

CARE WORK AND THE ECONOMY

Advancing policy solutions with gender-aware macroeconomic models

POLICY BRIEF | 22-01

SOUTH KOREA'S COVID-19 RESPONSE TO ADDRESS URGENT CHILDCARE NEEDS

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Policy Highlights

- A culture that is understanding of the importance of childcare and family should be fostered, and these perceptions should be carried on to building policies and initiatives to support these needs.
- Policy should focus on facilitating the policies by reducing the burden of employees on applying for system.
- More measures are necessary in reaching and encouraging men to make use of leave policies.

The coronavirus outbreak has led to several unprecedented changes to South Korea. While COVID-19 is primarily an issue of health, it also had a prominent impact on the wellbeing of many individuals. Closure of schools and care centers and restrictions imposed on various social care services exacerbated the burden of care on families, especially women, who shoulder the largest share of the care burden imposed by South Korea's growing demographic challenges – declining fertility rates and rapid population aging. In light of this, strengthening the care infrastructure is an absolute must in overcome the global pandemic and its repercussions.

As a follow-up measure to contain the further spread of the COVID-19 outbreak, the South Korean government ran emergency childcare policies to address parents' concerns around the lack of childcare due to the postponement of the new school year. As the government's response to COVID-19 changed, childcare policies evolved accordingly. This brief presents policies that were implemented during the peak of the outbreak in 2020.

Major Policy Responses to Address Urgent Child Care Needs Amid COVID-19

Fiscal Aid Program

Subsidy for employees on family care leave 가족돌봄비용긴급지원

In a swift response to the outbreak of the pandemic, the government announced the plans to set up “Proactive Measures to Support Employment Security in Response to COVID-19” on Feb. 28, 2020. It included a daily allowance of KRW 50,000 (USD 43) per employee for up to ten days, aimed to provide practical support for parents on unpaid Family care leave who are facing urgent childcare duties due to the closing or limited operation of daycare centers, kindergartens, and elementary schools

Childcare coupons | 아동돌봄쿠폰

As of April 13, 2020, households with children under age 7 that had received child benefits at the end of March 2020 were eligible to receive a subsidy of KRW 400,000 (USD 344) per child in the form of government-issued ‘child benefits card’ points, local e-currency (mobile application or gift card), or paper vouchers. With the resurgence of COVID-19 in mid-August 2020, which led to an intensified outcry, the government expanded the scope of childcare coupon beneficiaries as of September 10, 2020, to include households with children in elementary school and adjusted the subsidy amount to KRW 200,000 (USD 172) per child, which benefited a total of 5.32 million children.

Working Time and Conditions

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Family care leave | 가족돌봄휴가제

A new family care leave system came into effect January 1, 2020, that guarantees employees up to 10 days of unpaid, job-protected leave per year to care for grandchildren, children, spouse, parents, including in-laws, or grandparents. With the spread of COVID-19, the government extended the guidelines for the application of family care leave as of January 20, 2020, to include instances where family members require urgent care due to precautionary or quarantine measures. The policy was once again amended in September to allow an additional 10 or 15 days (for single-parent households) when one's children suffered damage from COVID-19 related causes. As of September 2020, the government extended the family care leave to 20 or 25 days (for single-parent households) and subsidy for employees on family care leave was granted accordingly.

Flexible work arrangements | 유연근무제

The increased demand of care due to the closure of daycare centers and kindergartens brings the necessity of flexible work arrangements for workers. The Ministry of Employment and Labor supports the indirect labor costs, reduced earning allowances and amounts for employing substitute workers. Specifically, the subsidy for indirect labor costs such as human resources and labor management were granted for up to 3.6 million won per year depending on the number of monthly utilization of flexible work arrangements by employees. The subsidy is given to small and medium-sized business owners who provides flexible work arrangements for their employees (working-from-home, remote working, flexible work hours. As of March 26, 2020, the government simplified the procedures for subsidy applications.

Emergency childcare service | 긴급돌봄지원

Emergency childcare service helped families respond to the closure of daycare facilities and schools. The Ministry of Education instructed kindergartens, elementary schools, and special education schools to have designated classrooms be opened for families and parents in need of urgent childcare, with teachers operating the classes in compliance with the Covid-19 Operations Manual, starting from March 2, 2020. It was based on the results of a nation-wide survey of parents in late February to identify the urgent demands for assistance with regards to childcare provisioning. As the need for emergency childcare continued, the system was modified to meet the growing demands of families and children, such as extending service hours to cater to the working hours of parents and guardians.

Idolbom childcare service | 아이돌봄서비스

The Idolbom childcare service that was operated by the Ministry of Gender Equality and Family (MoGEF) from 2014 was utilized to make visiting caretaker services accessible to a wide range of families. While the service was available to certain families that met income and family situation requirements, MoGEF lowered the service's financial and administrative barriers. Aside from making emergency daycare service easier to access, the government made improvements and reinforcements to the program itself to make it safer and more thorough to comply with COVID-19 regulations. The government is funding the distribution of masks, thermometers, and hand sanitizers for caretakers. Health related guidelines, such as monitoring the health of the caretakers and COVID-19 patients in the area, were strictly enforced as well.

