

Korea's International Adoption Program: An Insurmountable Legacy?

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I. Introduction

Worldwide, South Korea has the longest running and most successful international adoption program. It started as a Western humanitarian initiative in the wake of the Korean War (1950-1953) to take care of the numerous children who had either lost their parents or were separated from them during the wartime upheaval, or who as mixed-race children, fathered by US or European soldiers, were subject to social stigmatization and ostracization. Since its launch in 1954 up to 2007, there have been about 252,000 adoptions, 162,000 international and 90,000 domestic ones (Overseas Adopted Koreans, 2007a). With around 67 percent of internationally adopted Korean children, the US has been the major recipient, followed by France, Denmark, Sweden, Norway and the Netherlands.

What started as a temporary humanitarian initiative quickly grew into a permanent institution. International adoptions continuously remained high despite the fact that Korea grew to become one of the world's largest economies and one of Asia's economic powerhouses while politically, it developed from an authoritarian regime into a thriving democracy. In response to growing international criticism and the alarmingly low domestic fertility rates, Korea attempted repeatedly – in 1976, 1988 and 1996 - to discontinue its international adoption program, but to no avail. In 2004, Korea was still the fourth largest exporter of children in the world after China, Russia and Guatemala (Selman, 2006).

In 2005, the Ministry of Health and Welfare launched another program for the phasing out of international adoptions by 2015, taking at the same time initiatives to increase domestic adoptions. Against that backdrop, this study attempts to identify in how far this announced final policy shift away from international adoptions can turn into a permanent success story.

Methodologically, a political economy perspective is taken which analyses market-related activities of supply of and demand for adoptable children in relation to specific government policies and laws and social and cultural values and attitudes towards adoption. The role of governments is pivotal to shaping a nation's way of life and wellbeing. As central authoritative bodies responsible for security and public order, governments identify and define policy priorities and develop and implement specific social and economic policies to foster domestic strengths and to erase domestic problems and weaknesses. On an international level, foreign policies determine how governments interact economically, politically, socially and militarily which in turn affects the nation's security and economic wealth. The exact policy approach and set of applied strategies depends, among other things, on the ideology of the political leadership, the type of government, the level of economic development and harmony social or prevailing and changing cultural and social norms and values.

As societies are in a constant flux, so are social values that continuously evolve and change. Social values are principles that guide social life. As such, they manifest in social norms as dominant behavioral rules or modes of conduct. They smooth and ease social relations and interactions and they are deeply embedded in people's consciousness and in society as a whole (Wei, 2009). On an individual level, social values represent internalized standards that help to reconcile individual needs

with society's demands, while on the overall societal level, values are shared understandings that establish order and integration in social life (Braithwaite and Blamey, 1998). Social values and norms are context-specific in that they reflect historically formed societal attitudes and cultural traditions that are bound to differ across nations or civilizations. Furthermore, social values are not static. Demographic shifts, adoption of technological innovations, economic development, public policy or media presence and strategies are some of the factors responsible for the observable continuous evolution.

The modern practice of formal adoptions in which the links between biological parents and adoptees are totally severed has produced a global market with capitalist characteristics in which children switch hands in exchange for money. As a global market, it is subject to global dynamics of demand, local dynamics determine the supply of adoptable children. With the discontinuation of international adoptions, a purely domestic adoption market emerges which, with the exception of global economic and political developments, is subject to purely domestic factors. Diverse local social, economic, political and legal factors affect both the supply of and demand for adoptable children. Social attitudes and values determine what family structures or types of children are socially acceptable or valuable. Hence, while severe discrimination or stigmatization might contribute to child abandonment and the supply of adoptable children, a socially low acceptance of adoption significantly lessens the attractiveness and incidence of adoption. Economic conditions dictate whether parents are financially capable of rearing their children and economic hardship, poverty, hunger or war tend to considerably increase the flow of adoptable children while economic prosperity and wealth render child abandonment less likely but child adoption more attractive since both adoption fees and childcare costs become affordable. Political attitudes influence whether and to what extent childcare and child and family welfare are public policy priorities. Hence sufficient and effective welfare policies are likely to reduce the incidence of child abandonment and to positively affect adoption since part of childcare costs and responsibilities are borne by the state. Legal requirements determine under what conditions domestic or overseas adoptions are feasible and they regulate and control the institutional infrastructure built to facilitate adoptions. A pro-adoption legal framework and an extensive and supportive infrastructure tend to enhance both availability of and demand for adoptable children.

