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# The Determinants of Late-Life Happiness in Contemporary South Korea: A Case Study of the Basic Old-Age Pension



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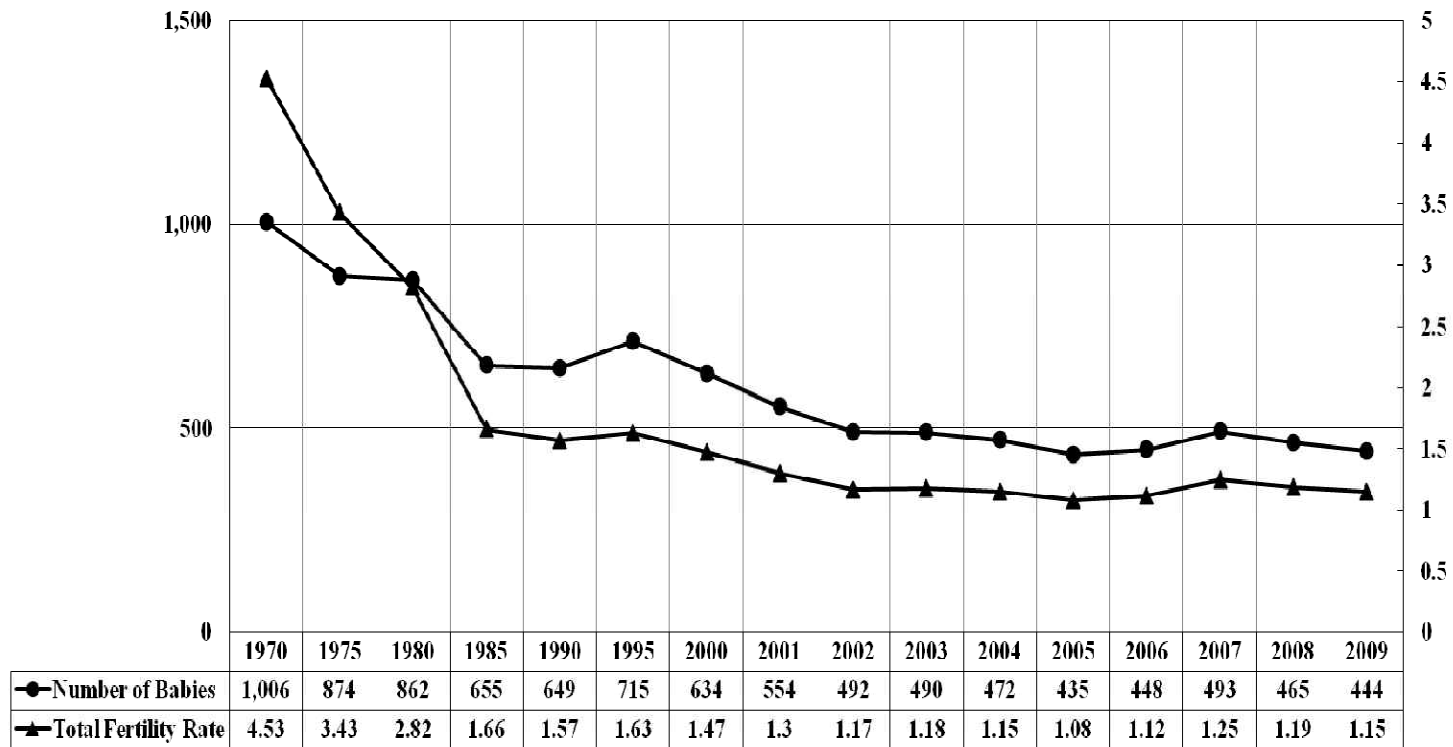
This research is partially funded by the Geoson Scholarship of the Korean Gerontological Society.

# Outline

- Demographic transitions of the South Korea since Industrialization
- Research context
- The Basic Old-Age Pension (BOAP)
- Happiness
- Research Method
- Result
- Conclusion

**Demographic Transitions of  
the South Korea  
since Industrialization**

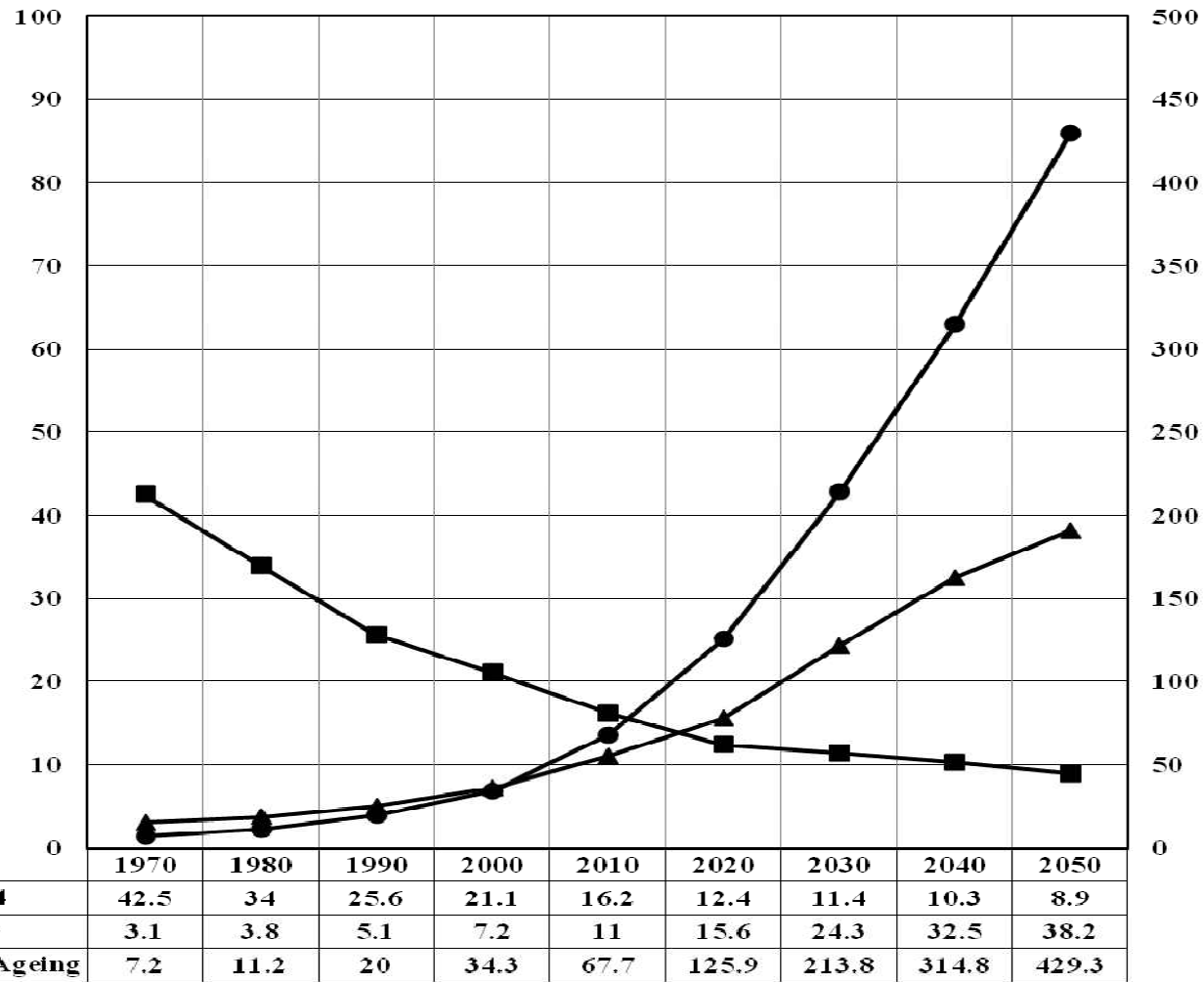
# Total Fertility Rate and Number of Babies since 1970 in South Korea



