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# Achievements and Prospects of the Social Service Electronic Voucher Program in Korea

– The Case of the Community Service Investment Project



SeKyung Park

Achievements and Prospects of the Social  
Service Electronic Voucher Program in Korea:  
The Case of the Community Service Investment Project

SeKyung Park, Research Fellow

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Korea Institute for Health and Social Affairs  
Building D, 370 Sicheong-daero, Sejong city  
30147 KOREA

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I

Introduction



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# I

## Introduction <<

A decade has passed since April 2007, when the Community Service Investment Project (CSIP) was launched as part of the Community Service Innovation Program. Over the past 10 years, the CSIP has served as an arena for diverse policy experiments, leading to numerous achievements, while also revealing shortcomings. The Social Service Electronic Voucher Program (SSEVP) was introduced to increase social services and jobs, along with the Community Service Innovation Program. As part of these upper-level government programs, the CSIP was meant to support community-based social service initiatives. The goal was to attempt something unprecedented in Korea's social welfare policy: namely, to allow local communities or governments to manage the entire welfare provision process, from the identification of needs to planning, delivery, and performance management.

Since the Korean government began expanding its social service programs in 2007, the Community Service Innovation Program has consistently increased its reach and scope. The detailed composition of the program evolved over time to better satisfy local demand for social services. Having re-named the program the "Autonomous Community Social Service

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Investment Program” in 2014, the Korean government allotted it a budget of KRW 213.6 billion in 2015. The newly named program features the CSIP, which has now been combined with the Maternal and Neonatal Health Workers Support Project and the Home and Nursing Workers Support Project. The government made a transition from categorical grants to block grants, with a view to enhancing local communities’ autonomy in the process of deciding and providing the services involved. Thanks to the block grant method, local governments are able to exercise greater leeway in deciding how much of the budget is to be allocated to each project, depending on the characteristics and needs of local communities.

The CSIP clearly contrasts with the conventional model of welfare services, where services are designed and developed by the central government and implemented and provided by local governments. The introduction of the project sparked a debate on the need for a more realistic and specific form of social welfare governance distinct from the residual model of welfare. Amid the larger changes in the overall socioeconomic environment, the demand for community-led welfare services began to grow, which increased the people’s desire for better quality of life. Since the dawn of the new millennium, Korea’s welfare policy has been undergoing rapid and fundamental transformations in terms of individual programs and projects under the growing social pressure for a restructuring of the welfare



system itself.

Korea's declining birth rate, aging population, growing socioeconomic polarization, and increasing employment insecurity continue to increase the number of people in need of welfare support. Many of the roles that families used to play in terms of welfare and protection have now become socialized, and there is growing public demand for more and better social services capable of managing these new social risks. This growing demand renders the residual welfare model, which caters merely to citizens dealing with poverty, illness, unemployment, old age, and disability, no longer viable. In addition, the increasing individualization and diversification of service needs and types will continue to increase the importance of providing efficient and effective welfare services.

Before discussing the prospects of the CSIP, we therefore need to revisit the fundamental policy goals and orientations of Korea's social service policy and the CSIP. It is high time that we reflected upon and discussed the basic aims of the welfare policy.

From a macro-policy perspective, the key question concerning the sustainability of the welfare state strategy is how to establish and maintain a viable balance between guaranteeing income and guaranteeing services. The need to increase the effectiveness and efficiency of social service policies, as well as to bring them in line with current demands, has often been observed in the welfare policy reforms of numerous welfare

states. Currently, a transition is taking place from a reactive, ex-post model of welfare provision to the expansion of the social security network, with the aim of allowing individuals and communities to satisfy their own needs and increase their quality of life. This has led to the emergence of new models of welfare, including the activation- and enhancement-oriented models of guaranteeing universal access to welfare, preventing crises, and supporting the right of individuals to pursue happiness. These new models of welfare provision also served to alleviate economic inequality and poverty during the Eurozone crisis (Morel et al., 2012)<sup>1</sup>).

Until the mid-2000's, much of the debate on social service reform was fettered by the principles of marketization and industrialization. Without thinking through institutional and policy alternatives, governments rushed to use social policies as a means of increasing the amount of social services available and create jobs. The majority of community-led social service programs were implemented without giving communities enough time to consider, discuss, and identify their specific and practical roles or develop feasible plans and strategies. Although the respective roles and responsibilities of metropolitan and provincial governments, on the one hand, and local governments, on the other, remained quite entangled and in

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1) Morel, N., Palier, B., Palme, J.(2012, eds.) *Towards a social investment welfare state? Ideas, policies and challenges.* Bristol Policy Press.

need of clarification, little discussion took place in this regard.

There is a wide consensus on the urgency of expanding the reach and scope of social services in response to the rapidly growing demand. Nevertheless, indiscriminate increases in the supply of social services without first addressing and resolving the fundamental shortcomings of the existing social service model would likely render welfare programs ineffective and worsen the social problems they were intended to tackle. The CSIP entails a number of multifaceted and complex issues, including those related to who should provide services (public agencies, nonprofit and nongovernmental actors, or the market); who should be responsible for the costs of services; how the services are to be provided and delivered; what types of services are to be provided; and how the beneficiaries are to be decided.

The provision of social services, unlike cash benefits, requires the provider to take into account the particular and diverse needs of individual recipients as well as what types of social services are to be provided and in what ways. Yet the concept of “user-centeredness” remains a mere slogan in much of Korea’s social service policy. This study therefore analyzes and assesses the achievements and future tasks of the CSIP, with the goal of finding a way to sever ties with the centralized, regulatory, and top-down approach to welfare and means of creating new opportunities in response to new social risks through dynamic and pluralistic welfare policy measures.



