

A comparison of the public pension systems of South Korea and Japan from a historical perspective focusing on the basic pension schemes

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Abstract

Compared to Western old age security systems, it is a matter of extreme concern for Asian countries to seek out ways to successfully develop and settle their social security systems and deal with economic growth without excessively burdening their national economies. This study draws a comparison between historical developments and recent reforms focusing on public old age security systems in South Korea and Japan. The following are the most prominent features of this comparison. First, both South Korea and Japan introduced Bismarckian accumulated pensions for political reasons. Second, historically the pension scheme in South Korea has been influenced by Japan's, but it can be found some different features. Third, it is very interesting that South Korea and Japan have a special feature of adding a basic pension to an existing income-related pension.

Key words: the basic pension, Bismarckian model, public pension scheme