covers people with a rural *hukou* who live in poverty and do not have any dependents. Beneficiaries receive in-kind transfers from public finance, such as caring services. In 2011, 5 million elderly people were covered by this scheme (Quan Lu 2012, 12).

The Urban Minimum Living Standards Scheme was introduced in 1999 and is targeted at people with an urban *hukou* who live in poverty. Those people receive cash transfers from public finance. In 2011, 3.4 million elderly people received benefits, which is 1.8% of the total elderly population in China (Quan Lu 2012, 12 & 25).

The numbers of recipients show that these three schemes only “play a marginal role in the economic security of people in old age.” (Quan Lu 2012, 25)

The following conditions qualify people to receive benefits from the basic old-age insurance scheme:

> *A member of the basic old-age insurance shall receive the basic old-age pension on a monthly basis if the member’s cumulative length of contribution payment is no less than fifteen years upon reaching the legal retirement age.*

> *If the cumulative length of contribution payment of a member of the basic old-age insurance is less than fifteen years when the member reaches the legal retirement age, the member may receive the basic old-age insurance on a monthly basis once the member makes up the contribution payment to what is required for fifteen years. The member may elect to transfer to the new rural social insurance of the old-age pension or social insurance of the old-age pension for urban residents, and receive pensions in accordance with the regulations of the State Council. (Social Insurance Law of the People's Republic of China 2010, art. 16)*

Surviving dependents of a deceased insured person who "[died] from illnesses or causes not related to work" can "receive funeral subsidies and bereavement allowances; when a member becomes completely unfit for work due to illnesses or causes not related to work before reaching the legal retirement age, the member is entitled to illness and disability allowances." (Social Insurance Law of the People's Republic of China 2010, art. 17)

The retirement age in China is 60 years (men) and 50 years (female workers in enterprises) or 55 (female civil servants). Thus, the retirement age for both men and women is quite low and "no longer realistic in a country where the average life-expectancy is now 75 years and there are already about 200 million people over the age of 60." (CLB - China Labour Bulletin 2017) Plans to raise the retirement age for men and women do exist. Researchers have suggested to gradually raise the retirement age for women "by one year every three years and delay male employees' retirement age by one year every six years from 2018. Gradually, the mandatory retirement age will be 65 for both men and women by 2045." (Dasgupta, Matsumoto, and Xia 2015, 27)

Due to the *hukou* system, migrants in China are discriminated against, as the *hukou* system limits the mobility of migrant workers and migrants in general. While migrant workers who "[move] to smaller cities can register and socially integrate more easily", migrant workers "[...] who move to larger cities" are facing greater difficulties (Müller 2016, 76). Without a local *hukou*, people are not entitled "to vote and to access social benefits such as education, pensions and healthcare; as such, it seriously disadvantages migrants who will be registered in their place of origin." (Quan Lu 2012, 8) The *hukou* record of a person or household defines how "financial resources are allocated", which means that people are only eligible to receive benefits "by the central, provincial, and city governments" in their own *hukou* (Müller 2016, 59). Moreover, "access to public service units for service provision is often restricted to the home locality" (ibid.). Thus, "[t]hose who remain within their locality of registration remain eligible for social protection and public services, and those who remain within their native province are more likely to receive extended coverage of some sort." (Müller 2016, 76) Furthermore, it is not easy to change a residency, especially to change from a rural *hukou* to an urban *hukou*, as access to a *hukou* record of bigger cities is hampered (Müller 2016, 59f.).

Another restriction for migrant workers is that children inherit the *hukou* from their parents. Therefore, "children born to rural parents are registered as rural, regardless of their place of birth – this disadvantage is transmitted across the generations." (ibid.)

The right for foreigners to social security is embedded in the Social Insurance Law. It is stated in Article 97 that foreigners “who are employed in the Chinese territory shall enroll in the social insurance system in accordance with this law.” (Social Insurance Law of the People’s Republic of China 2010, art. 97)

When it comes to the pension coverage rate in the People’s Republic of China, 74.4% of people aged 65 and above receive pension benefits in China (HelpAge International 2015a).

3.3.3. Accessibility

Accessibility of a social security system includes physical and cultural access as well as no administrative barriers (see chapter 2.2.2). In theory and in practice, the principle of accessibility – when it comes to the Chinese pension system – is only fulfilled to some extent.

In terms of cultural access, it was discussed in the previous subchapter that migrants and migrant workers are discriminated against as the *hukou* system of the People’s Republic of China hinders them from receiving social insurance benefits when they move to another area of the country. Thus, the non-registration in the respective *hukou* is an administrative barrier in regard to the access to pension benefits.

In China, “pension schemes are managed by local social insurance institutions. Contributions are collected by social insurance agencies or by tax authorities.” (Hu 2015, 2) Social insurance agencies are responsible for paying benefits to eligible recipients by transferring the benefits to their bank accounts (Social Insurance Law of the People’s Republic of China 2010, art. 73). It is the duty of social insurance agencies to “create files in a timely manner for an employer, keep […] records of the insured members and social insurance contributions, and guard […] original proofs of social insurance registrations and declarations of contributions and accounting invoices of the payments made.” (ibid., art. 74) Employers and insured persons can “inquire about and verify their records of contributions and social insurance benefit credits with the social insurance agency free of charge, and demand from the social insurance agency social insurance consultancy and other services.” (ibid.)

Social insurance agencies are located in every province in China, as well as in every autonomous region and municipality. In total there are local offices in ca. 375 cities and in each city there is approximately one office in every district. (Ministry of Human Resources and Social Security of the People’s Republic of China 2017a)

In order to receive information about application processes etc., Chinese citizens can also visit the website of the Ministry of Human Resources and Social Security (www.mohrss.gov.cn) or websites of local offices. It is also possible to call the national inquiry phone number (12333) in order to get information related to social insurance issues. (Ministry of Human Resources and Social Security of the People’s Republic of China 2017b) All above mentioned websites are available in Mandarin Chinese only. However, not every Chinese citizen understands Mandarin Chinese. In fact, ca. 27 % of Chinese people are not able to speak this language (Xinhuanet 2017).

3.3.4. Transparency and Access to Information

In order to meet human rights standards, a pension system also needs to be transparent and to provide access to information to the citizens of a country.

Citizens of the People's Republic of China can get access to information about the country's pension schemes – such as eligibility requirements, contributions, benefits, application forms, etc. – by visiting local social insurance agencies. As was said in the previous subchapter, local social insurance agencies were established in ca. 375 cities throughout China. Additionally, the Social Insurance Law of the People's Republic of China and the Labour Law of the People's Republic of China provide information about the pension system. (Ministry of Human Resources and Social Security of the People's Republic of China 2017b). People also have the possibilty to call a national inquiry phone number when seeking information about social insurance issues. The phone number is 12333. (ibid.)

Furthermore, information about pension related issues are available online on various websites. The website of the Ministry of Human Resources and Social Security is available in Mandarin Chinese (www.mohrss.gov.cn). Some local offices offer websites not only in Mandarin Chinese but also in English, such as the Shanghai Municipal Human Ressources and Social Security Bureau (Shanghai Municipal Human Resources and Social Securtiy Bureau 2009). There is also a Social Insurance Website: si.12333.gov.cn. Citizens of the People's Republic of China can create an account and request information about social insurance issues. However, so far this information is restricted to topics related to health insurance, information on hospitals, etc. Information on pension insurance is not available. This might change in the future, but no information about any future plans was found during the research for this thesis. (Ministry of Human Resources and Social Security of the People's Republic of China 2017c)

3.3.5. Accountability

The existence of complaint mechanisms and possibility of decision reviews are indicators for the criterion accountability.