# II

## Achievements and Issues of the CSIP

1. Current status of the CSIP
2. Limitations and issues of the CSIP



# II

## Achievements and Issues << of the CSIP

### 1. Current status of the CSIP

The CSIP, launched by the Korean Ministry of Health and Welfare (MOHW) in the mid-2000s as part of the SSEVP to achieve the two goals of increasing social services and creating jobs simultaneously, has evolved over time amid the changing circumstances of policy making and execution, as summarized in Table 1. Nevertheless, the original goal of using the CSIP to break away from the central-government-led model of welfare provision has remained firmly at the center of the project. In other words, local governments continue to use the CSIP to play leading roles in identifying the needs of local residents and developing and providing services that are customized to particular local conditions. In fact, the CSIP has made possible a number of ground breaking policy experiments, such as the user-centered electronic vouchers entrusted by the national treasury to social-service-providing agencies and the diversification of service channels under more focused local policy governance.

As a result, the types and content of social services have been diversified so as to better cater to the diverse and changing

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needs of individuals. The CSIP, moreover, has paved the way for the institutionalization of new types of social services. Most importantly, the CSIP gives greater leeway and autonomy to local governments in identifying and developing the needed services in line with their own capabilities and competencies, confining the central government's (MOHW) role to that of screening, evaluating, and supporting the projects developed by local governments.

<Table 1> Changes in the Autonomous Community Social Service Investment Program

Year	Major changes	Budget (in of KRW 100 million) <sup>1)</sup>	No. of providers	No. of jobs	No. of beneficiaries (in 1,000 persons)
2007	Community Service Innovation Program - Provided standardized benefits (for cognitive capability enhancement and obesity management among children) nationwide - Allowed local governments to introduce their own projects	476	391	20,000	290
2008	Community Service Innovation Program - Introduced a universal project (for cognitive capability enhancement among children) - Allowed for projects customized to local conditions		791	17,000	240
2009	Community Service Investment Project - Featured a mixture of projects to be selected by local governments and projects to be developed by local governments	820	906	34,980	278
2010	Community Service Investment Project - Featured a mixture of projects to be selected by local governments <sup>1)</sup> and projects to be developed by local governments	1,100	1,081	17,959	314



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Year	Major changes	Budget (in of KRW 100 million) <sup>1)</sup>	No. of providers	No. of jobs	No. of beneficiaries (in 1,000 persons)
	- Created jobs guaranteeing at least 20 hours of work per month for each worker				
2011	Community Service Investment Project - Supported 10 prospective social services across four areas, i.e., child development support, old-age living support, rehabilitation support for people with disabilities, and family support	1,353	1,462	19,677	460
2012	Community Service Investment Project - Lowered barriers to new providers by replacing qualification screening with registration - Announced qualifications for social workers	1,345	2,170	20,218	450
2013	Autonomous Community Service Investment Program - Central government now provided a lump-sum budget for all projects - Trial phase for autonomous price management: up to 20 percent of budget (concerning investment projects for children and maternal and neonatal health management)	1,411	2,541	25,242	484
2014	Autonomous Community Service Investment Program - Transformed into the Balanced Regional Growth Special Account - Quality of providers became an issue	1,452	2,775	16,622/ 40,873	389

Note: 1) As provided from the national treasury. Local governments' matching requirements varied, from 50 percent for Seoul, to 70 percent for other major cities and provinces, and 80 percent for rural areas in need of development.

Source: MOHW, *White Paper on Health and Welfare*, each year (author used most up-to-date information to correct inconsistencies)

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Since 2013, the Korean government has been providing lump-sum budgets, which local governments then re-allocate to their individual projects, in an effort to enhance the autonomy and accountability of local governments in terms of social services and thereby encouraging the provision of more social services at the community level. The CSIP was thus combined with the Maternal and Neonatal Health Workers Support Project and the Home and Nursing Workers Support Project, allowing local governments to allocate their budgets to these three projects as they see fit. Table 2 lists the main standard types of services that the central government recommends local governments to adopt. Using this list as a guideline, local governments are to develop and plan their own social service projects catering to local needs. Many of these projects involve developing human capital (i.e., education and care for children), improving the health of local residents, increasing jobs for women, encouraging greater social participation of the elderly and people with disabilities, and counseling services for emotional and mental health support.

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(Table 2) Standard Local Social Service Projects

Target	Project	Description	Income threshold <sup>1)</sup>
Children	Developmental support	Interventions in the form of exercise, language, cognitive, emotional support, and social adaptation programs for infants and toddlers with low scores on development tests(up to age 6)	100% or below
	Emotional development support	Music programs for reducing emotional and behavioral maladaptation among children and preteens living in unstable family environments(ages 7 to 12)	100% or below
	Psychological support	Early diagnosis of and intervention for ADHD in children and teens(under 18)	120% or below
	Internet dependency treatment	Early diagnosis of and intervention for Internet dependency among children and teens(under 18)	100% or below
	Dream formation	Enabling children to develop future aspirations and dreams through systematic social and cultural activities and self-discipline programs(ages 7 to 15)	100% or below
	Developmental support for children of multicultural families	Language support programs for children of recent immigrants who have difficulty learning Korean, because their parents are not yet fluent(ages 3 to 12)	100% or below
	Obesity intervention	Promoting health in children with moderate-to-severe obesity diagnoses through parental health education, exercise prescriptions, and sports programs (ages 5 to 12)	No income threshold
Seniors	Customized exercise prescriptions	Supporting the physical activity of seniors with the goal of reducing healthcare costs and improving their health	120% or below (except for senior beneficiaries of long-term care insurance)
	Alienation prevention	Helping seniors lead active post-retirement lives by presenting them with strategies and plans for staying active	120% or below
	Assisted travel for the elderly and people with disabilities	Providing special assisted tours for people who have difficulty traveling on their own due to physical conditions and the lack of tourism infrastructure	1120% or below (for registered persons only)
People with disabilities	Rental of mobility aids	Renting out customized mobility aids for people with physical, CVA, and myelopathy disorders	No income threshold
	*Blind chiropractic care therapists	Increasing jobs for the blind by training and hiring them as massage therapists for seniors	120% or below (incl. beneficiaries of the Basic Livelihood Security Program)
Other	Comprehensive mental health support	Early diagnosis of and intervention for the mentally ill, and supporting their adaptation to and inclusion into local communities	100% or below
	Suicide prevention	Early identification and prevention of	100% or below