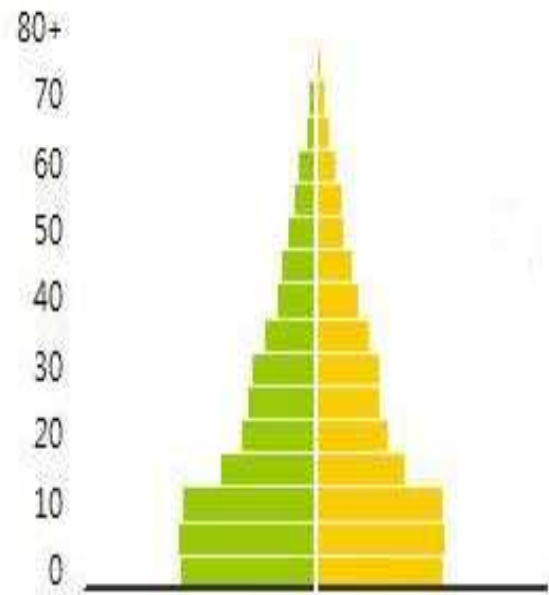
## Life Expectancy at Birth since 1970 in South Korea

	1970	1980	1988	1998	2008
Male	58.7	61.8	66.3	71.7	76.4
Female	65.6	70	74.6	78.5	83.3

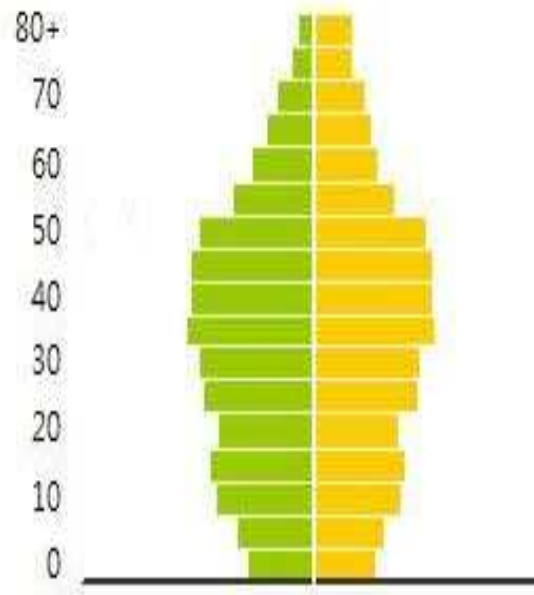
# Coupled Effect of the Fertility Decline and Increased Life Expectancy since 1970 in South Korea



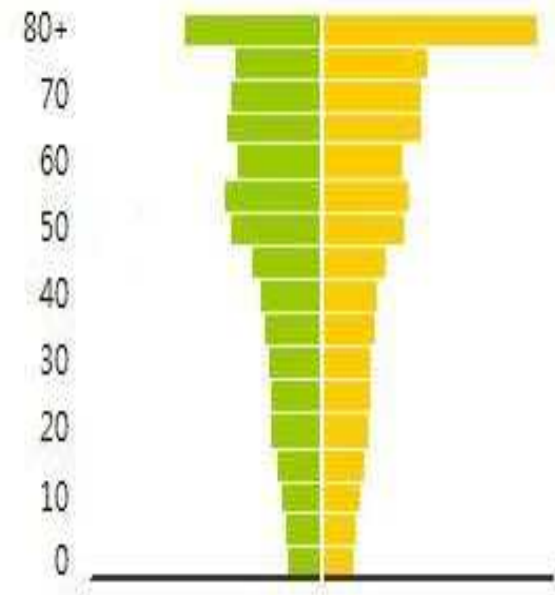
# Population Pyramid since 1970 in South Korea



**1970**



**2010**



**2050**

# Research Context

- Demographic transition is undermining the traditional family support system for older people.
- Family support is the critical element determining happiness of older people. Therefore, it is unequivocal that the happiness of older people should be affected by the collapsing traditional family support system.
- Government's response
  - South Korean government increased the amount of the social expenditure to respond to the collapsing traditional family support system for securing happiness of older people through the old-age income security system.
  - The only and most recent older-people-targeted income security policy: Basic Old-Age Pension (BOAP).
- Research Gap: no sophisticated and representative empirical study analyzing whether the BOAP met its policy goal or not.

# **The Basic Old-Age Pension in South Korea**

# Policy Motivation and Aim

- Around 21% of older people aged 65 and over are not covered by the National Pension Scheme. ('dead zone of the National Pension Scheme')
- National survey by the Ministry for Health, Welfare and Family Affairs: About 97% of older people answered that the BOAP was necessary for their happy life.
- BOAP specially targets older people aged 65 and over who are not covered by the National Pension Scheme.