According to article 82 of the Social Insurance Law of the People's Republic of China, organisations and individuals "have the right to report or complain about any non-compliance of social insurance laws and regulations." (Social Insurance Law of the People's Republic of China 2010, art. 82) It is the duty of agencies and departments dealing with social insurance issues – such as social insurance administrative departments, social insurance agencies, social insurance contributions collecting agencies, etc. – to

> *deal with the complaints or reporting that fall under [their] jurisdiction according to law; for a case beyond [their] jurisdiction, a notification in writing together with the documents received shall be passed on to the proper authoritative department or agency to address. The proper authoritative department or agency shall handle the complaints and reporting in a timely manner, and any act of shifting of responsibility shall be prohibited. (Social Insurance Law of the People's Republic of China 2010, art. 82)*

Furthermore, "[when] an employer or individual believes that their legitimate rights have been violated by an act or acts of a social insurance contributions collecting agency, the employer or individual in question can apply for an administrative review or initiate administrative proceedings according to law." (Social Insurance Law of the People's Republic of China 2010, art. 83) Employers and individuals have the possibility to "apply for an administrative review or [to] initiate administrative proceedings according to law", if a social insurance agency does not comply with the law when it comes "to social insurance registration, calculation and determination of social insurance contributions, paying social insurance benefit obligations, processing transfer or renewal of social insurance relationships, or any other act violating social insurance rights" (ibid.). In the case of disputes regarding social insurance issues, employers and employees can "apply for mediation, arbitration or initiate court proceedings according to law. When an employer infringes upon the social insurance rights of an individual, the individual in question may also demand a lawful settlement by the social insurance administrative department or social insurance contributions collecting agency." (ibid.)

For the resolution of several kinds of labour disputes – which also include disputes on social insurance issues, the Labor Dispute Mediation and Arbitration Law of the People's Republic of China was implemented in 2007. The purpose of this law is "to fairly and timely resolve labor disputes, protect the lawful rights and interests of the parties and promote harmonious and stable labor relations." (Labor Dispute Mediation and Arbitration Law of the People's Republic of China 2007, art. 1) The resolution process includes the following steps:

> *consultation, mediation, arbitration, litigation in court of firtst instance, appeal, etc. In reality, however, the process is much more fluid with the emphasis being placed by the authorities at all stages on mediation rather the more formal arbitration and litigation procedures. Thus, even if a case does make it to a labour dispute arbitration committee (LDAC) or the civil courts, those institutions will often still urge the parties to a agree to a mediated settlement rather than issue a formal ruling. (CLB - China Labour Bulletin 2017)*

An additional method to resolve disputes is to involve the labour and social security inspectorate, which is "an administrative office tasked with ensuring employers' compliance with labour law and regulations." (CLB - China Labour Bulletin 2017) The inspectorate can "issue fines and take other corrective measures in response to a wide range labour rights violations," with the majority of these violations being related to rather "basic issues such as the payment of wages, compliance with the minimum wage, social insurance, employment contracts and working hours." (CLB - China Labour Bulletin 2017)

3.3.6. Participation

According to Article 80 of the Social Insurance Law of the People's Republic of China, social insurance beneficiaries are represented in social insurance supervisory committees. These committees are "composed of representatives of employers, insured persons and trade unions, and professional experts" and they "have full knowledge and conduct analysis of social insurance funds in terms of income and expenditure accounts, management, and investement operations. The [committees] can provide consultancies and recommendations on social insurance affairs, and perform public oversight." (Social Insurance Law of the People's Republic of China 2010, art. 80)

It is stated in the Labour Law of the People's Republic of China, that employees can "participate in, and organize, trade unions in accordance with the law. Trade unions shall represent and safeguard the legitimate rights and interests of labourers, and independently carry our their activities in accordance with the law." (Labour Law of the People's Republic of China 1994, art. 7) Next, employees have the possibility to "take part in democratic management or negotiate with the employing units on an equal footing about protection of the legitimate rights and interests of labourers through the assembly of staff and workers or their congress or other forms as provided by law." (ibid., art. 8)

When it comes to trade unions in the People's Republic of China, it is stated in Article 35 of the Constitution of the in the People's Republic of China that "[c]itizens of the People's Republic of China enjoy freedom of speech, of the press, of assembly, of association, of procession and of demonstration." (The Constitution of the People's Republic of China 2004, art. 35)

In reality, however, employees in China cannot "form or join trade unions of their choice" and trade unions at lower levels are controlled or lead by trade unions at higher levels (International Trade Union Confederation 2012, 2). The Communist Party's influence on trade unions is significant and it is noteworthy that "[t]he All-China Federation of Trade Unions (ACFTU) [...] is the only centre recognised in law" and "thereby [it] exercises a trade union monopoly." (International Trade Union Confederation 2012, 2) The All-China Federation of Trade Unions (ACFTU) leads a network of trade unions in China and has 258 million members, including 94 million migrant workers (ibid.). It is stated in the constitution of the ACFTU that "it is led by the [Communist] Party and that if enterprises have party organisations, their leaders or bosses are either Party officials within the enterprise or local Party officials. [...] A trade union boss dare not disobey the Party's orders for fear of disciplinary action." (CLB - China Labour Bulletin 2007) As most of the leaders and bosses are "appointed directly or indirectly by the Party", it is evident that "[t]he level of autonomy of most unions at enterprise level remains low" (International Trade Union Confederation 2012, 2).

Next, it is stated in Article 11 of the Trade Union Law that "[t]he establishment of a basic-level trade union, local all-level federation of trade unions or a national or local specific industry trade union must be reported to the trade union organization at the next highest level for approval." (Trade Union Law of the People's Republic of China 2001, art. 11) Therefore, people in China do not have free choice when it comes to joining or forming a trade union. The free choice to join any preferred trade union is a right which "is a necessary precondition for the ability of workers to seek remedies where the government may have violated their rights as guaranteed by the Covenant." (Human Rights in China 2005, 68) However, it was stated above that the ACFTU is the only union recognised by the Communist Party. This fact "undercuts the right to join a trade union of one's choice." (ibid.)

Employees in China are also represented by Employee Representative Councils (ERCs), "which officially function under the control of the [ACFTU]." (International Trade Union Confederation 2012, 2) Employee Representative Councils only "have little power to pursue employees' interests," but "their functions are important and include discussing the state of collective bargaining conducted by the trade union on salaries, firing procedures, occupational diseases cases and some other areas." (ibid., 2f.) The tasks of the ERCs also include to "[represent] workers when a company prepares internal regulations on various operational issues" and to "review and [approve] collective agreements on wages, gender issues, working hours, rest and vacation time, insurance and other social benefits." (ibid., 3)

In 2014, 78 scholars, journalists and lawyers in the People's Republic of China signed an open recommendation to the National People's Congress, in which they criticise the government for its violation of the right of citizens to freedom of association. They state that according to the constition of the country, the citizens have the "right to assembly, association, procession, and demonstration [...] but the Law of the People's Republic of China on Assemblies, Processions and Demonstrations restricts these rights by requiring administrative approval, and therefore violates the Constitution." (Human Rights in China 2014) It is also explained in this recommendation that the Law of the People's Republic of China on Assemblies, Processions and Demonstrations "violates the 'right to freedom of peaceful assembly and association' principle enshrined in the Universal Declaration of Human Rights and the provision in the International Covenant on Civil and Political Rights – which China signed in 1998 – that stipulates that '[t]he right of peaceful assembly shall be recognized.'" (ibid.)

