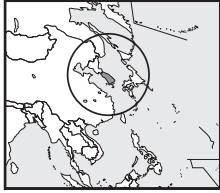


REPUBLIC OF KOREA

To be a woman is to be poorer



The proportion of female-headed households living in extreme poverty doubled from 8.4% to 16.9% beginning with the 1997 foreign currency crisis, and women comprise 60% of the elderly who are poor. The feminization of poverty is reinforced by a labour market that keeps a category of high wages and stable employment exclusively for men. The unpaid family work that women do should be cash-compensated through a progressive pension system.

Citizens' Coalition for Economic Justice (CCEJ)

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Characteristics of low-income households

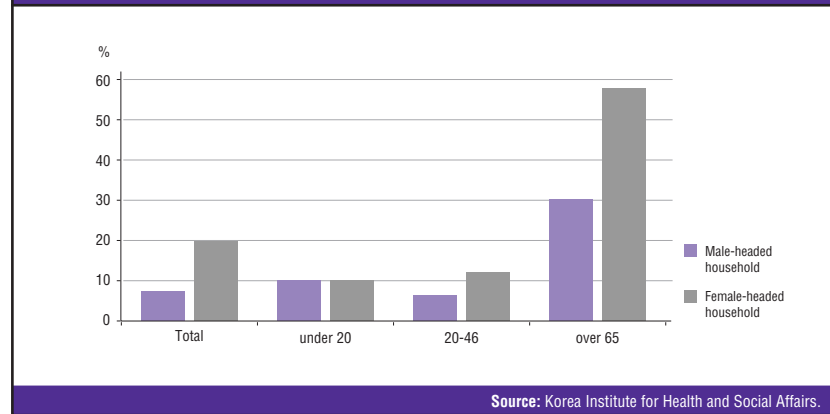
The term "feminization of poverty" was first used by Diana Pearce,² who studied how poverty had rapidly become a women's problem in Western society in the 1970s. In Korea the feminization of poverty occurs in much the same way as in the rest of the world. Since the 1970s extreme poverty in the country has decreased thanks to significant economic development, which created employment and produced income. Currently the recipients of the basic livelihood security scheme (people classified by the Government as being in situations of extreme poverty) amount to 3.0% of the population (1.4 million), followed by 4.6% of the population (2.16 million people), who are not classified as extremely poor but only earn KRW 1.22 million per month (USD 1,198). This group is followed by 8.1% of the population or 3.83 million people, who do not receive livelihood protection.

Two-thirds of the recipients of livelihood protection are women heads of household (29.4% of poor urban households), a figure which is increasing due to problems like divorce among other social causes. Women also comprise 60% of the elderly who are poor. It should be noted that there are more poor women than men. In a patriarchal system where "man" equals "provider" and "woman" equals "dependent", women are excluded from the socio-economic structure and are more vulnerable to poverty than men because of gender inequality in the labour market.

Since the foreign currency crisis in 1997, inequality in Korean society has worsened into a bipolar situation by which the poor are poorer while the rich are richer. The poverty rate (based on the minimum cost of living) increased by 2.7% in 1996 and by 7.9% in 2000 according to the Korean Insti-

CHART 1

Poverty by sex



Source: Korea Institute for Health and Social Affairs.

tute for Health and Social Affairs (2004). Poverty has increased in urban areas - especially in metropolitan areas - rather than rural areas. The poverty rate of households headed by an elderly person or a woman has also continued to increase.

In Korea the minimum cost of living per capita is KRW 340,000 (USD 340.34) per month - anyone living on less is considered extremely poor. Using this parameter to measure extreme poverty, we can see that the extreme poverty rate for male-headed households increased from 1.8% in 1996 to 6.4% in 2000, and the proportion of female-headed households living in extreme poverty doubled from 8.4% to 16.9% beginning with the 1997 foreign currency crisis. According to the Ministry of Health and Social Welfare report 2000, among the population receiving public support in the extreme poverty group are 64.3% of women resident recipients and 51% of women self-support recipients, which proves that women are in a more critical poverty situation than men.

Since 2000 one out of five female-headed households (21%) has dropped below the extreme poverty line (under the minimum cost of living) which is triple the rate of male-headed households (7%). In the case of elderly female-headed households (above 65 years old), 56 households out of 100 are in a situation of poverty. This rate is 1.9 times higher than among male-headed households (29.3%). The poverty rate among women who are eligible to work (20 to 64 years old) also increased

from 4.5% in 1996 to 11.6% over a period of 5 years. As the unemployment rate rose and part-time jobs increased after the foreign currency crisis, chances for women to escape poverty through employment decreased.

The poverty rate of female-headed households decreased to 6.8% in 1997 from 9.3% in 1996, increasing again to 13.2% in 1998. It continued to increase to 16.9% in 1999, decreasing to 13.3% in 2000, 11.0% in 2001 and 9.3% in 2002. The poverty rate of male-headed households decreased to 2.2% in 1997 from 2.5% in 1996, increasing to 5.6% in 1998 and 5.9% in 1999. But it decreased again to 4.1% in 2000, 3.4% in 2001 and 2.4% in 2002, back to where it stood in 1997.

Gender disparity was apparent in the poverty rate both during the economic crisis and throughout the subsequent recovery period. For male-headed households, the poverty rate increased sharply in 1998, slowed down in 1999 and decreased significantly after 2000. For female-headed households, it increased sharply in 1998; it increased again in 1999 and then decreased slightly after 2000.