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Target	Project	Description	Income threshold <sup>1)</sup>
		suicide among high-risk groups	(incl. beneficiaries of the Basic Livelihood Security Program)
	Exercise prescriptions for high-risk groups	Supporting physical exercise for high-risk groups (e.g., seniors, pregnant women, people with disabilities, etc.)	120% or below
	Comprehensive support for SME workers	Stress-relief, physical, and emotional support programs for people working at local small and medium enterprises	No income threshold
	Parent-child relationship improvement	Supporting the formation of bonds between parents and their young children (aged 1 to 5)	100% or below

In an effort to diversify social service providers and improve the overall quality of the services provided, the National Assembly enacted the Act on the Use of and the Management of Vouchers so as to allow private-sector organizations to provide social services by registering with the authorities as opposed to garnering governmental designations. Today, organizations that meet the governmental requirements for personnel, facilities, and qualifications are allowed to provide social services under the CSIP after first registering with municipal or borough offices, and the number of for-profit service providers has been increasing ever since. Between 2012 and 2014, the total number of service providers increased by 37.6 percent, from 2,515 to 3,460.

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<Table 3> Number of Service Providers under the CSIP: 2012 vs. 2014

(Units: number of organizations, percentage)

	Seoul	Busan	Daegu	Incheon	Gwangju	Daejeon	Ulsan	Gyeonggi		
2012	295	147	160	109	117	118	62	525		
2014	401 (▽35.9p)	258 (▽75.5p)	199 (▽24.4p)	187 (▽71.6p)	169 (▽44.5p)	176 (▽49.2p)	86 (▽38.7p)	725 (▽38.1p)		
	Gangwon	Chungbuk	Chungnam	Jeonbuk	Jeonnam	Gyeongbuk	Gyeongnam	Jeju	Total	
2012	119	112	151	117	87	148	184	57	2,515	
2014	137 (▽15.1p)	124 (▽10.7p)	178 (▽17.9p)	166 (▽41.9p)	113 (▽29.9p)	185 (▽25.0p)	263 (▽42.9p)	82 (▽43.9p)	3,460	(▽37.6p)

Source: CSIP Workshop for the First Half of 2016 (revised by the author).

<Table 4> Types of Service Providers under the CSIP: 2012 vs. 2014

(Units: number of organizations, percentage)

	Metropolitan cities (69 boroughs)			Medium-sized cities (78)			Rural counties (82)			Total
	Number	Proportion	Change	Number	Proportion	Change	Number	Proportion	Change	
2012	986	39.0		1,262	49.9		267	10.6		2,515 (100.0)
2013	1,245	41.4	▽26.3p	1,486	49.5	▽17.7p	273	9.1	▽2.3p	3,004 (100.0)
2014	1,443	41.7	▽15.9p	1,717	49.6	▽15.5p	300	8.7	▽9.9p	3,160 (100.0)

Source: CSIP Workshop for the First Half of 2016 (revised by the author).

However, such increases in the reach and scope of social services are noted only in large cities and not in rural areas, which are relatively disadvantaged when it comes to social service resources. The number of service providers grew noticeably in such regions as Busan, Incheon, Daejeon, Gwangju, Seoul, and Gyeonggi. However, only relatively minor growth was recorded in other provinces and their rural counties. On

average, newly-created providers account for 40 percent of all service providers in large cities every year, while new providers account for less than 10 percent of all service providers in rural areas.

Children and teens still form the main targets of over half of social service projects. By categorizing the 651 CSIP-related local projects, registered as of April 2015, using the MOHW's standard program list, we can see that 41.9 percent of the projects were for developing capabilities in children.<sup>2)</sup> Another 18.1 percent cater to seniors, while 7.7 percent cater to people with disabilities. In addition, 11.5 percent of the projects target both the elderly and people with disabilities, while less than 20 percent focus on childcare and the physical health of children. The projects for seniors are more evenly divided between those supporting seniors' social participation and adaptation (53 percent) and others promoting their physical health (47 percent). While support for social adaptation is a greater concern among the projects for people with disabilities, physical health is the overriding objective of the projects that cater to the elderly and people with disabilities.

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2) According to the MOHW's official statistics on CSIPs, as of the first quarter of 2015, there were 833 local projects sharing information with the MOHW. Of these, 182 were to be shut down or allowed to continue to serve their existing beneficiaries without registering further information. The 833 projects also included 61 newly developed projects. This study excludes the 182 projects that are to be shut down and uses the remaining 651 projects to analyze the main targets and aims.

〈Table 5〉 Distribution of CSIPs in numbers by Type and Target (as of 2014)

	Care and physical health for children	Capability development in children	Social adaptation of elderly/ people with disabilities	Physical health of elderly/ people with disabilities	Family capability enhancement	Other	Total
Children and teens	35	273	-	-	-	27	335 (51.5)
Elderly	-	-	62	55	-	1	118 (18.1)
Elderly and people with disabilities	-	-	14	60	-	1	75 (11.5)
People with disabilities	-	-	35	15	-	-	50 (7.7)
Other	1	2	-	2	2	66	73 (11.2)
Total	36	275	111	132	2	95	651 (100.0)

Source: Park (2015), quoted from *Health and Welfare Forum*, vol. 225.

## 2. Limitations and issues of the CSIP

A representative project of the SSVEP, the CSIP has been regarded as the epitome of the innovative nature of voucher programs. Critics, however, point out that the pro-market characteristics of the CSIP, which emphasizes users' right to choose and encourages competition, have been causing increasing confusion and uncertainty in the provision of social services. Proponents still believe that the CSIP will help the Korean welfare system grow beyond the conventional model of fiscal subsidization by the central government, enable local governments to minimize inefficiencies in social spending,

generate new demand for social services, and establish community-led services as the norm, thereby supporting the decentralization of welfare services. These expectations, however, lead proponents to overlook the proliferation of unregulated markets and of non-regular and low-wage jobs among social workers, which may have the potential to compromise the quality of social services provided.