Apart from being represented by representatives in trade unions and social insurance supervisory committees, the interests of elderly people are also represented by the China National Committee on Ageing (CNCA). Established in 1982 as a government body with more than 20 members, the CNCA "produces policies for an ageing population, coordinates work on ageing by different ministries and monitors work on age-related activities." (HelpAge International 2017d) The aim of this committee is "to improve older people's quality of life" by launching projects such as a pilot project in 2009 with the purpose "to support farmers, who were not receiving a pension." (HelpAge International 2017d) The committee "is committed to researching ageing issues for policy making, exchanging information to raise awareness about ageing and participating in international events" (ibid.) The CNCA also cooperates with HelpAge International on different projects to help to improve the lifes of elderly people (HelpAge International 2017d).

As in South Korea, elderly people in China have the possibility to engage in senior communities and to voice their opinions by joining older people's associations (OPAs). However, these associations do not exist throughout the whole country but were only introduced in three provinces so far during a project implemented by HelpAge International and the CNCA "from March 2003 to July 2006 in […] Shaanxi, Hunan, and Sichuan." (HelpAge International 2013, 1) The purpose of this project was the poverty reduction of elderly people in several villages in these provinces by establishing and developing self-amanging "older people's associations (OPAs) within each community. These OPAs would then be responsible for carrying out health and livelihood promotion activities, which would help to reduce the poverty experienced by older people." (ibid.) The purpose of establishing self-managing OPAs was "to promote participation and capacity, [and] also [to] enhance the transparency and sustainability of the OPAs. As a result of these interventions, more vigorous and purposeful OPAs were developed in these communities." (ibid.) The project showed that

> *[there] is much that older people can do to support their own wellbeing and improve their knowledge and health practices, whether through mutual social support, income generating activities, or organisation of*

> *technical training. The self-managed OPA model has proven to be a successful means of initiating pilot projects and cultivating the wellbeing of poor older people in rural areas. This model is coherent with rural development and poverty reduction strategies and the 11th 5-year National Plan on Ageing […] adopted by the Chinese government, and could lead to the establishment of many more OPAs with the capacity to reduce poverty and improve the overall wellbeing of older people and their communities in China. (HelpAge International 2013, 29)*

Furthermore, several newspapers and websites help the Chinese population to gain information about issues related to the life of elderly people, such as the newspaper *Laorenbao* [Elderly People Newspaper, *translated by author*] and the website *Leling* [Aging/Old-age, *translated by author*]. *Laorenbao* (lrb.dayoo.com), which is based in Guangzhou, informs elderly people about topics related to health care, disease control, sports and leisure life (Laorenbao 2017). *Leling* (www.china5080.com) is an interactive website, which enables elderly people to provide content for the website, communicate with other elderly people, and to get information about issues related to the life of elderly people (Leling 2017).

3.3.7. Adequacy of Benefits

The retirement age in China "is 60 for men, 50 for women blue collar, and 55 for women white collar." (OECD 2013, 230) It is also possible to retire earlier, "at 55 for men and 50 for women if the individual engaged in physical work. If the individual is totally disabled, pensions will commence at 50 for men and 45 for women subject to 15 years of contributions." (OECD 2013, 231) When a person retires, the sum which the person has paid into his or her personal account will be

> *[…] divided into 120 instalments to be paid out monthly over a ten-year period. In addition to the benefits paid out from the personal account, the worker also receives general pension payments, payable until death. The general pension payments are determined by the number of years of employment, the average wage in the locality, and life expectancy. These general pension payments are ostensibly funded by the employer's contributions, but the government is legally obligated to cover any shortfalls. Workers become eligible for pension benefits when they reach the statutory retirement age but only if they have participated in the scheme for at least 15 years. Those who have participated for less than 15 years may delay retirement until they have contributed for 15 years, pay the remaining required contributions, transfer their pension plan to a plan for non-employed rural or urban residents, or receive the entirety of their individual account, including interest, in a lump sum payment. (CLB - China Labour Bulletin 2017)*

According to the Global AgeWatch Index of 2015, China was ranked 52nd in the overall ranking and 75th when it comes to income security (HelpAge International 2015d, 4 & 14). China's value for the domain income security is 39.2 and lies therefore below the median of 47.65 (HelpAge International 2015d, 23). This value reveals that China's pension system has weaknesses when it comes to income security.

In the overall ranking of the Melbourne Mercer Global Pension Index of 2016, China received the same grade as South Korea, grade D. China was ranked 23rd (out of 27) with an overall index value of 45.2 points (Australian Centre for Financial Studies 2016, 8). Furthermore, China was ranked 15th with 58.2 points (average index value is 59.0) when it comes to the category adequacy and is thus performing on an average level compared to the other examined countries (Australian Centre for Financial Studies 2016, 8).

From 2011 to 2012, the Beijing University conducted a survey, the China Health and Retirement Longitudinal Study (CHARLS), which "provides a unique, high quality dataset to support the scientific analysis of aging issues in China." (CHARLS Research Team 2013, 4) The survey "is a nationally representative survey that included successful surveys of one person per household who was 45 years of age or older and their spouses (totalling 17,708 individuals) living in 10,287 households in 450 villages/urban communities in 150 counties/districts in 28 of China's 30 provinces excluding Tibet." (ibid.) According to this survey, "22.9%, or 42.4 million of China's elderly have consumption per capita levels below the poverty line. The consumption poverty rate is significantly higher for the elderly than for those aged 45 to 59. […] To calculate poverty rates, [the research team used] China's […] official poverty line of 2,433 yuan per year in 2011 […]" (ibid., 8)

When it comes to the welfare of Chinese elderly people (aged 60 and over), the relative welfare is only 50% when compared to the rest of the population (HelpAge International 2015a).

3.3.8. Access to Health Care

In this subchapter it will be examined if health care is accessible for elderly people in China. The health care system in China consists of four systems: the public health service system, the medical care system, the medical security system and the pharmaceutical supply system. The public health service system "covers disease prevention and control, health education, maternity and child care, mental health, health emergency response, blood collection and supply, health supervision, family planning […] and [a] healthcare system based on community-level healthcare networks that provides public health services." (Information Office of the State Council The People's Republic of China 2012)

The medical care system in rural regions consists of "a three-level medical service network that comprises the county hospital, the township hospitals and village clinics, with the county hospital performing the leading role, and township hospitals and village clinics service at the base." (ibid.) In cities and towns, the medical care system is a "type of urban medical health service system that features division of responsibilities as well as cooperation among various types of hospitals at all levels and community healthcare centers." (ibid.)

The medical security system "covers basic medical insurance for working urban residents, basic medical insurance for non-working urban residents, a new type of rural cooperative medical care and urban-rural medical aid" for "the employed urban population, unemployed urban population, rural population and people suffering from economic difficulties." (Information Office of the State Council The People's Republic of China 2012)

The pharmaceutical supply system "covers the production, circulation, price control, procurement, dispatching and use of pharmaceuticals." (ibid.)