Social Care Services

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Implementation of COVID-19 Response Policies

Fiscal Aid Program

Subsidy for employees on family care leave 가족돌봄비용긴급지원

As of December 2020, 139,723 workers received subsidy for Family care leave. Due to the re-expansions of COVID-19, the Family care leave became essential. According to the Ministry of Employment and Labor, the number of applicants for Family Care Leave was 62.1% (about 86,803) women and 37.8% (about 52,852) men which shows that women applicants were overwhelmingly higher than for men. It implies that women are leaving their jobs more than men due to taking up more of the responsibility of family care.

Childcare coupons | 아동돌봄쿠폰

Whilst going through economic slow-down in the second quarter 2020, the Childcare Coupons have contributed to kicking start of the local economy. Based on the 10-week credit and debit card spending data from April 13, 2020 to June 21, 2020, the average consumption expenditure of households eligible for support increased by about 6.3 percent. The analysis of consumption effects by income quintile, the average card expenditure of the first-tier households in the bottom 20% of income quintile increased by 27,100 won per week and 18,000 won per week for the second- to fourth-tier households. As a result, the lower the income level, the greater the consumption effect caused by child care coupons.

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Family care leave | 가족돌봄휴가제

The Ministry of Employment and Labor planned to temporarily operate the policy during 2020, but as

the pandemic continued in 2021, it was prolonged with an extra 42 billion won. Starting from 2021, parents of disabled children under the 18 also became eligible. In 2020, about 139,000 workers used family care leave. 28.2% of workplaces with less than 10 employees, and 61.1% of workplaces with less than 300 employees received support. However, the policy only provides support to employees who are protected under the labor law. Thus, self-employed or visiting teachers are still in blind spots. The government seeks to provide a better policy to address these issues.

Flexible work arrangements | 유연근무제

The government encouraged workers to utilize the Work-Life Balance Job Incentive [워라벨일자리장려금] if they had shorten their working hours due to difficulty taking care of their children. In particular, it promoted the use of shorter working hours for pregnant employees who are vulnerable to infection. In accordance with the simplification of application process, indirect labor support for workers with primary school-age child and pregnant employees were approved immediately without going through the review process at the employment center. However, the actual utilization rate of the system was only 26.6% in workplaces with more than 300 employees as of September 2020. According to the Ministry of Employment and Labor's survey on the utilization of the reducing contractual work hours policy, the difficulty of operating the system was the main issue. The "wage reduction" accounted for nearly half of the total at 49.2%, followed by the "increased burden of colleagues" in 20.0%. Therefore, governmental support for implementing the policy at the workplace is also necessary.

Social Care Services

A significant problem that arose was the reluctance for parents and guardians to use these services. Especially in February, when emergency childcare

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was offered for the first time, many families opted to find alternatives, such as relying on grandparents. There were also obstacles surrounding the operation of the services. The prolonging COVID-19 situation heavily burdened many care facilities and their staff members, primarily due to issues on funding. For instance, care workers in childcare facilities around Seoul were paid a single rate, but private institutions were excluded from this policy. Also, the vagueness in certain parts of the instruction manual for emergency childcare leaves too much room for interpretation. Social distancing regulations allow approximately ten students per classroom. There were cases where this rule was interpreted to mean that less than 20 students should be permitted to be put in a single classroom. Although the government highly discourages such actions, there are no measures to strictly enforce a limit on the number of students per classroom.

Conclusion

The COVID-19 pandemic has shed light on the importance of creating a social system and atmosphere that caters to the needs of different family structures and circumstances. In the initial stages of the governmental response to COVID-19, many parents and guardians have claimed that they were reluctant to send their children to emergency childcare because of safety concerns. Even though the classes were being run under close monitoring on health and personal hygiene, it could not ease the worries of many individuals that were unable to take of their children during an unprecedented crisis. There are specific emergency plans available for working parents and guardians at different workplaces, but for those who are self-employed or run their own business, it was difficult for them to find childcare options. More measures for those who are in blind spot of policies should be provided to protect the well-being of all families in the midst of pandemic. Even for working parents and guardians, the resources are being under-utilized for family care leave and flexible work arrangements.

Therefore, policy should focus on facilitating the policies by reducing the burden of employees on applying for system. Also, more measures are necessary in reaching men to encourage the use of these initiatives. The emergency set forth by the COVID-19 pandemic calls for intricate plans to prevent the reoccurrence of a similar care crisis. A culture that is understanding of the importance of childcare and family should be fostered, and these perceptions should be carried on to building policies and initiatives to support these needs.

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