# Policy Process

June 2006	<ul style="list-style-type: none"><li>• Formal announcement of introducing the BOAP to eliminate the dead zone of old-age income security.</li></ul>
September 2006	<ul style="list-style-type: none"><li>• Formal proposal of the BOAP Act.</li></ul>
December 2006	<ul style="list-style-type: none"><li>• Passing the BOAP Act in the National Assembly Standing Committee.</li></ul>
March 2007	<ul style="list-style-type: none"><li>• Passing the BOAP Act in the National Assembly Legislation and Judiciary Committee.</li></ul>
April 2007	<ul style="list-style-type: none"><li>• Passing the BOAP Act at the plenary session in the National Assembly.</li></ul>
January 2008	<ul style="list-style-type: none"><li>• Formal starting the BOAP.</li></ul>

# Eligibility

- Means-tested system: applies to husband and wife simultaneously (even if one of them is missing or in prison, all financial resources are considered as long as they are legally married).
  - Income: cash by work, business, and renting income (but excludes temporal salary by part-time working, private financial transfer from family members, financial aid for a farmer, resettlement funds for North Korean defectors).
  - Asset: house, land, car, and stocks, etc. (If an applicant gave assets to their children legally or donated to philanthropic organization, the amount is added to the means test for three years since the bequest and donation. This is because for preventing applicants from achieving entitlement by spontaneous legally giving their assets to their children or any other organizations).

# Eligibility

		2008	2009	2010	2011	2012
Older People (Alone)	Income (Monthly, less than)	40	68	70	74	78
	Asset (less than)	9,600	16,320	27,600	-	-
Older People (with Spouse)	Income (Monthly, less than)	64	108.8	112	118.4	124.8
	Asset (less than)	15,360	26,112	37,680	-	-

Unit: 10,000 Won (around 5.5 GBP)

# Recipient

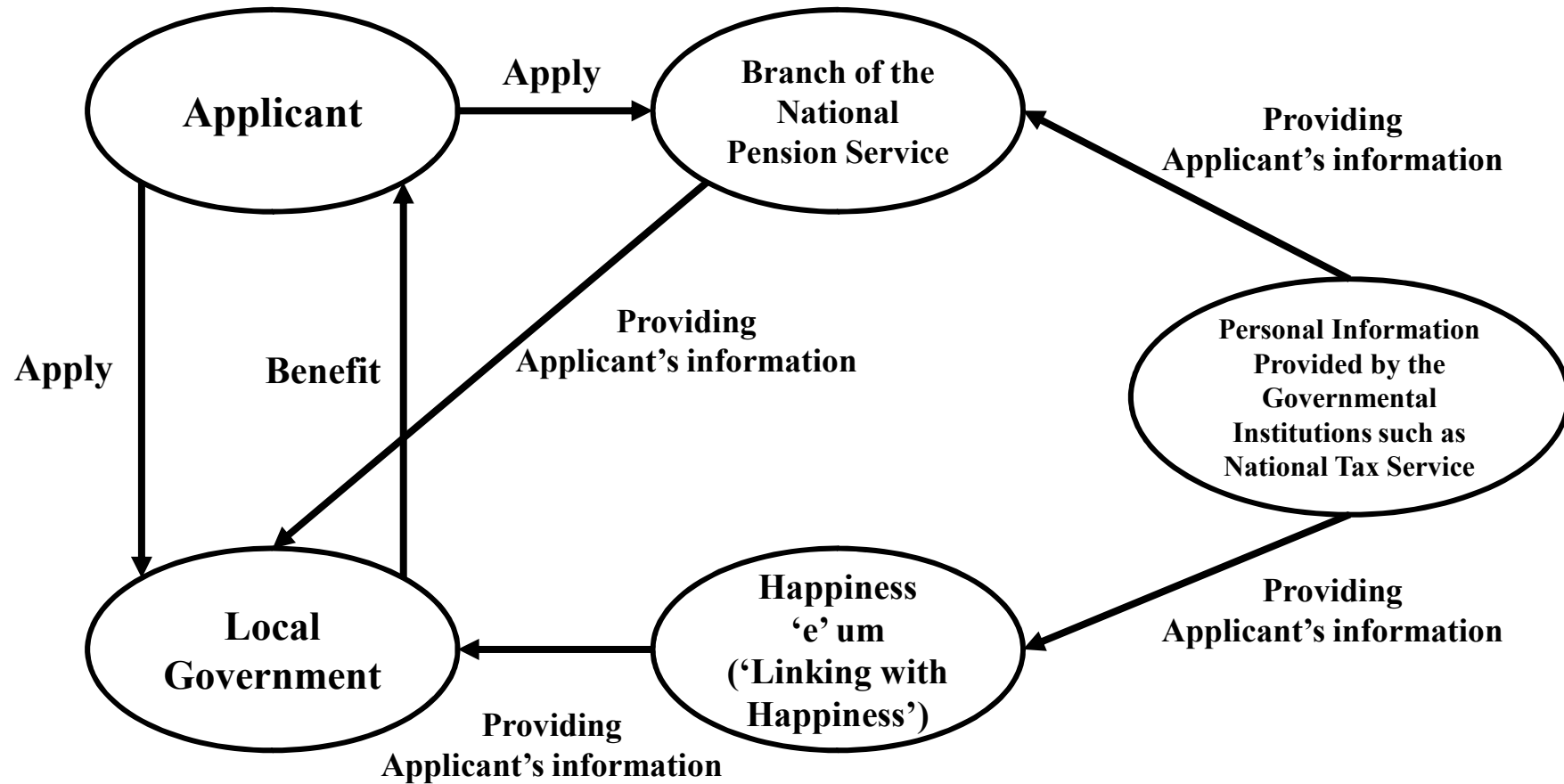
		2008	2009	2010	2011
Female Older People	Total number of recipients	1,974,837	2,371,466	2,425,850	-
	Total number of older people (65+) in the country	2,983,846	3,079,924	3,166,857	3,260,929
	Rate of Recipients (%)	66.18	77	76.6	-
Male Older People	Total number of recipients	909,511	1,258,681	1,302,090	-
	Total number of older people (65+) in the country	2,032,180	2,112,786	2,189,996	2,276,143
	Rate of Recipients (%)	44.76	59.57	59.46	-
Total	Total number of recipients	2,884,348	3,630,147	3,727,940	3,876,000
	Total number of older people (65+) in the country	5,016,026	5,192,710	5,356,853	5,537,072
	Rate of Recipients (%)	57.5	69.91	69.59	70