In terms of health insurance systems, there are "three large public health insurance systems, which are directed towards different parts of the population." (Müller 2016, 61) The urban population can be covered by the Urban Employees Basic Medical Insurance, the rural population can be covered by the New Rural Cooperative Medical System, and the Urban Residents Basic Medical Insurance was implemented to cover "urban residents not covered by social insurance." (ibid.) Moreover, "various localities have also created their own insurance systems, which may complement, integrate, or replace any of the three main systems", and "commercial insurance companies offer individual and complementary health insurance contracts." (ibid.) However, it needs to be mentioned that "the degree of coverage provided through these [public health insurance] programmes is very small, in terms of both financial protection and service packages" (World Health Organization 2015, 24), as, "[f]or example, outpatient services are very inadequately, if at all, covered by these schemes. Inpatient services are covered, but patients are still required to make significant co-payments and pay additional fees for services." (ibid.)

Health care for elderly people needs to be affordable, equitable, efficient and of good quality, and the health expenditure needs to be covered adequately. In reality, however, almost "31% of the elderly rural population and 14% of older people in urban areas are unable to afford proper medical services for illness. Government rural health insurance covers only catastrophic medical expenses arising from hospital admission. Primary care and prevention services remain uncovered." (World Health Organization 2015, 28) When it comes to equitable access, elderly people in rural areas are disadvantaged when compared to those living in urban areas. "In China, health professionals and specialized health-care facilities are centred in and around economically developed regions, while [most of the] older people live in rural parts […]. The ratio of medical doctors to patients in urban and rural areas is 3.2 and 1.4 per 1000 people, respectively." (World Health Organization 2015, 23)

In general, inequalities between the urban and rural population exist when it comes to physical access to health facilities. The majority of "good hospitals (particularly tertiary hospitals) [is] located in urban areas, where there are better-qualified health professionals." (Mossialos et al. 2015, 35) In rural areas, "[p]rimary care is delivered mainly through village doctors and health workers in rural clinics [and] general practitioners (GPs) in rural township [hospitals]" (ibid., 33). However, "[v]illage doctors [...] are not licensed GPs [and therefore] can work only in village clinics." (ibid.) In urban areas, primary care is accessible via "urban community hospitals, and secondary and tertiary hospitals." (ibid.) As doctors in rural areas "are often undertrained [and in order to] help bridge the urban-rural health care divide, the central government and local governments sponsor training for rural doctors in urban hospitals and require new medical graduates to work as residents in rural health facilities." (ibid., 35) However, "the China Health and Family Planning Statistical Yearbooks show that substantial disparities remain." (ibid.) Thus, the majority of older people has only limited access to good health facilities, as the majority of elderly people lives in rural areas (World Health Organization 2015, 28).

If rural residents need to see a doctor at out of office hours, they have access to health care by village doctors and health workers, as "village doctors and health workers often live in the same community as patients" and therefore "voluntarily provide some after-hours care when needed." (Mossialos et al. 2015, 33) Furthermore, "[r]ural township hospitals and urban secondary and tertiary hospitals have emergency rooms or departments (EDs) where both primary care doctors and specialists are available, minimizing [the] need for walk-in after-hours care centers." (ibid.)

Coverage under rural health insurance programmes is only provided for "catastrophic medical expenses arising from hospital admission. Primary care and prevention services remain uncovered." (World Health Organization 2015, 28) Furthermore, the World Health Organization stated that "[i]ncreases in medical insurance coverage have not been accompanied by a reduction in catastrophic health expenditure in China. Rural households with older people are at particularly high risk of catastrophic health expenditure." (ibid.) Catastrophic health expenditures means that "the burden of out-of-pocket health expenses is so high that the household will compromise spending on the basic needs of living (e.g. food) in order to meet the medical expenses for family member(s)." (ibid., 26)

When it comes to long-term care, elderly people in China usually receive "long-term care [...] by family members at home." (Mossialos et al. 2015, 34) There is no long-term care insurance in China and "long-term care facilities are paid almost entirely out-of-pocket." (ibid.) The Chinese "[g]overnment may provide some subsidies to long-term care facilities", but the "conditions in long-term care facilities are [usually] poor, and there are long waiting lists for enrollment in high-end facilities." (ibid.) Additionally, long-term care facilities "usually provide only housekeeping, meals, and basic services like transportation, but very few health care services. Some long-term care facilities may coordinate health care with local township or community hospitals, however." (ibid.)

As was said above, rural residents are disadvantaged when it comes to access to health care. Another disadvantaged group of people are migrant workers. In chapter 3.3.2 it was stated that it is difficult to change a residency, especially to change from a rural *hukou* to an urban *hukou*. Thus, many migrant workers move to other areas, "but leave their household registrations and entitlements to social protection behind, and thus fall through the gaps in the system." (Müller 2016, 60) Although "migrant workers are [legally] required to have a labour contract and participate in the [Urban Employees Basic Medical Insurance]", not all migrant workers are covered by the UEBMI (ibid., 61). Five years ago, "only 46.7 million migrant workers were covered by the UEBMI." (ibid.) Migrant workers without an UEBMI can officially "choose between the [New Rural Cooperative Medical System] and the [Urban Residents Basic Medical Insurance]" (ibid., 61f.). According to official statistics published by the Chinese government, "NRCMS coverage among rural populations [...] reached 99 per cent in 2013, including migrant workers. The NRCMS is, therefore, arguably the most important health insurance system for migrant workers" (ibid., 62). However, migrant workers "usually have to remain in the NRCMS, but there are often no approved NRCMS hospitals in their destination areas." (ibid., 65). As a result, "services consumed out of town either are not eligible for reimbursement, or reimbursement rates are lower than at approved hospitals and payment is conditional on administrative formalities such as referrals or deadlines" (ibid.). Additionally, it is only possible to claim reimbursements "at the designated organ in the locality of registration, and *hukou* registration booklets [are] often one of the proofs of eligibility that rural households [are] required to present when claiming reimbursement." (ibid., 64)

3.3.9. Gender Equality

In 2016, the labour force participation rate of people aged 15-64 was in total 70.8% of the Chinese population. Among men, the labour force participation rate was 77.9%, while among women the rate was only 63.3% (The World Bank 2017b, 2017c, 2017d). This means that the proportion of women aged 15-64, who was not eligible to be covered under an occupational pension scheme, was relatively high.

In comparison with other developed countries, the retirement age for women in China is rather low, namely 50 or 55 years. On the one hand, this means that women in China do not have to work as long as women in many other countries and therefore have more time to enjoy their retirement. On the other hand, however, the "average life-expectancy is now 75" in China (CLB - China Labour Bulletin 2017) and therefore the retirement age for women is too low. Thus, in reality the low retirement age leads to the fact that "many women […] miss years of work and, thereby, career advancement opportunities and social security entitlements." (Dasgupta, Matsumoto, and Xia 2015, 26) As a result, women also receive lower pension benefits than men, as women have less time to pay pension contributions into their individual accounts throughout their years of participation in the labour force.