Hence, as crucial determinants of the supply of and demand for adoptable children, this study focuses on three areas of analysis: legal requirements and institutional infrastructure for both international and domestic adoptions, social and cultural values and attitudes towards adoption and single motherhood as well as government child and family welfare policies.

The remainder of the study is structured as follows: chapter II provides an overview of Korea's fundamental socio-economic and political transformation since the Korean War. As such it forms a historical backdrop for chapters III to V which focus on the three aforementioned key areas of

analysis while chapter VI assesses the likely success of a phasing out of international adoptions planned for 2015. Finally, chapter VII concludes.

II. Socio-economic and political development since the Korean War (1950-1953)

II.1 Socio-economic development

It was not until the early 1960s, that Korea was put on a modern economic development path which transformed one of the world’s poorest countries suffering from mass poverty, starvation and overpopulation into an ‘Asian Tiger’ and one of the region’s economic powerhouses.

Economic development and modernization was orchestrated by the Economic Planning Board which formulated all five-year economic development plans and allocated and directed financial resources and flows of loans to accomplish the plans’ objectives. As a result, within merely five decades, real per-capita income experienced a 14-fold increase and soared from below US-\$ 1.000 in 1960 to about US-\$ 14.000 in 2006 (Table 1). With growth rates of on average 10 to 11 percent, annual real GDP growth was highest in the 1970s and 1980s.

Table 1: Real GDP, real GDP per capita and export share

Years	Real GDP (in billion US-\$, prices of 2000)	Real GDP per capita (in US-\$, prices of 2000)	Export Share (in % of GDP)
1970	61.1	1,893.6	4.5
1975	87.8	2,489.4	9.4
1980	122.8	3,221.4	14.3
1985	179.0	4,385.9	15.9
1990	283.6	6,614.6	17.3
1995	413.0	9,159.1	24.2
2000	511.7	10,884.5	40.8
2006	671.3	13,899.7	57.5

Source: National Accounts, OECD

A policy-mix of incentives, stringent economic guidelines and result testing became the driving force behind successful economic development. It was accomplished by the implementation of both strict policies of import substitution to protect uncompetitive infant industries and comprehensive export promotion policies in strategic key industries as identified by the government. Specifically, access to improved and extended infrastructure or fiscal and financial stimuli like tax holidays, export subsidies and low-interest export credits became the backbone of the export promotion strategy. The overall export volume sextupled in the 1970s and the export share increased from only around 4 percent in 1970 to about 60 percent in 2006 (Table 1).

However, targeted key export industries shifted from decade to decade.¹ As a result of the economic and industrial policies, Korea's economy experienced a swift change in the industrial structure, away from agriculture and towards manufacturing and services. Specifically, between 1970 and 2006, agricultural output (as a percentage of overall GDP) dropped from roughly 30 percent to only 3 percent while manufacturing output grew by 57 percent from about 18 percent in 1970 to 28 percent in 2006 (Table 2).

Table 2: Industrial structure

Economic sectors	1970	1975	1980	1985	1990	1995	2000	2006
Agriculture, hunting, forestry and fishing	29.2	27.1	16.2	13.5	8.9	6.3	4.9	3.3
Manufacturing	17.8	21.6	24.4	27.3	27.2	27.6	29.4	28.0
Services	44.7	43.6	47.3	47.4	49.4	51.7	54.4	57.1