The emphasis on the flexibility of service provision has resulted in the over-fragmentation of service programs and projects. The absence of consistent principles and criteria governing service providers and of detailed information on services had also led to a growing regional gap in the availability of services, while making it difficult to monitor and manage services. An assessment of the current status of different types of providers involved in CSIPs reveals the following shortcomings and problems.

First, the targets of the majority of CSIPs overlap with those of the conventional residual welfare programs. In addition, the limited purchasing power of these beneficiaries fails to induce the development of capable service providers, despite the efforts of local governments to increase the demand for quality services. While the plan for the diversification of service providers has promoted a rapid increase in the number of for-profit organizations participating in these projects, the vast majority of these organizations (50.5 percent) fail to earn more



than KRW 30 million a year from vouchers.

The proportion of for-profit organizations providing services under the CSIPs rose from 44.6 percent in June 2012 to 70.1 percent by January 2015. Table 6 presents the distribution of service providers of different types by city and province, from February 2013 to September 2015, and defines service providers hiring fewer than 10 workers each as “zero-tax providers” and those hiring 50 or more workers as “large providers.” Nationwide, the proportion of zero-tax providers has been rising steadily, from 59.5 percent in 2013 to 67.7 percent in 2015. This may reflect the effect of the new legislation that requires the registration rather than the designation of service providers. In addition, the number of service providers hiring 100 workers or more has been declining noticeably since 2015, when the restructuring of CSIP-related services (for the enhancement of cognitive capabilities in children) came to an end. The number of service providers hiring 50 workers or more has been dropping as well.

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<Table 6> Distribution of Service Providers by Region and Size

(Unit: number of service providers, percentage)

Region	2013	2014	2015	Personnel	Region	2013	2014	2015
Seoul	116(63.7)	115(56.7)	157(67.7)	Fewer than 10	Busan	109(58.6)	141(62.9)	186(68.9)
	47(25.8)	67(33.0)	63(27.2)	10 to 29		45(24.2)	58(25.9)	65(24.1)
	6(3.3)	9(4.4)	8(3.4)	39 to 49		12(6.5)	10(4.5)	10(3.7)
	6(3.3)	5(2.5)	3(1.3)	50 to 99		9(4.8)	7(3.1)	9(3.3)
	7(3.8)	7(3.4)	10(4)	100 or more		11(5.9)	8(3.6)	-
Daegu	65(45.1)	98(60.1)	123(68.0)	Fewer than 10	Incheon	97(75.8)	85(58.2)	120(72.7)
	54(37.5)	41(25.2)	44(24.3)	10 to 29		13(10.2)	47(32.2)	40(24.2)
	8(5.6)	11(6.7)	7(4.9)	39 to 49		8(6.3)	8(5.5)	3(1.8)
	8(5.6)	7(4.3)	6(3.3)	50 to 99		3(2.3)	1(0.7)	2(1.2)
	9(6.3)	6(3.7)	1(0.6)	100 or more		7(5.5)	5(3.4)	-
Daejeon	86(67.2)	91(58.3)	93(60.4)	Fewer than 10	Gwangju	65(50.4)	85(55.2)	100(64.5)
	14(10.9)	42(26.9)	46(29.9)	10 to 29		39(30.2)	46(29.9)	40(25.8)
	12(9.4)	12(7.7)	10(6.5)	39 to 49		7(5.4)	13(8.4)	12(7.7)
	5(3.9)	4(2.6)	3(1.9)	50 to 99		10(7.8)	4(2.6)	2(1.3)
	11(8.6)	7(4.5)	2(1.3)	100 or more		8(6.2)	6(3.9)	1(0.6)
Ulsan	47(68.1)	50(63.3)	67(79.8)	Fewer than 10	Sejong	8(57.1)	6(46.2)	6(50.0)
	12(17.4)	21(26.6)	14(16.7)	10 to 29		5(35.7)	7(53.8)	5(41.7)
	2(2.9)	3(3.8)	3(3.6)	39 to 49		1(7.1)	-	1(8.3)
	3(4.3)	2(2.5)	-	50 to 99		-	-	-
	5(7.2.2)	3(3.8)	-	100 or more		-	-	-
Gyeonggi	300(66.1)	318(66.7)	332(70.9)	Fewer than 10	Gangwon	62(61.4)	78(75.0)	106(79.7)
	129(28.4)	145(30.4)	126(26.9)	10 to 29		28(27.7)	18(17.3)	22(16.5)
	15(3.3)	6(1.3)	7(1.5)	39 to 49		4(4.0)	4(3.8)	4(3.0)
	3(0.7)	2(0.4)	2(0.4)	50 to 99		2(2.0)	1(1.0)	1(0.8)
	7(1.5)	6(1.3)	10(2)	100 or more		5(5.0)	3(2.9)	-
Chungbuk	53(54.1)	49(49.5)	67(60.9)	Fewer than 10	Chungnam	85(68.0)	94(69.1)	113(71.1)
	30(30.6)	34(34.3)	36(32.7)	10 to 29		27(21.6)	31(22.8)	43(27.0)
	4(4.1)	5(5.1)	5(4.5)	39 to 49		7(5.6)	4(2.9)	2(1.3)
	4(4.1)	5(5.1)	1(0.9)	50 to 99		1(0.8)	3(2.2)	1(0.6)
	7(7.1)	6(6.1)	1(0.9)	100 or more		5(4.0)	4(2.9)	-
Gyeongbuk	79(61.7)	86(63.7)	103(67.3)	Fewer than 10	Gyeongnam	120(68.6)	155(71.4)	174(74.7)
	37(28.9)	38(28.1)	44(28.8)	10 to 29		42(24.0)	54(24.9)	56(24.0)
	3(2.3)	4(3.0)	5(3.3)	39 to 49		6(3.4)	1(0.5)	2(0.9)
	4(3.1)	3(2.2)	1(0.7)	50 to 99		1(0.6)	2(0.9)	1(0.4)
	5(3.9)	4(3.0)	-	100 or more		6(3.4)	5(2.3)	-
Jeonnam	34(47.9)	39(52.0)	44(60.3)	Fewer than 10	Jeonbuk	55(47.0)	66(50.0)	118(72.8)
	23(32.4)	23(30.7)	18(24.7)	10 to 29		52(44.4)	54(40.9)	42(25.9)
	1(1.4)	4(5.3)	6(8.2)	39 to 49		1(0.9)	5(3.8)	1(0.6)
	5(7.0)	3(4.0)	1(1.4)	50 to 99		2(1.7)	2(1.5)	1(0.6)
	8(11.3)	6(8.0)	4(5.5)	100 or more		7(6.0)	5(3.8)	-
Jeju	29(46.8)	38(52.1)	49(64.5)	Fewer than 10				
	23(37.1)	26(35.6)	22(28.9)	10 to 29				
	4(6.5)	4(5.5)	2(2.6)	39 to 49				
	3(4.8)	4(5.5)	3(3.9)	50 to 99				
	3(4.8)	1(1.4)	-	100 or more				