Furthermore, a reason for unequal pension benefits in old age is that in the case of women who participate in the labour force, the "average annual income lags behind men's. In 2010, women earned just over two-thirds (67.3%) of men's income in urban areas, and just over half (56%) of men's income in rural areas." (Catalyst 2017)

Another factor that can have a negative impact on old-age income security of women is a career break due to maternity leave. A consequence is that women miss important years in the labour force. In China, however, the reason why men usually accumulate more years of work than women is that "women retire earlier than men, rather than being due to women taking time out from working. Women in China take less time out from working for child rearing than in other countries because of the one child policy." (Chen and Turner 2015, 1364) Statistics reveal that in 2010, for example, "[t]he employment rate of mothers in the 25-34 age group that have children under the age of 6 is 72.0%" (All-China Women's Federation 2011, 2). However, if women decide to go on maternity leave, they might face several problems. For example, it is reported that "employers [are] avoiding their obligation to pay maternity leave benefits by employing only women who already have children, not paying the statutory 98-day maternity leave, or dismissing women during pregnancy or when they are breastfeeding." (UN Human Rights Council 2014, 10)

In order to reduce the gender inequality, suggestions have been made to gradually raise the retirement age for women "by one year every three years and delay male employees' retirement age by one year every six years from 2018. Gradually, the mandatory retirement age will be 65 for both men and women by 2045." (Dasgupta, Matsumoto, and Xia 2015, 27) Furthermore, women who decide to go on maternity leave should be better protected by law in order to reduce cases of discrimination, and re-entering employment after giving birth and exercising childcare duties should be facilitated.

3.3.10. Summary

In China, the right to social security is embedded in the Constitution of the People's Republic of China, the Labour Law of the People's Republic of China and the Social Insurance Law of the People's Republic of China. Public pension schemes include the Basic Old-Age Insurance Scheme for Enterprise Employees, the Basic Old-Age Pension System for Civil Servants, the Urban Social Pension Scheme and the New Rural Social Pension Scheme. Social welfare schemes (not age-restricted) include the Rural Minimum Living Standards Scheme, the Five Guarantees Scheme for Rural Residents and the Urban Minimum Living Standards Scheme. Of the above-mentioned pension schemes, the Urban Social Pension Scheme and the New Rural Social Pension Scheme are non-contributory schemes, which are aimed to support the needy elderly citizens of China. (See chapter 3.3.1)

In China, the retirement age is relatively low: 60 years for men and 50 (in some cases 55) years for women. The aim of the government is to raise the retirement age for both men and women to 65 by 2045. Due to the *hukou* system in China, migrant workers are facing disadvantages when it comes to their support in old-age. The *hukou* system restricts the mobility of migrant workers and the access to pension benefits, as a person can only receive benefits in the *hukou* where he or she is living. When it comes to the pension coverage, of all elderly people aged 65 and above, ca. 74% people receive pension benefits. (See chapter 3.3.2)

Social insurance agencies are located in every province in China and there is at least one office per district in each city. People can also seek information by calling the national inquiry phone number or by visiting the websites of local offices and the Ministry of Human Resources and Social Security. Information on the Chinese pension system is also accessible via the respective national legal frameworks, the national inquiry phone number and the Social Insurance Website. However, the information is mainly available in Mandarin Chinese and not in other languages or dialects. Therefore, people who do not speak Mandarin Chinese – i.e. ca. 25-30% of the population – have only limited access to information. Furthermore, the Social Insurance Website currently only offers information on health insurance and health care. (See chapters 3.3.3 and 3.3.4)

Accountability of the responsible bodies and authorities can be ensured by reporting or complaining about the non-compliance with the respective laws via administrative reviews and proceedings, mediation, arbitration, court proceedings and lawful settlements. (See chapter 3.3.5)

Trade unions which represent the employees and aim to safeguard workers' rights do exist. However, employees in China are not free to join trade unions of their choice, the rights of the citizens to freedom of assembly and association are violated by the government and by certain laws, and the Communist Party exercises influence over the trade unions. Thus, it can be said that Chinese employees are only in theory able to participate in decision-making processes etc. via trade unions. In reality, their rights are restricted to a large extent. Moreover, the China National Committee on Ageing is a government body, which produces policies and coordinates and monitors the work on ageing by different ministries. Older people's associations are a possibility for elderly people to participate in decision-making processes. However, these associations only exist in three provinces so far. Moreover, some websites offer information on old-age related topics or allow elderly people to submit their own content to these websites and to interact with other people online. (See chapter 3.3.6)

According to several international rankings, the pension benefits in China are not adequate enough. Additionaly, the relative welfare of elderly people is only 50%. Furthermore, the level of per capita consumption of ca. 23% of the elderly population is below the poverty line. (See chapter 3.3.7)

The health care system of the People's Republic of China includes four systems with the aim to provide public health services, medical care, medical security and pharmaceutical supplies. Many elderly people have only limited access to good health facilities, as the majority of elderly people lives in rural areas and most health care facilities – especially those aimed at the elderly population – are located in urban and economically developed regions. There are also restrictions due to the *hukou* system, as people are only eligible to claim reimbursements in their own *hukou.* In terms of long-term care, elderly people are usually cared for by family members at home, as a long-term care insurance does not exist and people have to pay for long-term care facilities themselves. (See chapter 3.3.8)

The main problem when it comes to gender equality is the low retirement age of women (50 or 55 years) when compared to men. Due to the low retirement age, women miss years of work and thus years of contribution and have less opportunities to advance their careers. It is also reported that women are discriminated against by employers during their maternity leave. For example, the possibility to re-enter employment after giving birth is hampered by employers, women are dismissed during maternity leave, etc. Furthermore, women in the labour force earn much less than men, which results in lower pension benefits in old age. One of the measures which the Chinese government takes to reduce gender inequalities in old age is to raise the retirement age for both men and women to 65 by the year 2045. (See chapter 3.3.9)

4. Discussion of Findings: Comparative Analysis of Old-Age Income Support in the Netherlands, South Korea and China

After the analysis of old-age income support in the Netherlands, South Korea and China, the findings of chapter 3 will now be discussed and answers to the research questions will be provided. This chapter is divided into four parts and in each part, one of the research questions will be answered.

1) Which programmes and policies aiming at universal access to old-age income support and the reduction of old-age poverty exist in South Korea and China?

In both countries, the right to social security is embedded in the constitution of the country. In South Korea, the Framework Act on Social Security deals with social security issues in general. Public pension schemes in South Korea include the National Pension System as well as occupational pension schemes covering public officials, private school teachers and staff, post officers and war veterans. The Basic Pension Scheme is a non-contributory scheme. A general social welfare programme which covers people regardless of their age is the National Basic Livelihood Security Programme. Additionally, people can be covered by private pension programmes.

In China, regulations regarding old-age income support are included in the Labour Law and in the Social Insurance Law. Public pension schemes include the Basic Old-Age Insurance Scheme for Enterprise Employees, the Basic Old-Age Pension System for Civil Servants, the Urban Social Pension Scheme and the New Rural Social Pension Scheme. The scheme for civil servants is a non-contributory scheme and the latter two schemes are a combination of non-contributory and contributory schemes. General social welfare programmes aimed at the reduction of poverty include the Rural Minimum Living Standards Scheme, the Five Guarantees Scheme for Rural Residents and the Urban Minimum Living Standards Scheme.

2) Are the programmes and policies in compliance with human rights principles?

South Korea and China officially recognise their duty to protect human rights, including the right to social security, as both countries have ratified several international human rights treaties. In reality, however, it is reported that many human rights are violated in South Korea and China. While more violations are observed in China, both countries violate very similar economic, social and cultural rights. Differences between China and South Korea include, for example, that in South Korea human rights are violated in terms of housing and old-age poverty, while the Chinese government does not recognise the rights of ethnic minorities and migrant workers. Due to the vast amount of human rights violations in the Republic of Korea and the People's Republic of China, the official positions of both countries towards the UN principles and guidelines on human rights need to be regarded sceptically. Still, both countries have ratified international human rights treaties and are therefore obligated to implement social security systems which comply with core human rights principles. Thus, the compliance of the pension systems of South Korea and China with these principles will now be discussed.