# Cost and Funding Structure

Cost (Billion Won)		2008	2009	2010	2011
From central government		1,590.8	2,465.9	2,720.2	2,822.3
From local government		618.6	944.7	990.8	968.1
Total		2,209.4	3,410.6	3,711	3,790.4
Rate of financial support from the central government (year 2011)		Rate of older people (%)			
		Less than 14	14-less than 20	20 and over	
Fiscal self-reliance rate of local government(%)	More than or equal to 90	40	50	60	
	80-less than 90	50	60	70	
	Less than 80	70	80	90	

Unit: 10,000 Won (around 5.5 GBP)

# Service Delivery System



# Benefit

	2008	2009	2010	2011	2012
Older People (alone)	84,000	88,000	90,000	91,200	94,600
Older People (with spouse)	134,000	140,000	144,000	145,900	151,400

Unit: 10,000 Won (around 5.5 GBP)

# Limitation

- The unclear policy identity
  - BOAP is not a social insurance due to the benefit is provided to those who did not contribute.
  - BOAP is not a public aid in that it excludes those who could not pass the means test.
  - This opaque policy identity plays a role as an institutional constraint hindering extension of its coverage and amount of benefit.
- Inflexibility in managing the number of recipients
  - The current system fixes the total number of recipients of the BOAP as 70% of all older people nationally.
  - This institutionally fails to adjust the number of total beneficiaries according to the change of economic condition.
- Unsustainable funding system
  - Even if the BOAP is a national welfare scheme, lots of costs are funded by local governments. Those are in a lower financial condition will not meet the increased cost caused by the rapid population ageing .

# Happiness

- Diverse perspectives
  - Demographers ('age and happiness')
    - The relationship between age and happiness can be positive, negative, even U-shaped (Graham, 2011; Gerdtham and Johannesson, 2001).
  - Psychologists ('the hedonic treadmill model of happiness')
    - Life events influence one's happiness for a certain period but individuals take the original condition incrementally (Mencarini and Sironi, 2012; Diener, Lucas, and Scollon, 2006).
  - Economists ('income and happiness', i.e. 'Easterlin Paradox')
    - A positive association between the amount of income and happiness in the short-term period (Ferrer-i-Carbonell, 2005) but the income effect levelled-off over a long-term period (Easterlin, 1974, 1995, 2005, 2011).
  - Sociologists ('capitalism, social cohesion, and happiness')
    - Alienation from labouring is the critical determinant of happiness under capitalism (Marx, (1947 [1929])).
    - The pursuit of making a fortune that played a significant role of the birth of modern capitalism constrained the temporal hedonism (Weber, 1976 [1904]).
    - Suicide is more likely to occur when a person is loosely connected with others or social norms (Durkheim, 1984 [1893], 2002 [1897]).

# Happiness

- General definition
  - The extent of ‘feeling’ (Campbell, Converse, Rogers, 1976: 8) or ‘mood’ (Lane, 2000: 275) how much the positive feelings outweigh the negative feelings (Bradburn, 1969).
- Main Characteristics
  - A relative evaluation (Blanchflower and Oswald, 2000; Clark and Oswald, 2002) based on comparison with a reference group (Veenhoven, 1991: 2; Burchardt, 2005: 61).
- Measurement (single or multi-dimensional)
  - Happiness Index (Veenhoven, 1989; Lucas et al., 2004) etc.

# Research Method

# Data

- The 2<sup>nd</sup> Wave of the Korean Longitudinal Study of Ageing (KLoSA 2008, weighted and imputed)
- Conducted by the Korea Labour Institute since 2006.
  - Survey: Individuals aged 45 and over selected from all over the country except Jeju island.
  - The sampling method: Stratified multi-stage area probability based on the Korean Population and Housing Census in 2005.
- Composition (6 sections)
  - Demographics, family affairs, health condition, employment, financial condition, and expectations.
- Sample for the research
  - Older people aged 65 and over (female: 2,356, Male: 1,684)

# Variables

- **Dependent Variable (Happiness)**
  - Overall evaluation of one's level of feeling happiness .
  - Ten continuous Likert-scale
- **Independent Variable (BOAP)**
  - Whether received the BOAP benefit or not.
  - Dichotomous (yes=1, no=0)

# Variables

- Control variables
  - Socio-demographic status
    - Age, gender, marriage, religion
  - Socio-economic status
    - Education, employment, income, vehicle, house
  - Health condition
    - Physical health (ADL and IALD), mental health (depression), subjective health
  - Family support
    - Structural solidarity (number of adult children, geographical proximity with adult children)
    - Associational solidarity (frequency of face-to-face meeting and contact via telephone, letter or email)
    - Functional solidarity (financial and non-financial support from adult children to older parents, and from older parents to adult children)

**Result**

# Socio-demographic Status

		Female		Male	
		Frequency	%	Frequency	%
Age	65-74	1,390	59	1,115	66.2
	75+	966	41	569	33.8
Marriage	Married	1,094	46.4	1,509	89.6
	Separate Living	16	0.7	6	0.4
	Divorced	18	0.8	15	0.9
	Bereaved or Dispersed	1,222	51.9	151	9
	Never Married	6	0.3	3	0.2
Religion	None	977	41.5	996	59.1
	Protestant	505	21.4	293	17.4
	Catholic	209	8.9	104	6.2
	Buddhism	640	27.2	280	16.6
	Won Buddhism	11	0.5	4	0.2
	Others	14	0.6	7	0.4

# Socio-economic Status

		Female		Male	
		Frequency	%	Frequency	%
Education	Elementary School	2,025	86	858	51
	Middle School	180	7.6	253	15
	High School	124	5.3	376	22.3
	Higher Education	27	1.1	197	11.7
Employment	Yes	348	14.8	547	32.5
	No	2,008	85.2	1,137	67.5
Income	0-10,000,000 ₩	880	92.1	339	68.5
	10,000,001-20,000,000 ₩	904	5.8	385	20.2
	20,000,001-30,000,000 ₩	121	1.2	80	7
	30,000,001-40,000,000 ₩	116	0.5	87	1.9
	Over 40,000,000 ₩	335	0.4	793	2.4
Vehicle Ownership	Yes	37	1.6	322	19.1
	No	2,319	98.4	1,362	80.9
House Ownership	Yes	1,899	80.6	1,421	84.4
	No	457	19.4	263	15.6

One pound (GBP) was worth around 2,050 won in 2008.