Source: Park, S. et al. (2015), *Performance Evaluation of the Autonomous Community Investment Project 2015*, MOHW-KIHASA.

Second, the number of workers hired by these service providers took a drastic dip between 2013 and 2015, mainly due to the abolition of services aimed at enhancing cognitive capabilities in children. On the other hand, the proportion of workers with positions at two or more service providers increased on the whole, from 22.0 percent (16,578) to 32.7 percent (8,825) between 2013 and 2015.

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(Unit: number of persons, percentage)

Region	2013			2014			2015		
	Workers for two or more providers excluded (A)	Workers for two or more providers included (B)	Workers for two or more providers (%)	Workers for two or more providers excluded (A)	Workers for two or more providers included (B)	Workers for two or more providers (%)	Workers for two or more providers excluded (A)	Workers for two or more providers included (B)	Workers for two or more providers (%)
Seoul	8,415	9,544	1,129 (11.8)	5,263	6,233	970 (15.6)	1,537	2,248	711 (31.6)
Busan	4,046	5,661	1,615 (28.5)	2,973	3,852	879 (22.8)	1,844	2,635	791 (30.0)
Daegu	3,852	5,423	1,571 (29.0)	2,557	3,993	1,436 (15.3)	1,167	2,182	1,015 (46.5)
Incheon	3,702	4,666	964 (20.7)	2,281	2,692	411 (26.9)	1,071	1,429	358 (25.1)
Daejeon	2,815	4,389	1,574 (35.9)	2,072	2,833	761 (26.9)	1,301	2,066	765 (37.0)
Gwangju	2,759	3,666	907 (24.7)	2,283	3,051	768 (25.2)	1,054	1,795	741 (41.3)
Ulsan	1,379	1,686	307 (18.2)	1,183	1,399	216 (15.4)	465	645	180 (27.9)
Gyeonggi	13,209	16,131	2,922 (18.1)	7,900	9,073	1,173 (12.9)	2,932	3,831	899 (23.5)
Gangwon	1,781	2,379	598 (25.1)	1,160	1,358	198 (14.6)	750	1,003	253 (25.2)
Chungbuk	2,118	2,897	779 (26.9)	1,482	2,725	1,243 (45.6)	743	1,163	420 (36.1)
Chungnam	2,399	2,891	492 (17.0)	1,851	2,181	330 (15.1)	870	1,277	407 (31.9)
Gyeongbuk	3,001	3,828	827 (21.6)	2,167	2,654	487 (18.3)	908	1,395	487 (34.9)
Gyeongnam	3,673	4,727	1,054 (22.3)	2,612	3,262	650 (19.9)	1,065	1,709	644 (37.7)
Jeonnam	2,104	2,743	639 (23.3)	1,697	1,940	243 (12.5)	810	1,335	525 (39.3)
Jeonbuk	2,427	3,284	857	1,911	2,388	477	1,006	1,320	314

Region	2013			2014			2015		
	Workers for two or more providers excluded (A)	Workers for two or more providers included (B)	Workers for two or more providers (%)	Workers for two or more providers excluded (A)	Workers for two or more providers included (B)	Workers for two or more providers (%)	Workers for two or more providers excluded (A)	Workers for two or more providers included (B)	Workers for two or more providers (%)
Jeju	992	1,264	272 (21.5)	887	1,193	306 (25.6)	572	816	244 (29.9)
Sejong	80	151	71(47.0)	95	146	51 (34.9)	63	134	71(53.0)
Total	58,752	75,330	16,578 (22.0)	40,374	50,973	10,599 (20.8)	18,158	26,983	8,825 (32.7)

Note: "Workers for two or more providers" refers to workers who work with and receive payments from two or more service providers.  
 Source: Park, S. et al. (2015). *Performance Evaluation of the Autonomous Community Investment Project 2015*, MOHW-KIHASA.

The proportion of workers who worked an average of 60 hours or more per month also increased, from 22.0 percent (2,146) in 2013 to 32.7 percent (8,825) in 2015. In the meantime, the share of workers who remained in service during each project year rose rapidly, from 3.5 percent in 2013 to 8.1 percent in 2014, and again to 18.2 percent in 2015. However, the proportion of workers who worked for less than one month in each project year increased by 1.8 percentage points, from 18.6 percent in 2013 to 20.4 percent in 2015.