The pension systems of South Korea and China comply with the principle of the right to social security, as the right to social security and the right to old-age income support are embedded in domestic laws and national legal frameworks. However, flaws are revealed when it comes to the principle of equitable access. The principle of accessibility is only fulfilled to some extent, for example when it comes to physical and cultural access to pension services in South Korea and physical access to pension services in China. Furthermore, clear and transparent information about targeting mechanisms, eligibility criteria, levels of benefits, complaint mechanisms and redress mechanisms is available for most – but not all – people in South Korea and China. Next, the principle of accountability is fulfilled, as people in South Korea and China have – at least in theory – the right to effective remedy and as accountability mechanisms, complaint mechanisms and mechanisms for decision reviews are embedded in the respective laws and legal frameworks. Moreover, the participation of beneficiaries and civil society organisations in decision-making processes is generally possible. In practice, however, restrictions exist when it comes to trade union activities and the free choice to join trade unions.

3) **What are the (main) challenges and deficiencies of the laws and legal frameworks and certain implemented indicators in South Korea and China? Which similarities/differences can be identified?**

In the Republic of Korea and the People's Republic of China, the access to pension benefits is not universal, as approximately 20 to 25% of the South Korean and Chinese elderly population is not covered under a pension scheme. Next, administrative barriers exist for unregistered people without a resident registration card (South Korea) and for migrant workers due to the Chinese *hukou* system. Clear and transparent access to information is limited for certain groups of people, for example for illiterate people and people who do not speak the official language of the country.

In terms of the right to participate in decision-making processes, (elderly) people in both countries have the possibility to become members of older people's associations, trade unions, etc. However, both governments and certain laws interfere in trade union activities and employees are not free to join trade unions of their choice. Thus, the right to participate in decision-making processes via trade unions is hampered in South Korea and China.

Moreover, international rankings reveal that the pension systems of South Korea and China have major flaws when it comes to the adequacy of pension benefits, and that the old-age poverty rates in both countries are relatively high. Next, the principle of access to health care in South Korea and China is only fulfilled to some extent, as people living in remote areas only have limited access to health facilities. In China, restrictions for migrant workers also occur due to the *hukou* system. Finally, women and men in both countries are not treated equally when it comes to pension coverage and the payment of pension benefits. Due to the lower retirement age and childcare duties, women in South Korea and China have fewer opportunities to advance their careers and to get a rise in salary, and they have less time to pay pension contributions.

4) **How can the situation of needy elderly in South Korea and China be improved? Can certain aspects of the pension scheme of the Netherlands be applied to both country cases?**

The Dutch pension system complies with the human rights principles of the right to social security (including non-contributory pensions), equitable access (100% of the population is covered under a pension scheme), accessibility, transparency and access to information, accountability, adequacy of benefits, and access to health care. Moreover, the principles of participation and gender equality are fulfilled to some extent.

At least in theory, the South Korean and Chinese pension systems are aimed at a variety of groups of people. In reality, however, not all people in South Korea are eligible to receive pension benefits due to a non-existent registration or identification card. Thus, it should be ensured that all people in the country are registered and receive such a card. Moreover, the *hukou* system in China should allow migrant workers and other groups of people to move to other parts of the country more easily, so that their access to pension benefits is not restricted by the *hukou* system. Another barrier might be that the monthly pension premiums are too high and therefore not affordable for the poorest. Thus, it needs to be ensured that administrative barriers in both countries are removed.

Not all people in China have access to information on the pension schemes, as the information is provided in Mandarin Chinese (and sometimes English) only and not all people in China are able to speak Mandarin Chinese. Information on pension schemes should be made accessible to every citizen of a country, including illiterate people and people who do not speak the official language of the country. In the Netherlands, for example, the website of the Social Insurance Bank is available in several European languages, and access to the website is also provided for people who are visually impaired or have reading difficulties.

Pension benefits in the Netherlands are regarded as adequate to maintain an adequate standard of living. When compared with pension systems of other countries in terms of adequacy of benefits, the Dutch pension system is ranked highest or among the top five countries in several international rankings. The Netherlands also has the lowest old-age poverty rate among all OECD countries, and the relative welfare of elderly people is 94%. In this respect, the Netherlands serves as a model for South Korea and China. However, pension benefits can only be raised if the budget of a country for the payment of pension benefits is high enough. In order to find out if it is financially feasible to raise the pension benefits in China and South Korea, the pension systems need to be analysed from an economic angle. However, this was not the aim of this thesis and therefore further research needs to be done on this aspect. Another possibility to reduce old-age poverty in South Korea and China could be to raise the retirement age in both countries, so that people in South Korea and China have more time to pay contributions and to advance their careers and thus to earn more money before retirement.

The health care system of the Netherlands is an obligatory private system, in which private insurers are obliged to accept everyone. The health care systems of South Korea and China cover several areas of health care and health services and are eligible for everyone. In practice however, people living in rural and remote areas do not have sufficient access to health services, as these are usually located in urban or economically more advanced areas. Considering the size of the Netherlands, rural and remote areas are quasi non-existent in this country and therefore people in the Netherlands have better access to bigger cities (as distances are shorter) than people in South Korea and China. One aim of the health care systems in South Korea and China should be to develop health services in rural and remote areas, including specific health services for elderly people. This is cost-intensive but necessary. The mobility of elderly people (and also people with disabilities, etc.) is limited and the journey to bigger cities can be too expensive and exhausting for needy elderly people. Therefore, it cannot be expected from elderly people to travel to bigger cities to visit doctors or hospitals.

In the Netherlands, both women and men retire at the same age. However, when compared to other OECD countries, the Netherlands has one of the largest gender gaps in pensions, particularly when it comes to occupational and private pensions. Child care duties force many women to have part-time jobs, to have shorter careers and to earn less money than men. Thus, the accrued pension rights of women are lower than those of men. In this respect, the unified retirement age for women and men is the only aspect of the Dutch pension system – regarding gender equality – that can be applied to the pension system of China. When it comes to gender gaps in pension, all three countries are facing major problems that can only be solved by improving the childcare systems of these countries and by improving the general situation of women in the labour force (such as higher wages, better career opportunities, an easier return after maternity leave, etc.).

5. CONCLUSION

The purpose of this thesis was to determine whether the pension systems of the Republic of Korea and the People's Republic of China comply with core human rights principles. According to UN regulations and guidelines, every person – without exception – is entitled to human rights, such as the right to social security. Social security includes the right to old-age income support. Previous literature on the South Korean and Chinese pension schemes only provides rough overviews or does not necessarily analyse the schemes from a human rights perspective, but rather from an economic and political angle. The aim of this thesis was to contribute a thorough analysis of the pension schemes in China and South Korea to the field of social policy.

South Korea and China, as well as other East Asian countries, are facing challenges due to an increasing proportion of the elderly population. This increase leads to higher numbers of people who depend on support from the state, for example in the form of pension benefits. Furthermore, the old-age poverty rates in South Korea and China are rather high. One of the reasons for that is that not all senior citizens in these countries have access to old-age income support.