# Physical Health Condition

(those who responded 'need no help', %)

		Female	Male
A D L	Dressing and undressing	96	95.4
	Washing face and hair, and brushing teeth	96	95.5
	Bathing or showering	92.7	93
	Self-feeding	96.6	96.4
	Getting out of bed	95.2	95.1
	Using the toilet	96.9	96.1
	Managing bowel and bladder	97.2	96.2
I A D L	Grooming	94.8	94.8
	Housework	89.5	89.1
	Preparing meal	89	81.9
	Laundry	87.2	81.9
	Community mobility without using transportation	88.9	90.6
	Going out by using transportation	85.7	89.3
	Shopping	89.6	92.3
	Financial management	87.6	91.9
	Using telephone	91.9	93.9
Taking medications as prescribed	95	94.5	

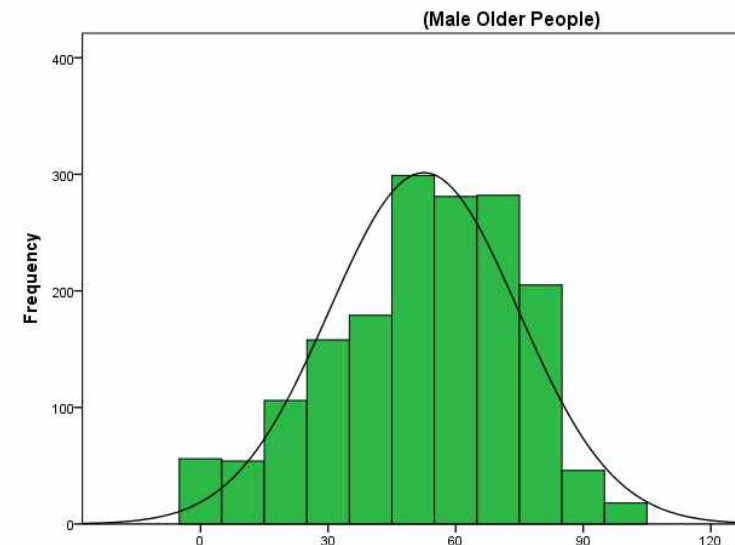
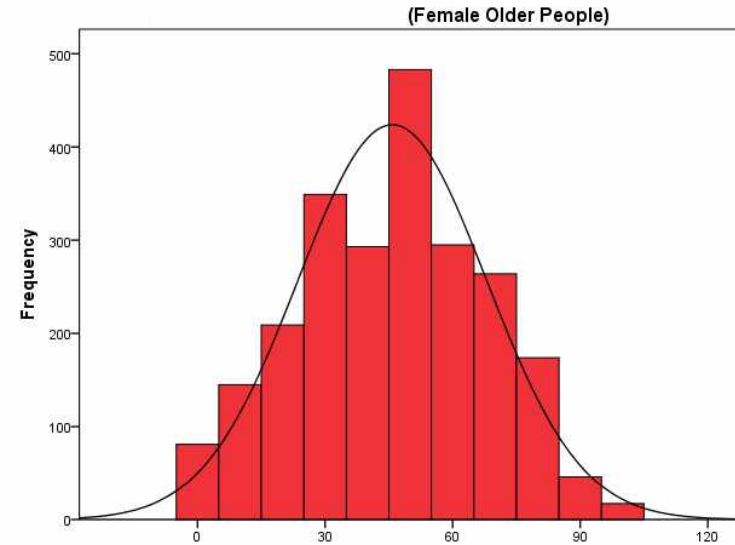
# Mental Health Condition

(those who responded 'always', %)

	Losing interests in doing something	Having difficulty in concentrating	Generally feeling depressed	Losing energy and feeling tired	Feeling doing well
Female Older People	4.5	5.1	4.8	8.7	24.6
Male Older People	2.3	3.3	2.5	4	25.1
	Feeling afraid	Having difficulty in sleeping	Feeling non-grievance	Feeling lonely	Feeling worthless
Female Older People	4.6	7	26.7	5.9	7.4
Male Older People	2.3	4.1	29.7	2.9	3.6

# Subjective Health

	Female		Male	
	Frequency	%	Frequency	%
0	81	3.4	56	3.3
10	145	6.2	54	3.2
20	209	8.9	106	6.3
30	349	14.8	158	9.4
40	293	12.4	179	10.6
50	483	20.5	299	17.8
60	295	12.5	281	16.7
70	264	11.2	282	16.7
80	174	7.4	205	12.2
90	46	2	46	2.7
100	17	0.7	18	1.1
Mean	45.8		52.52	



# Structural Solidarity

- Number of Adult Children : Average 3
- Geographical Proximity with Adult Children by Public Transportation

	Female Older People (%)		
	1 <sup>st</sup> Child	2 <sup>nd</sup> Child	3 <sup>rd</sup> Child
Within a 30-minute	17.6	17.3	17.2
Within 1 hour	24.1	25.5	23.2
Within 2 hours	20.9	20.7	22.1
More than 2 hours	37.4	36.5	37.6
	Male Older People (%)		
	1 <sup>st</sup> Child	2 <sup>nd</sup> Child	3 <sup>rd</sup> Child
Within a 30-minute	19	21.1	16.7
Within 1 hour	24.2	23.9	25.3
Within 2 hours	19.4	20	19.6
More than 2 hours	37.4	34.9	38.5

# Associational Solidarity (Meeting)

	Female Older People		
	1 <sup>st</sup> Child	2 <sup>nd</sup> Child	3 <sup>rd</sup> Child
At least once / 1 Month	47.4	31.6	34.6
Once / 2 Months	13.6	13.9	13.7
Once / 3-4 Months	30.4	29.8	28.9
Once / 12 Months	16.6	18.3	17
Almost never / Year	6.3	6.4	5.7
	Male Older People		
	1 <sup>st</sup> Child	2 <sup>nd</sup> Child	3 <sup>rd</sup> Child
At least once / 1 Month	38.7	38.4	35.6
Once / 2 Months	14.2	13.3	13.6
Once / 3-4 Months	28.2	25.6	30.2
Once / 12 Months	13.8	16.8	15.1
Almost never / Year	5.2	6	5.6