〈Table 8〉 Distribution of CSIP Workers Working 60 or More Hours a Month

(Unit: number of persons, percentage)

Region	2013	2014	2015	Region	2013	2014	2015
Seoul	72 (0.8)	77 (1.2)	77 (3.4)	Gangwon	104 (4.4)	99 (7.3)	72 (7.2)
Busan	161 (2.8)	178 (4.6)	165 (6.3)	Chungbuk	140 (4.8)	109 (4.0)	110 (9.5)
Daegu	144 (2.7)	138 (3.5)	122 (5.6)	Chungnam	119 (4.1)	113 (5.2)	104 (8.1)
Incheon	88 (1.9)	94 (3.5)	83 (5.8)	Gyeongbuk	123 (3.2)	109 (4.1)	92 (6.6)
Daejeon	219 (5.0)	206 (7.3)	158 (7.6)	Gyeongnam	90 (1.9)	117 (3.6)	111 (6.5)
Gwangju	146 (4.0)	177 (5.8)	96 (5.3)	Jeonnam	258 (9.4)	236 (12.2)	381 (28.5)
Ulsan	28 (1.7)	46 (4.3)	52 (8.1)	Jeonbuk	221 (6.7)	169 (7.1)	219 (16.6)
Sejong	3 (2.0)	1 (0.7)	1 (0.7)	Jeju	84 (6.6)	87 (7.3)	88 (10.8)
Gyeonggi	149 (0.9)	170 (1.9)	145 (3.8)	Total	2,146 (2.5)	2,126 (4.2)	2,076 (7.7)

Source: Park, S. et al. (2015), *Performance Evaluation of the Autonomous Community Investment Project 2015*, MOHW-KIHASA.

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<Table 9> CSIP Workers Who Remained in Service throughout Each Project Year

(Unit: number of persons, percentage)

Region	2013	2014	2015	Region	2013	2014	2015
Seoul	162(1.7)	742(11.9)	247(11.0)	Gangwon	103(4.3)	105(7.7)	109(10.9)
Busan	132(2.4)	590(15.3)	888(33.7)	Chungbuk	88(3.0)	39(1.4)	200(18.1)
Daegu	171(3.2)	163(4.1)	212(9.7)	Chungnam	103(3.6)	145(6.6)	227(17.8)
Incheon	136(2.9)	211(7.8)	358(25.1)	Gyeongbuk	152(4.0)	154(5.8)	149(10.7)
Daejeon	134(3.1)	302(10.7)	304(14.7)	Gyeongnam	251(5.3)	227(7.0)	439(25.7)
Gwangju	145(4.0)	228(7.5)	233(13.0)	Jeonnam	200(7.3)	319(16.4)	495(37.1)
Ulsan	33(2.0)	161(11.5)	159(24.7)	Jeonbuk	196(6.0)	133(5.6)	371(28.1)
Sejong	1(0.7)	4(2.7)	9(6.7)	Jeju	165(13.1)	121(10.1)	170(20.8)
Gyeonggi	439(2.7)	471(5.2)	534(13.9)	Total	2,613(3.5)	4,115(8.1)	4,924(18.2)

Note: These figures include the number of workers who remained in service throughout the project years of 2013 and 2014 (from February to January of the following year) and throughout the project year of 2015 (from February to September).

Source: Park, S. et al. (2015), *Performance Evaluation of the Autonomous Community Investment Project 2015*, MOHW-KIHASA.

<Table 10> CSIP Workers Who Quit After Working Less Than One Month

(Unit: number of persons, percentage)

Region	2013	2014	2015	Region	2013	2014	2015
Seoul	1712(17.9)	1025(16.4)	498(22.2)	Gangwon	529(22.2)	169(12.4)	183(18.2)
Busan	1000(17.7)	489(12.7)	413(15.7)	Chungbuk	464(16.0)	424(15.6)	233(21.1)
Daegu	1295(23.9)	782(19.6)	583(26.7)	Chungnam	405(14.0)	336(15.4)	241(18.9)
Incheon	984(21.1)	363(13.5)	202(14.1)	Gyeongbuk	717(18.7)	372(14.0)	428(30.7)
Daejeon	955(21.8)	467(16.5)	598(28.9)	Gyeongnam	855(18.1)	400(12.3)	220(12.9)
Gwangju	764(20.8)	470(15.4)	477(26.6)	Jeonnam	500(18.2)	331(17.1)	139(10.4)
Ulsan	400(23.7)	168(12.0)	130(20.2)	Jeonbuk	573(17.4)	293(12.3)	215(16.3)
Sejong	27(17.9)	37(25.3)	41(30.6)	Jeju	135(10.7)	109(9.1)	83(10.2)
Gyeonggi	2707(16.8)	1058(11.7)	893(23.3)	Total	14,022(18.6)	7,293(14.3)	5,577(20.7)

Source: Same as above.

As for the number of beneficiaries of CSIPs, no other data are being collected and processed aside from the minimum data needed to process voucher payments. In addition, no analyses have yet been attempted on the characteristics of beneficiaries, nor is it possible to ascertain how the out-of-pocket expenses of beneficiaries are being managed.

In order for the CSIPs to efficiently deliver the tailor-made services necessary to satisfy the universal demand for welfare, it is crucial to ensure beneficiaries' choice over available services as well as their access to such services. A program may offer perfect services, but if its benefits are accessible to only a few, it could engender or deepen social alienation (Park et al., 2013). According to the geographic information system (GIS) analysis on the distribution of CSIP service providers conducted in 2014 by the Social Security Information Service (SSIS),<sup>3)4)</sup> significant clusters of service providers are found in Seoul, Incheon, the southern part of Gyeonggi-do (Hwaseong and

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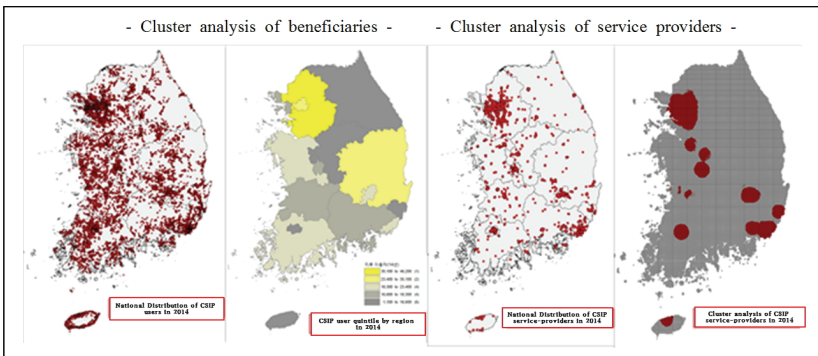
3) At the time of the analysis on the raw GIS data, the geocoding of the institutional data on all 2,775 of the service providers had already been completed. However, only 48 percent of the worker data and 54.8 percent of the user (beneficiary) data had been coded at the time. The results of the analysis presented herein thus require extreme caution in interpretation. The author advises all readers to refrain from citing the analysis herein.