The aim of this thesis was not to focus on pension systems from a political or economic perspective but to put emphasis on the situation of the needy elderly, especially on disadvantaged groups of people. Thus, the human rights concept was chosen as the theoretical approach for this thesis. In particular, the pension schemes of South Korea and China were examined in regard to the following human rights principles: right to social security (embedded in national laws and legal frameworks), equitable access, accessibility, transparency and access to information, accountability, participation, adequacy of benefits, access to health care and gender equality.

The objective of this thesis was to find answers to the following research questions: 1) Which programmes and policies aiming at universal access to old-age income support and the reduction of old-age poverty exist in South Korea and China? 2) Are the programmes and policies in compliance with human rights principles? 3) What are the (main) challenges and deficiencies of the laws and legal frameworks and certain implemented indicators in South Korea and China? Which similarities/differences can be identified? 4) How can the situation of needy elderly in South Korea and China be improved? Can certain aspects of the pension scheme of the Netherlands be applied to both country cases?

In order to answer the last question, the Netherlands served as benchmark country, because the aim of this thesis was to compare the pension systems of China and South Korea with the pension system of an industrialised Western country. The Dutch pension system achieved top marks in several international rankings. According to theses rankings, the Dutch pension system is one of the most efficient pension systems in the world and it is classified as a system that is stable, robust and of high quality. Moreover, the pension system of the Netherlands is ranked first in terms of adequacy and the old-age poverty rate of the Netherlands is the lowest in all OECD countries.

After examining the Dutch pension system, positive aspects of the system were selected and it was discussed whether these aspects can be applied to the pension systems of South Korea and China. These positive aspects include that non-contributory pensions exist and that a pension coverage of 100% is achieved, that citizens in the Netherlands have physical and cultural access to pension services and access to transparent information on the pension system, that accountability and complaint mechanisms are included in the pension schemes, that beneficiaries have the possibility to take part in decision-making processes, that employees are free to join trade unions of their choice, that pension benefits are adequate so that a certain standard of living can be ensured, that people have physical and geographic access to health services and that waiting times for health care are relatively short, and that women and men are treated equally when it comes to the retirement age.

The empirical analysis showed that in South Korea and China, the human rights principles of the right to social security, transparency and access to information, and accountability are fulfilled. In the Republic of Korea and in the People's Republic of China, the right to old-age income support (including non-contributory pensions) is embedded in domestic laws and national legal frameworks, which include all important factors, namely eligibility requirements, mechanisms to ensure transparency and access to information, information on roles and responsibilities, accessible complaint mechanisms and participation channels for beneficiaries.

In terms of equitable access, the empirical analysis revealed that in South Korea and China the access to pension benefits is not universal, as only 77.6% (South Korea) and 74.4% (China) of the people aged 65 and above are covered under a pension scheme. In order to regard the access to pension benefits as universal, the percentage must be (approximately) 100%.

When it comes to the principle accessibility, both systems are physically accessible as social insurance agencies are located throughout the country and benefits are paid to beneficiaries in electronic form. However, there are administrative barriers for some groups of people. In South Korea, senior citizens need a resident registration card or other identification card in order to receive pension benefits. In China, the *hukou* system restricts the access to pension benefits for migrant workers, as benefits can only be claimed in the *hukou* where a person is registered. Furthermore, people who do not speak Mandarin Chinese are disadvantaged when it comes to access to information on the Chinese pension schemes, as most of the websites of social insurance agencies are only available in Mandarin Chinese. During the research for this thesis it could not be found out if special measures were taken to provide information on pension services for illiterate people in South Korea and China.

The human rights principle of participation is only fulfilled to some extent. For example, employees in South Korea and China have the possibility to become members of trade unions. However, in both countries the governments interfere in the acitivities of trade unions and violate the rights of the citizens to freedom of assembly and association. In China, the influence of the Communist party on trade unions is also rather high.

In terms of the adequacy of benefits, both pension systems do not comply with human rights standards. When compared to the rest of the population, the relative welfare of elderly people in South Korea is 62.4%, while the relative welfare of elderly people in China is only 50%. Moreover, South Korea had the highest old-age poverty rate among OECD countries (statistics of 2013), while in China the level of per capita consumption of ca. 23% of the elderly population was below the poverty line in 2011.

In South Korea, the principle of access to health care is only fulfilled to some extent. In general, everyone in South Korea is eligible to be insured under the national health insurance programme. However, people living in rural or remote areas are facing disadvantages, as most (specialised) health care services are located in urban areas. This is also the case in China.

Additionally, there are also restrictions due to the *hukou* system in China, as people are only eligible to claim reimbursements in their own *hukou.* In terms of long-term care, elderly people in China are usually cared for by family members at home, as a long-term care insurance does not exist and people have to pay for long-term care facilities themselves.

Furthermore, women and men in both countries are not treated equally when it comes to pension coverage and the payment of pension benefits. In China, the retirement age of women is rather low, although the life expectancy of women in China and all over the world is higher than the life expectancy of men. Furthermore, women in China already earn much less than men during their years of employment. In both countries, women face disadvantages because of maternity leave. Due to a low retirement age and childcare duties, women in South Korea have fewer opportunities to advance their careers and to get a rise in salary, and they have less time to pay pension contributions. In China, employers often discriminate women during maternity leave and women have difficulties to re-enter employment after maternity leave. Thus, it is no surprise that women in South Korea and China receive lower pension benefits than men. However, the South Korean government has started to reform the childcare leave scheme and the Chinese government plans to approximate progressively the retirement age of men and women.

To improve the pension systems of South Korea and China, it needs to be ensured that administrative barriers in both countries are removed and that every person is registered. Clear and transparent information on pension schemes should be made accessible to every citizen of a country, including illiterate people, visually impaired people and people who do not speak the official language of the country.

In terms of accountability, no flaws were examined in South Korea, China and the Netherlands. However, this principle was only analysed in theory. Reality checks in this regard were not conducted and thus it is not clear if responsible authorities in all three countries are held accountable in practice and if the pension systems of the Netherlands, South Korea and China need to be improved in regard to accountability mechanisms.

When it comes to the principle of participation, it needs to be said that only a rather small number of employees in the Netherlands has joined trade unions. Thus, the Netherlands cannot be treated as a model for South Korea and China. Certainly, though, the Dutch trade unions are not influenced by the government and the Dutch government also does not hamper trade union activities. This is one aspect that the South Korean and Chinese governments should adopt.

Next, pension benefits in the Netherlands are adequate so that a certain standard of living can be ensured. However, pension benefits can generally only be raised if the budget of a country for the payment of pension benefits is high enough. In order to find out if it is financially feasible to raise the pension benefits in China and South Korea, the pension systems need to be analysed from an economic angle. This was not the aim of this thesis and therefore further research needs to be done on this aspect.

Moreover, the health care system in the Netherlands is accessible for everyone, while in South Korea and China, people living in rural and remote areas do not have sufficient access to health services, as these are usually located in urban or economically more advanced areas. One aim of the health care systems in South Korea and China should be to develop health services in rural and remote areas, including specific health services for elderly people. In general, it is not only important to cover every citizen of a country under a health insurance programme, but also to provide physical access to health care services to everyone, also to people living in rural and remote areas.

In terms of gender equality, all three countries are facing major problems that can only be solved by improving the childcare systems of these countries and by improving the general situation of women in the labour force (such as higher wages, better career opportunities, an easier return after maternity leave, etc.).