# Associational Solidarity (Contacting)

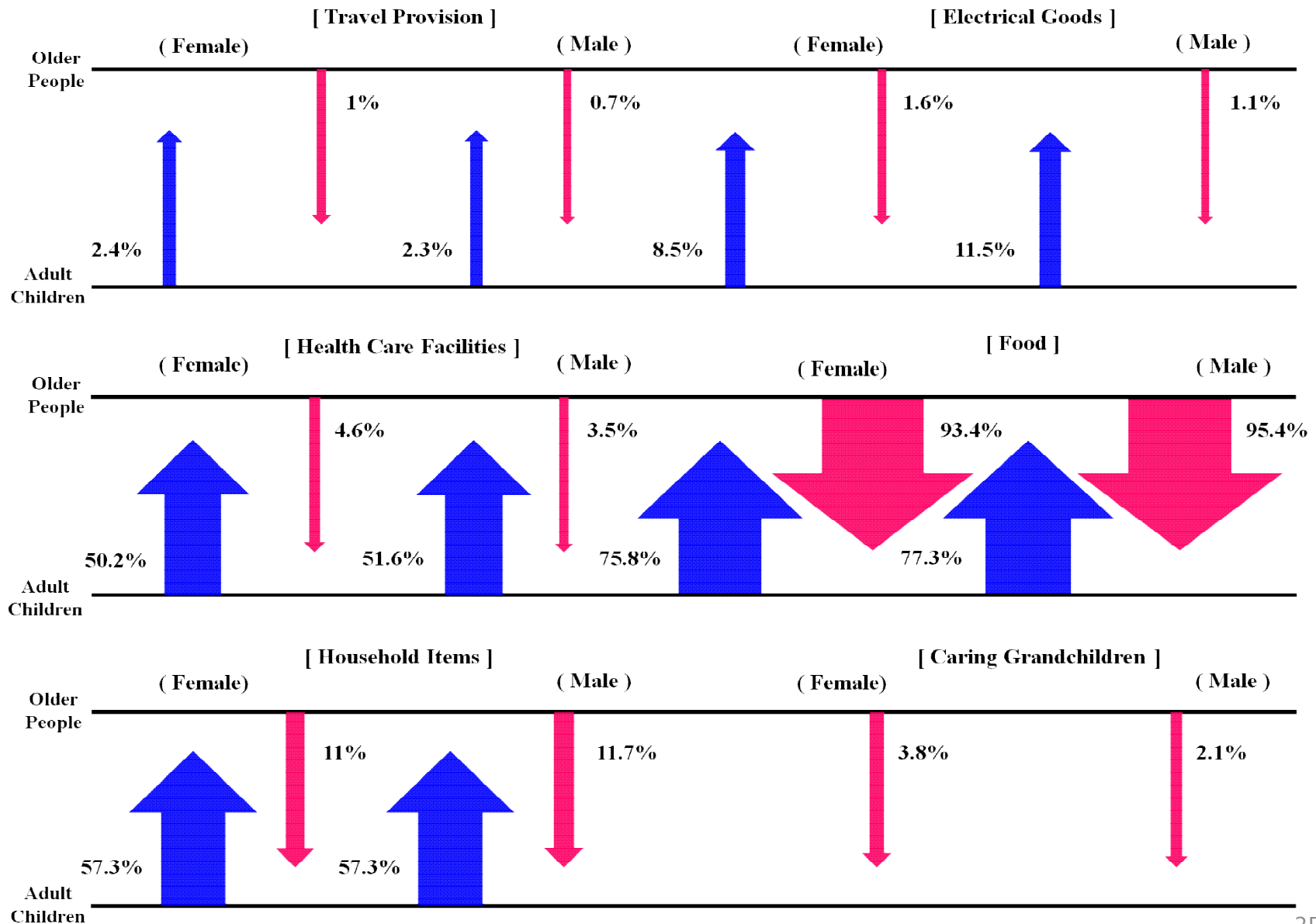
	Female Older People		
	1 <sup>st</sup> Child	2 <sup>nd</sup> Child	3 <sup>rd</sup> Child
At least once / 1 Month	85.3	74.2	85.1
Once / 2 Months	3.4	3.5	3.6
Once / 3-4 Months	4.1	4.9	5.3
Once / 12 Months	3.9	3.7	3.4
Almost never / Year	3.4	3.7	2.7
	Male Older People		
	1 <sup>st</sup> Child	2 <sup>nd</sup> Child	3 <sup>rd</sup> Child
At least once / 1 Month	88.4	88	87.6
Once / 2 Months	2.7	2.8	3.2
Once / 3-4 Months	2.9	3.2	3.9
Once / 12 Months	3.3	2.8	3.1
Almost never / Year	2.7	3.2	2.3

# Functional Solidarity (Financial)

		Female Older People	Male Older People
Whether Provided Financial Support to Adult Children (%)	Yes	20.2	23.9
	No	79.8	76.1
Whether Received Financial Support from Adult Children (%)	Yes	74.3	75.5
	No	25.7	24.5
Total Amount of Money Received from Adult Children (%)	0-1,000,000 ₩	51.4	59.7
	1,000,001-2,000,000 ₩	19.3	16.1
	2,000,001-3,000,000 ₩	10.8	8.4
	3,000,001-4,000,000 ₩	5.8	6.1
	Over 4,000,000 ₩	12.7	9.7

One pound (GBP) was worth around 2,050 won in 2008.