4) Of the diverse cluster analysis methods, this study used that of the hot spot analysis, which encompasses diverse forms of clusters—including points and polygons—and data characteristics. Where the statistic of the p-value, significant for the spatial distribution, is  $\pm 3$  or greater in terms of the z-score, a spatial cluster is thought to exist with a significance level of 99 percent, and the near-zero values are believed to show an insignificant (random) distribution.



Yongin), Cheongju (Chungbuk), Daejeon, Gwangju, Daegu, Ulsan, Busan, the urban cities of Chungnam (Cheonan and Asan) and Jeonbuk (Gunsan and Jeonju), the cities of Changwon-Gimhae-Yangsan (Gyeongnam), and Jeju City of Jeju (Figure 1). Overlap this with Figure 2, which shows the clusters of service beneficiaries, and we can see significant regional disparities in the availability and accessibility of CSIP services, calling for strategies of region-based differentiation in the delivery of social services.

[Figure 1] Distributions of CSIP Beneficiaries and Service Providers

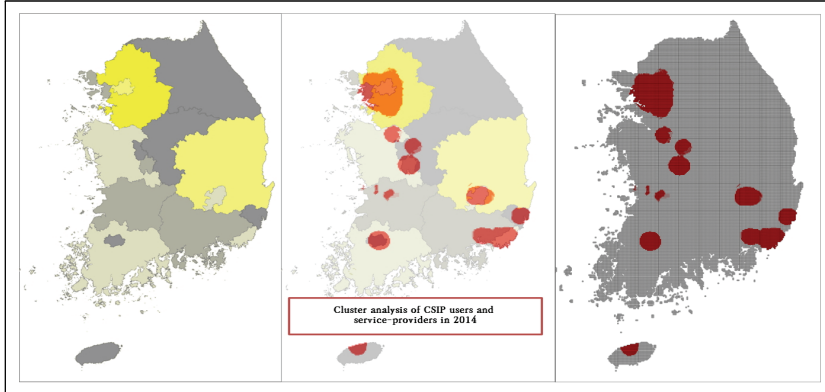


Note: Due to regional disparities, extreme caution is advised in interpreting the analysis results. (Citations are not recommended.)

Source: Unofficial data discussed at the 2015 Fall Workshop for the Autonomous Community Service Investment Project.

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[Figure 2] Overlapping the Distributions of CSIP Beneficiaries and Service Providers, 2014



Note: Due to regional disparities, extreme caution is advised in interpreting the analysis results. (Citations are not recommended.)

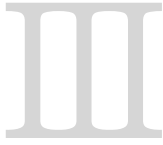
Source: Unofficial data discussed at the 2015 Fall Workshop for the Autonomous Community Service Investment Project.

As for CSIP services that require an in-person visit, the user is required to travel 11.3 kilometers on average. The average travel distance varies significantly from region to region, ranging from 3.6 kilometers at the shortest to 38.4 kilometers at the longest. As for CSIP services in which social workers visit beneficiaries at their homes to provide services, workers are required to travel an even longer distance, about 14.2 kilometers on average, out of a range of 5.8 kilometers to 30.8 kilometers.



Future of the CSIP: What should we consider?





## Future of the CSIP: What << should we consider?

The CSIP was launched in Korea with innovative and timely goals in mind: namely, to convert the top-down model of welfare governance between the central and local governments into a more horizontal partnership, and encourage local governments to identify social service needs and develop and deliver effective services. Let us start our discussion on the future outlook for the CSIP based on the assumption that the experimental spirit and design of the original policy remains to this day.

Admittedly, the CSIP has sought to achieve innovation in welfare policy by introducing novel measures reflective of the real conditions of welfare provision. The notable and outward growth in the numbers of service beneficiaries, workers, and providers, however, serves to obscure the decreases in the amounts of services provided and their effectiveness. In addition, the capabilities of local governments to plan and implement original policies and the state of the local social service delivery system still remain far below the desired levels. The recent assessment of the actual conditions and progress of the CSIP services has revealed a series of issues and challenges facing the CSIP, adding to the urgency of the need to devise a new and better counter strategy. We can no longer ignore the need

for matter-of-fact evaluations of the policy outcomes so far, as well as for in-depth discussions and mobilization of all available policy resources to achieve substantial improvement.

In particular, a number of meaningful changes are currently in demand. First and foremost, we need to revisit the fundamental aims and ambitions of the CSIP. The most basic goal of social service policy is to satisfy the needs of citizens in order to offer better quality of life. No amount of novelty or originality in the types of social services or policy experiments can eliminate the need to evaluate and ensure whether social services cater to the rights of beneficiaries. Since the dawn of the new millennium, the welfare system in Korea has been expanding at an astonishing pace, thanks to unprecedented increases in the amounts of fiscal investment as well as policy and institutional efforts. Nevertheless, the poor still face harsh living conditions, while the blind spots of the welfare policy are multiplying and socioeconomic inequality deepening. In contemplating alternative welfare paradigms, policy-makers need to acknowledge that welfare is no longer a matter of reactive and selective benefits, but is a universal good to which every member of society is entitled. The goal of welfare policy, in other words, ought to be satisfying this right by providing social services. The task of growing beyond the residual model of welfare provision calls not for selective support for more jobs (which some might call strategic investment), but for an ap-

proach to welfare policy as a matter of ensuring dignity, equal opportunity, and social inclusion.