Last but not least it needs to be mentioned that it was not possible to find information in primary literature for all human rights principles. This is especially the case for the People's Republic of China. For some aspects, secondary literature was examined to find the necessary information. With the help of secondary literature, an analysis of both pension systems, which is as complete as possible, could be provided. It was possible to find information for most aspects of each human rights principle in primary literature, though. Information from secondary literature was only added when necessary. As an analysis of the compliance with human rights principles was possible for every principle of the analytical framework, the framework of this thesis can be regarded as useful for the analysis of pension schemes and – if adjusted accordingly – for social security schemes in general.

Due to the large scope of this topic and also due to limited access to respective literature for all three countries, reality checks could only be conducted in the case of four principles. In all other cases it was only examined whether the pension systems comply with human rights principles in theory (not in practice).

The aim of further research should be to conduct reality checks for the remaining human rights principles of equitable access, transparency and access to information, accountability, and adequacy of benefits. This is especially important in regard to the principle of accountability, as it is questionable that responsible authorities are held accountable in countries like South Korea and – in particular – China. In this thesis, a statement regarding the compliance of the South Korean and Chinese pension systems with all nine human rights principles in theory and in practice was not possible.

Furthermore, in further research the pension systems of China and South Korea need to be examined from an economic perspective in order to find out if the governments can afford the suggested improvements. So far it can be said that the implementation of most suggestions is highly necessary in order to improve the lives of needy elderly in South Korea and China.

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Appendix

Abstract

South Korea and China are facing challenges due to an increasing proportion of the elderly population. More and more people are dependent on financial support from the state, but pension benefits are not universally accessible, which leads to high old-age poverty rates in both countries.

According to human rights principles, everyone is entitled to the right of social security (i.e. old-age income support). This thesis aims to examine whether this is also the case in South Korea and China, and whether the South Korean and Chinese pension systems comply with core human rights principles. These principles include the embedding of the right to social security in national laws and legal frameworks, equitable access to benefits, accessibility, transparency and access to information, accountability of responsible bodies, participation of the population, adequacy of benefits, access to health care and gender equality.

By conducting a comparative analysis of the pension systems of South Korea and China – as well as the pension system of the Netherlands as a benchmark system – the following research questions shall be answered: 1) Which programmes and policies aiming at universal access to old-age income support and the reduction of old-age poverty exist in South Korea and China? 2) Are they in compliance with human rights principles? 3) What are the challenges and deficiencies of the implemented programmes and policies in South Korea and China? 4) How can the situation of needy elderly in South Korea and China be improved? Can certain aspects of the pension scheme of the Netherlands be applied to both country cases?

In South Korea and China, the principles of transparency and access to information, right to social security and accountability are fulfilled. The systems do not (fully) comply with the principles of equitable access, accessibility, participation, adequacy of benefits, access to health care and gender equality. The main problems include administrative and linguistic barriers, interference of the governments of trade union activities, inadequate pension benefits, inadequate access to health services for people living in rural and remote areas, and a gender inequality when it comes to the level of pension benefits and the retirement age.

Suggestions include to provide access to clear and transparent information on the pension system for every person in the country, to increase the pension benefits and to approximate the retirement age of women and men. It is recommended to include political and economic aspects in future research, which are not included in this thesis. Further research should focus on the financial feasibility of the above-mentioned improvements.

Keywords: pension system; pension benefits; South Korea; China; the Netherlands; old-age income support; human rights; social security; old-age poverty; universal access

Zusammenfassung

Aufgrund eines Anstiegs des Anteils der älteren Bevölkerung sehen sich Südkorea und China vor Herausforderungen gestellt. Immer mehr Menschen sind auf finanzielle Unterstützung von der Regierung angewiesen. Es gibt jedoch keinen universellen Zugang zu Pensionen (Renten), weshalb die Altersarmut in beiden Ländern relativ hoch ist.

Es ist ein Grundsatz der Menschenrechte, dass jeder Mensch das Recht auf soziale Sicherheit (z.B. auch Einkommenssicherung im Alter) hat. In dieser Masterarbeit soll untersucht werden, ob dies auch in Südkorea und China der Fall ist und ob das südkoreanische und das chinesische Pensionssystem folgenden Grundprinzipien der Menschenrechte entsprechen: Verankerung des Rechts auf soziale Sicherheit in nationalen Gesetzen, gleichberechtigter Zugang zu Sozialleistungen, Zugänglichkeit, Transparenz und Zugang zu Informationen, Rechenschaftspflicht und Verantwortlichkeit der zuständigen Behörden, Mitbestimmung der Bevölkerung, angemessene Leistungen, Zugang zum Gesundheitssystem und Geschlechtergleichheit.

In dieser Masterarbeit wird eine vergleichende Analyse der Pensionssysteme (Rentensysteme) von Südkorea und China sowie auch des Pensionssystems der Niederlande, welches als Maßstab dienen soll, durchgeführt, um die folgenden Forschungsfragen zu beantworten: 1) Welche Programme und Gesetze existieren in Südkorea und China, die einen universellen Zugang zu Einkommenssicherung im Alter sowie die Reduzierung der Altersarmut zum Ziel haben? 2) Entsprechen diese Programme und Gesetze den Grundprinzipien der Menschenrechte? 3) Was sind die Herausforderungen und Defizite dieser Programme und Gesetze? 4) Wie kann die Situation der bedürftigen älteren Menschen in Südkorea und China verbessert werden? Können gewisse Aspekte des niederländischen Pensionssystems auch auf die Pensionssysteme in Südkorea und China angewandt werden?

Die Pensionssysteme in Südkorea und China entsprechen den folgenden Grundprinzipen: Verankerung des Rechts auf soziale Sicherheit in nationalen Gesetzen, Transparenz und Zugang zu Informationen, sowie Rechenschaftspflicht und Verantwortlichkeit der zuständigen Behörden. Den folgenden Grundprinzipien entsprechen die beiden Systeme nur zum Teil oder gar nicht: gleichberechtigter Zugang zu Sozialleistungen, Zugänglichkeit, Mitbestimmung der Bevölkerung, angemessene Leistungen, Zugang zum Gesundheitssystem und Geschlechtergleichheit. Hauptsächlich besteht das Problem in beiden Ländern darin, dass administrative und sprachliche Hürden existieren, dass sich die Regierungen in die Aktivitäten von Gewerkschaften einmischen beziehungsweise diese behindern, dass die Pensionsleistungen nicht adäquat sind, Menschen aus ländlichen oder abgeschiedenen Regionen unzureichenden Zugang zum Gesundheitssystem haben und dass Männer und Frauen hinsichtlich der Höhe von Pensionsleistungen und des Pensionsantrittsalters ungleich behandelt werden.

Als Resultat dieser Masterarbeit sind folgende Verbesserungsvorschläge für die Pensionssysteme beider Länder hervorgegangen: Jedem Bewohner des Landes Zugang zu klar verständlichen und transparenten Informationen über das Pensionssystem zu ermöglichen, die Pensionsleistungen zu erhöhen und das Pensionsantrittsalter von Männern und Frauen anzugleichen. Es wird empfohlen, bei zukünftiger Forschungsarbeit verstärkt politischen und ökonomischen Aspekten Beachtung zu schenken, da dies nicht Inhalt dieser Masterarbeit ist. Der Fokus sollte vor allem auf der finanziellen Durchführbarkeit der zuvor genannten Verbesserungsvorschläge liegen.

Schlagwörter: Pensionssystem; Rentensystem; Pension; Rente; Südkorea; China; Niederlande; Einkommenssicherung im Alter; Menschenrechte; soziale Sicherheit; Altersarmut; universeller Zugang