# Functional Solidarity (Non-Financial)

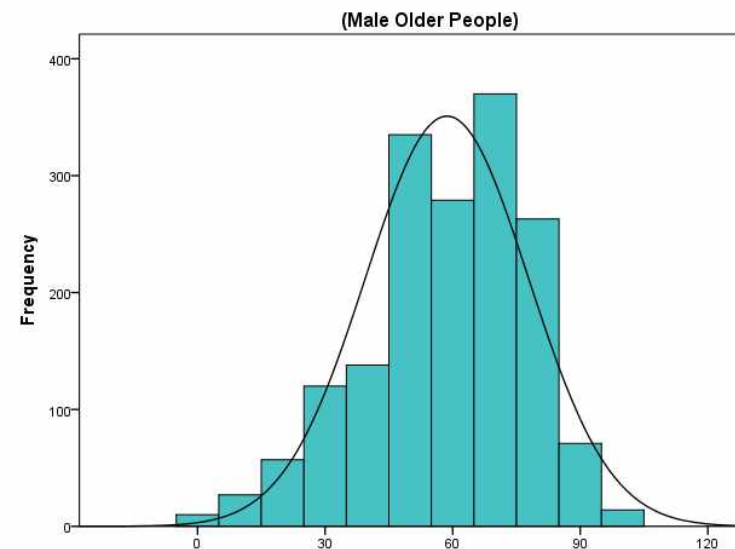
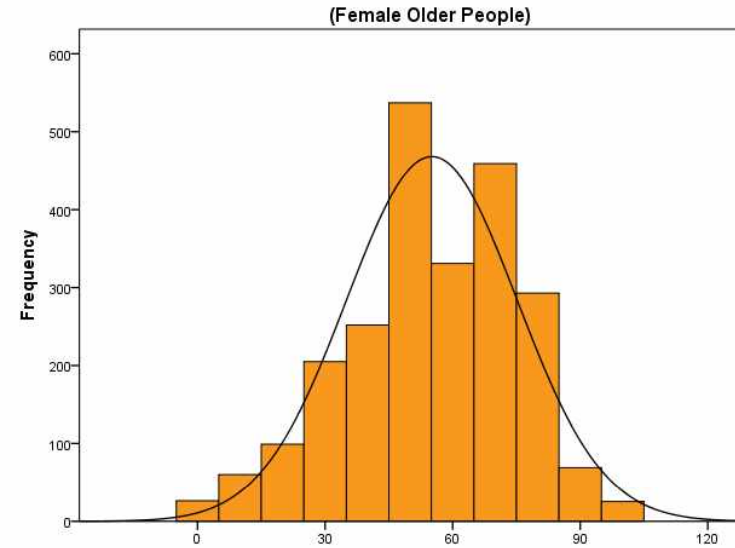


# Basic Old-Age Pension

	Whether Received Basic Old-Age Pension Benefit			
	Female Older People		Male Older People	
	Frequency	%	Frequency	%
Yes	1,019	43.3	539	32
No	1,337	56.7	1,145	68

# Happiness

	Female		Male	
	Frequency	%	Frequency	%
0	26	1.1	10	0.6
10	60	2.5	27	1.6
20	99	4.2	57	3.4
30	205	8.7	120	7.1
40	252	10.7	138	8.2
50	537	22.8	335	19.9
60	331	14	279	16.6
70	459	19.5	370	22
80	293	12.4	263	15.6
90	69	2.9	71	4.2
100	25	1.1	14	0.8
Mean	55.09		58.64	



# Association between the BOAP and the Happiness of Older Women

Independent Variables		Socio-demographic Status			Socio-economic Status					Health Condition				Constant (SE)	R <sup>2</sup> ( $\Delta$ R <sup>2</sup> )	F			
		Age	Marriage (married =1)	Religion (religious =1)	Education (log)	Employment (employed =1)	Income (log)	Vehicle (having =1)	House (having =1)	Physical Health		Mental Health	Subjective Health						
										ADL (log)	IADL (log)	Depression (log)							
M 1	B (SE) $\beta$	-.186 (.095) -.063	3.790 (1.294) .094	2.128 (1.199) .052**											65.823 (7.406)	.021	8.00 ***		
M 2	B (SE) $\beta$	-.167 (.096) -.057	1.860 (1.279) .046	1.702 (1.158) .042**	3.846 (1.004) .112***	2.765 (1.744) .049	.974 (.591) .051	10.244 (4.590) .063	12.125 (1.444) .239***						52.546 (8.049)	.100 (.080) ***	15.85 ***		
M 3	B (SE) $\beta$	-.041 (.082) -.014	1.615 (1.044) .040	.255 (.948) .006*	.662 (.830) .019**	-.696 (1.432) -.012	-.700 (.485) -.037	8.296 (3.745) .051	7.593 (1.193) .150**	-.704 (.582) -.042*	-.198 (.297) -.025*	-3.756 (.784) -.126***	.456 (.024) .503***		36.852 (6.949)	.404 (.303) ***	63.89 ***		
M 4	B (SE) $\beta$	-.014 (.083) -.005	1.383 (1.050) .034	.380 (.940) .009*	.590 (.823) .017*	-.384 (1.485) -.007	-.361 (.491) -.019	7.182 (3.700) .044	6.318 (1.194) .124*	-.807 (.572) -.048*	-.334 (.293) -.042*	-3.385 (.774) -.114**	.440 (.024) .486*						
M 5	B (SE) $\beta$	.004 (.083) .001	1.089 (1.054) .027	.538 (.940) .013*	.428 (.824) .012*	-.163 (1.484) -.003	-.589 (.498) -.031	6.980 (3.692) .043	5.718 (1.216) .113*	-.833 (.571) -.050*	-.347 (.292) -.043*	-3.390 (.772) -.114**	.438 (.024) .484*						
Independent Variables		Structural Solidarity			Associational Solidarity						Functional Solidarity			BOAP Benefit (received =1)					
		Number of Adult Children	Geographical Proximity (1 <sup>st</sup> Child)	Geographical Proximity (2 <sup>nd</sup> Child)	Geographical Proximity (3 <sup>rd</sup> Child)	Meeting (1 <sup>st</sup> Child)	Meeting (2 <sup>nd</sup> Child)	Meeting (3 <sup>rd</sup> Child)	Contacting (1 <sup>st</sup> Child, log)	Contacting (2 <sup>nd</sup> Child, log)	Contacting (3 <sup>rd</sup> Child, log)	Amount of Money from Adult Children (log)	Financial Support to Adult Children (provided =1)				Non-financial Support from Adult Children (received =1)	Non-financial Support to Adult Children (provided =1)	
M 4	B (SE) $\beta$	.975 (.302) .084**	.782 (.557) .044	.767 (.584) .043	.128 (.579) .007	-.092 (.367) -.009	-.256 (.378) -.025	-.688 (.384) -.063	-.539 (.330) -.054*	-.247 (.335) -.025	-.546 (.326) -.053	.788 (.436) .044*	4.049 (2.073) .044	-.981 (1.229) -.020	.880 (1.689) .013		32.815 (7.563)	.434 (.030) ***	32.96 ***
M 5	B (SE) $\beta$	.954 (.301) .082*	.724 (.556) .041	.788 (.583) .044	.104 (.578) .006	-.062 (.367) -.006	-.239 (.377) -.023	-.691 (.383) -.064	-.533 (.329) -.054*	-.237 (.335) -.024	-.505 (.325) -.049	.820 (.435) .046*	3.963 (2.068) .043	-1.011 (1.226) -.020	.849 (1.685) .012	-2.457 (.995) -.061**	33.595 (7.553)	.437 (.003) *	32.11 ***