It is difficult for women to escape from poverty due to gender inequality in the labour market. Although the participation rate of women in economic activity has steadily increased to 42.8% in 1980, 47.0% in 1990, 48.3% in 2000, 48.8% in 2001 and 49.7% in 2002, when graphed by age the rate

1 Director, General Affairs Dept. Citizens' Coalition For Economic Justice, Social Worker, Member, Council of Religion & Citizen's Movement for the Homeless. Main thesis: *A study on individual character of homeless woman*, 2001, M.A. Yonsei University.

2 Pearce, Diana. "The Feminization of Poverty: Women, Work, and Welfare", *Urban and Social Change Review* (February, 1978).

takes the shape of an “M”. This illustrates how women’s economic participation is influenced by their reproductive role since participation drops during pregnancy, childbirth, and while they care for their children. This form of participation causes a wage difference between men and women. In 2000 women on average earned KRW 1.6 million (USD 1571) per month while men earned KRW 1.85 million (USD 1817). The gender disparity of wages is even more pronounced in part-time work. According to the 2002 Census of Economic Activity carried out by the National Statistical Office, the average full-time wage for women is KRW 1.29 million (USD 1,291) a month, KRW 830,000 (USD 831) for a part-time job, and KRW 570,000 (USD 570) for a day worker. Meanwhile men earned KRW 1.96 million (USD 1,962) for full-time work, KRW 1.14 million (USD 1,141) in part-time employment, and KRW 950,000 (USD 951) for day work. The wage difference between full time workers and part time workers, not only between men and women, is also significant.

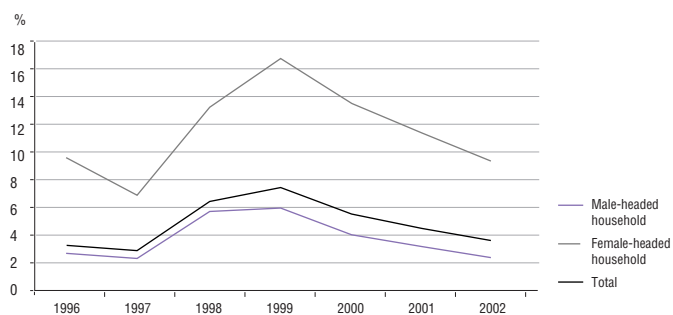
Countermeasures to the feminization of poverty

Firstly, the main countermeasure to the feminization of poverty should involve a paradigm shift in welfare policy. The male-oriented welfare state is not the best system to meet new challenges, since traditional views of poverty and welfare have resulted in social policies that exclude women from the labour force. The Korean patriarchal system perceives women as full-time housewives who carry out unpaid domestic labour. Women therefore can only become beneficiaries of welfare policies made by men. Changes such as globalization, job restructuring, long-term unemployment, family dissolution, aging population, low birth rates, collapse of the social security net and increased women’s participation in economic activities must be newly considered from a gender perspective. Gender-neutral policies are not effective, since they do not take into account the different lifestyles of men and women, resulting in policies that are favourable to men and unfavourable to women. Gender sensitivity is indispensable to the national support project for poor women.

Secondly, the marginalization of women in the labour market must be overcome. Although Korean society has strengthened policies and programmes to promote women’s participation in socio-economic activities since the 1990s, there are informal barriers and glass-ceilings for women in the labour market. In addition there are low wages and employment problems that affect 42.2% of all employed women due to irregular, temporary and part-time work. Women must also interrupt their work and social participation because of domestic respon-

CHART 2

Comparison of gender poverty trends, 2004



Source: Korea Institute for Health and Social Affairs.

sibilities such as marriage, pregnancy, child-birth, child-rearing and other family duties. The labour market in Korean society has a double structure. The upper part is characterized by high productivity, high wages, and stable employment while the lower part is characterized by low productivity, low wages, and unstable employment. This double structure, with men in the upper part and women in the lower part, separates the sexes into different business categories, positions and wage levels. The discrimination of women in the labour market results in poor female-headed households. The socialization of housework through social welfare services providing childcare, nursing, resident welfare and medical services give poor women a chance to find employment and receive job training, thereby increasing women’s participation rates. This type of social support has a symbolic meaning in helping women overcome their traditional role as homemakers and move towards a gender equality model. It is a precondition for the participation of women in the labour market.

Thirdly, the double welfare system based on the male-provider model should be reformed. The social security system is designed on the basis of the traditional concept that men support the family while women care for it. The work they do, like caring for children, the elderly, the disabled and the sick limits women from being individual recipients of social security. To eradicate this limitation the pension system must be improved. A progressive form of pension credit system should be introduced by paying caregivers for their work. Also a basic system of “one person-one pension” should be instated on the grounds of civil rights.

It must be understood why women and especially female-headed households become poor. A positive policy is needed to address increasing pov-

erty among the female elderly, as well as the gender disparity of poverty. For these reasons a caregiver’s allowance should be introduced which turns unpaid family work into paid work through social cash compensation.

Priority must be given to women’s employment promotion policy, paid work for family care-givers, and a social security system based on civil rights which considers various socio-economic conditions. It is a known truth that the development and selection of women-friendly social policy based on gender equality is an effective countermeasure to solve poverty and other social problems. ■