Second, we need to use community social services as more than mere tools for achieving short-term policy goals, such as fostering and increasing service markets and jobs. Rather, we need to re-think community social services as a means of providing preventive and proactive responses to social needs, and thereby preventing costly social problems and improving the quality of life for local residents. Improving quality of life may sound too abstract for an objective of social service policies, but this objective requires the clarification of specific goals and targets involved and consistent application of policy resources accordingly. We can enhance the efficiency and effectiveness of diverse community service projects only by applying a systematic framework for performance evaluation and monitoring. Moreover, we need to ensure greater continuity and consistency between the local social security plans and individual service projects by consolidating the scattered policies on children and teens, childcare, family health, and the like.

Third, we need to find and present a broad social vision to garner and strengthen the policy consensus among all of the parties involved in welfare provision, including the Community Social Service Support Group, working-level civil servants of local governments, workers at municipal offices, and social service providers. This requires the creation of a forum where

all parties can discuss specific goals and strategies. The process of such discussions ought to ensure the balanced consideration of the perspectives of both service beneficiaries and providers, and objectively and accurately reflect the issues plaguing the supply side, such as regional disparities, current issues, and shortcomings.

Fourth, we need to make greater efforts to establish and strengthen mutual partnerships among local governments, service providers, and local residents in order to better identify local needs, and decide and provide more effective services, with a focus on coordinating relationships among existing services, where needed. The first and foremost concern of local governments and service providers is strengthening the continuity between beneficiaries' willingness, on the one hand, and capability, on the other, to pay for social services. This concern is often cited in favor of expanding the reach of social services and providing universal services, but there are numerous practical obstacles preventing such expansion. The fatigue with the constant call for increasing welfare has reduced opportunities for discussing even the limited total amount of services available. Policy-makers thus need to thoroughly analyze the current status of available CSIP services, with the goals of ascertaining regional disparities in availability, ensuring greater equity of services, and developing an alternative and more universal system of service delivery. For instance, we could alle-



viate the fiscal burden and generate more effective demand by having the state guarantee the right of the disadvantaged and the poor to social services, while realistically differentiating the prices at which the same services are to be made available to people of different income levels. Before introducing such differential pricing, however, we must thoroughly review the potential of, and prevent as much as possible, excess competition among service providers, possible declines in service quality, concentration of resources and users in certain organizations, and possible conflicts between service-providing organizations and individual workers.

Fifth, we need to realize that even locally tailored services require generally acceptable criteria and principles pertaining to service quality, prices, and out-of-pocket expenses. The legitimacy of local welfare policy programs is in their ability to satisfy beneficiaries' needs and desires by providing quality services. Yet there is no clear system for dividing the respective roles and responsibilities among the central and local governments. The chances for effective communication are limited as well. There is little need to continue the decades-old debate on the quality of welfare services; it is now time for us to take serious action toward improving welfare service quality.

The accelerated devolution of authority from the central government to local governments in Korea has greatly increased the pressure on local governments as the primary creators of

welfare policies. Yet the pace of growth of local fiscal resources and policy making capability has not kept up with the rise of such pressure. Certainly, though, the increased competence and expanded roles of local governments will help the departments of the central government normalize their policy execution capability, as well as contribute to the development of a more community-centered and horizontal system of social welfare. At the forefront of community social services, there is already a significant shift toward greater user-friendliness, with many of the services being made accessible at neighborhood offices, and local governments assessing the performance of welfare programs. Nevertheless, there is still no effective system via which all of the different departments of the central and local governments involved in social services can share the necessary policy information. Even within the existing system of CSIP services, no formal channels exist to allow for communication and coordination of services among diverse local communities, programs, and service providers. The lack of communication and cooperation in social services makes it difficult to raise public awareness and dilutes the impact of social services on beneficiaries.

The growing emphasis on the autonomy and accountability of local governments in the provision of social services should not be taken as demanding mere decreases in the central government's share of the workload. Rather, it calls upon the cen-

tral government to develop national standards governing the minimum quality of services to be provided by local governments so as to support systematic management and monitoring. Stressing local governments' autonomy ought not to be used as a way of absolving the central government of its responsibility. In pointing out the growing need to shift the focus in social service provision from demand expansion to supply management, Yang (2014)<sup>5)</sup> emphasizes the responsibility that the state still bears for restructuring and centralizing the fragmented and multifaceted service supply system in the interest of satisfying citizens' needs and protecting their rights. Kim (2015)<sup>6)</sup> assesses the outcomes of decentralization and the expansion of welfare vouchers, and concludes that the attempts to shift to new paradigms, oriented toward the market and co-governance, have failed to root out the bureaucracy-centered paradigm completely, and thus failed to prevent the overlapping and confusion of social services. The prevalence of redundancies and confusion, in turn, reflects how unsystematic the Korean welfare policy is. The author therefore proposes strategic co-governance as an alternative. Strategic co-governance entails the clarification and fair division of roles and responsibilities

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5) Yang, N. (2014), "Limits and Issues of Private-Sector-Dependent Supply of Social Services in Korea," *Trends and Prospects*, No. 92, pp. 93-128.

6) Kim, B. (2015), "Exploring Future Aims of Public Welfare Administration on the Basis of Welfare Administration Reform and Changes in the Welfare Environment in Korea," *Korean Journal of Social Welfare Administration*, 17, pp. 35-63.

among different levels of government over and beyond nominal demand for cooperation.

Finally, if we concede that the ultimate purpose of the CSIP is to transform the lives of local residents for the better, we ought to use this goal to guide our effort to define the vision and goals of the service projects involved and thereby reform the social welfare system as a whole. The question of how to change the lives of local residents for the better can be answered only in relation to the defining vision of the larger community social security plans and policies. Such a vision, in turn, needs to be shared and accepted by all of the parties involved, including the Community Service Support Group, working-level civil servants in local governments, municipal and borough officials, and service providers. Once such a vision is clarified and established, specific strategies and plans toward achieving that vision should be developed, taking into account the perspectives of both the service beneficiaries and managers on systematic management and monitoring. Such strategies and plans should also reflect the current conditions of the supply system and address the issues that need to be resolved in order to foster and expand the social service market.