# Association between the BOAP and the Happiness of Older Men

Independent Variables		Socio-demographic Status			Socio-economic Status					Health Condition				Constant (SE)	R <sup>2</sup> ( $\Delta R^2$ )	F			
		Age	Marriage (married =1)	Religion (religious =1)	Education (log)	Employment (employed =1)	Income (log)	Vehicle (having =1)	House (having =1)	Physical Health		Mental Health	Subjective Health						
										ADL (log)	IADL (log)	Depression (log)							
M 1	B (SE) $\beta$	-.362 (.101) -.113	4.103 (1.985) .065	3.607 (1.222) .093**										79.902 (7.872)	.030	10.13 ***			
M 2	B (SE) $\beta$	-.004 (.105) -.001	2.302 (1.870) .037	2.993 (1.154) .077***	2.469 (.545) .141***	1.687 (1.405) .041	1.841 (.608) .106	6.547 (1.545) .135***	11.345 (1.570) .215***					34.146 (8.781)	.152 (.122) ***	22.16 ***			
M 3	B (SE) $\beta$	.221 (.089) .069	2.659 (1.562) .042	.826 (.964) .021*	1.099 (.459) .063**	-1.604 (1.179) -.039	1.069 (.508) .062	4.289 (1.289) .088**	8.038 (1.315) .152**	-.744 (.608) -.051*	-.716 (.341) -.090**	-2.315 (.915) -.071***	.386 (.026) .450***	11.390 (7.593)	417 (.265) ***	58.74 ***			
M 4	B (SE) $\beta$	.203 (.097) .063	2.171 (1.569) .035	.398 (.958) .010*	.896 (.467) .051*	-1.646 (1.201) -.040	1.129 (.505) .065	4.393 (1.275) .090**	7.039 (1.343) .134*	-.884 (.602) -.060*	-.623 (.337) -.079*	-2.027 (.910) -.062*	.375 (.026) .436**						
M 5	B (SE) $\beta$	.223 (.097) .069	2.157 (1.565) .034	.487 (.956) .012*	.797 (.468) .046*	-1.563 (1.199) -.038	.853 (.517) .049	4.269 (1.272) .088**	6.333 (1.371) .120*	-.943 (.601) -.064*	-.608 (.336) -.077*	-1.995 (.907) -.062*	.373 (.026) .435**						
Independent Variables		Structural Solidarity				Associational Solidarity					Functional Solidarity				BOAP Benefit (received =1)				
		Number of Adult Children	Geographical Proximity (1 <sup>st</sup> Child)	Geographical Proximity (2 <sup>nd</sup> Child)	Geographical Proximity (3 <sup>rd</sup> Child)	Meeting (1 <sup>st</sup> Child)	Meeting (2 <sup>nd</sup> Child)	Meeting (3 <sup>rd</sup> Child)	Contacting (1 <sup>st</sup> Child, log)	Contacting (2 <sup>nd</sup> Child, log)	Contacting (3 <sup>rd</sup> Child, log)	Amount of Money from Adult Children (log)	Financial Support to Adult Children (provided =1)	Non-financial Support from Adult Children (received =1)				Non-financial Support to Adult Children (provided =1)	
M 4	B (SE) $\beta$	.259 (.350) .021*	.153 (.572) .009	.302 (.620) .018	1.257 (.617) .074	-.679 (.360) -.071	.492 (.388) .053	-1.090 (.377) -.108	-.510 (.344) -.052*	-.548 (.358) -.057	.412 (.345) .041	1.129 (.448) .066*	1.937 (2.010) .023	.733 (1.151) .016	-1.396 (1.718) -.020		14.369 (8.15)	.443 (.026) ***	29.72 ***
M 5	B (SE) $\beta$	.286 (.349) .023*	.182 (.571) .011	.293 (.619) .018	1.201 (.616) .071	-.667 (.359) -.069	.507 (.387) .054	-1.067 (.377) -.106	-.517 (.343) -.052*	-.559 (.357) -.058	.447 (.345) .045	1.148 (.447) .067*	1.820 (2.006) .022	.819 (1.148) .018	-1.416 (1.714) -.021	-2.639 (1.091) -.064**	15.058 (8.135)	.447 (.004) *	28.97 ***

# Data Limitation

- Substantially missing
  - The gender of adult children
    - Impossible to compare the dynamics according to adult children's gender.
  - Intergenerational co-residing
    - Cannot classify the sample into two groups, i.e. those who live together with their adult children and those who do not.
  - Amount of BOAP benefit
    - Cannot analyse whether the negative association differs according to the amount of BOAP benefit.

# Conclusion

- The paradox of the welfare state
  - The BOAP contradicts its initial policy aim: the colonization of older people's life world by the welfare system (Habermas, 1987).
- Possible explanations
  - Little amount of benefit supplied by the means-tested pension highly does not produce a significant welfare effect as initially expected (Lillard and Willis, 1997; Feldstein, 1987).
  - Recipients who already experience existing economic impoverishment are unlikely to experience a significant improvement in happiness since the amount of the BOAP is too little (5% of NPS benefit) to mitigate the general negative effect of the impoverishment on happiness.
  - Negative effect caused by the means-test: social stigma (Goffman, 1963; Spicker, 1984), broken dignity (Sayer, 2005a, b), shame (Lazarus, 1993; Poulson, 2000), constraining one's agency and capability (Sen, 2000; Soss, 2000), and exposure to the 'disciplinary gaze' (Foucault, 1977) when providing personal information.

# Conclusion

- Policy Implication
  - The importance of structure and governmental intervention.
    - The public pension systems are managed by the government and the effect of them is almost entirely dependent on their structure (Frericks and Maier, 2008; Hering, 2006; Evans and Falkingham, 1997).
  - The purpose of welfare state (making BOAP): Championing the universal system.
    - “One fundamental historical reason for the adoption of this principle was the aim of making services available and accessible to the whole population in such ways as would not involve uses in any humiliating loss of status, dignity or self-respect...If these services were not provided for everybody by everybody, they would either not be available at all or only for those who could afford them, and others on such terms as would involve the infliction of a sense of inferiority and stigma” (Titmuss, 2001 :117).

**Thank You**