Source: National Accounts, OECD

Economic development was also accompanied by rapid urbanization. Between 1960 and 1986, urbanization increased from 28 percent to 65 percent and has reached as high as 81 percent in 2007 (Cho and Joh, 1988; UNESCAP, 2008). Due to the government's lopsided development strategy, insufficient or all-together lacking agricultural policies resulted. As a consequence, the urban-rural income gap widened dramatically which initiated an exodus of the rural population into large cities. These cities offered employment opportunities as they were the production sites of most industrial estates established during the 1960s and 1970s as part of the government's industrialization policies. However, initially, the massive influx of people into metropolitan cities led to an overcrowding of cities and to a mushrooming of squatter areas in the city centers before the government resorted to forceful demolition and resettlement in peripheral areas (Lee, 2000).²

The export-oriented industrialization strategies pursued by the Korean government relied heavily on female labor force. Specifically young, unskilled and single women with rural background were attracted to work as low-wage production workers in the assembly lines of labor intensive light industries. There they often experienced exploitation, oppression, discrimination, sexual harassment and violence. Female employment in agriculture dropped dramatically while the labor force in both manufacturing and services became increasingly feminized (Park, 1995). Furthermore, in the 1960s, the majority of female workers were between 15 and 24 while in the 1970s teenage workers aged between 15 and 19 dominated the female labor force (Park, 1995).

¹ In the 1960s, emphasis was put on labor-intensive light industries and the government identified textiles and clothing, cement, fertilizer and PVC as key industries to develop and directed funds and low-interest credits accordingly (Mah, 2007). In the light of decreasing competitiveness due to wage hikes, in the 1970s the focus shifted from light industries to capital-intensive high value-added heavy and chemical industries like iron and steel, transport machinery, household electronics, shipbuilding, as nonferrous metals and petrochemicals. And since the early 1980s, the role of research and development (R&D) to foster economic growth has been acknowledged and R&D and knowledge-intensive IT industries have been promoted ever since which transformed Korea into one of the world's largest IT producers.

² Still, in the late 1980s, squatter areas were present in some parts of Seoul.

Since the launch of the industrialization and development plans in the early 1960s, Korean society underwent fundamental demographic changes. The unprecedented high population growth rate of almost 3 percent in the aftermath of the Korean War was considered a severe hindrance to the government's development plans. In 1962, the National Family Planning Program was launched that promoted the use of contraceptives, abortion and sterilization and targeted a stepwise reduction of the population growth rate to 1.3 percent by 1981 (Yang, 1977). Consequently, population growth dropped from 3 percent in 1961 to the world's lowest rate of only 0.4 percent in 2005. The fertility rate plummeted from around 4.5 in 1970 to 1.19 in 2008. Together with the decrease in mortality, the drastic changes in fertility caused a significant aging of the Korean population. While in 1960, only about 4 percent of the population was aged 65 and more, in 2005 around 18 percent were aged 65 and older. Furthermore, extensive rural-urban migration caused a breakup of traditional multi-generation households. Younger family members moved to the cities for employment which ushered in increased family nucleation in both urban and rural areas (Kwon, 2003). In 1960, the average size of the Korean family was 5.6 persons but dropped to only 3.1 persons in 2000. This trend was further reinforced as marriage rates continuously declined and divorce rates skyrocketed. Specifically, between 1970 and 2007, marriage rates dropped from 9.2 to only 7 while divorce rates sextupled from 0.4 to 2.5.

II.2 Political development

After 35 years of Japanese colonialization characterized by harsh oppression, brutal violence and ruthless exploitation and 3 years of US military administration, the first Korean Republic was born in July 1948, governed by Rhee Syng Man, the first president of South Korea. The decades following the foundation of the modern Korean state were, however, characterized by political instability and turbulence. Since 1948, Korea had nine constitutional amendments, 14 different heads of state and six regimes. Until 1987, authoritarian governments and two military coups d'état shaped the political arena and it was only in 1987 that the first peaceful change of power occurred.

Amidst Cold War tensions on the peninsula, Rhee (1948-1960) quickly established an autocratic dictatorship characterized by intolerance and ruthless oppression. Pro-Communist and pro-North Korean activities and sympathies were strictly illegal, suspected Communists and North Korean agents were imprisoned and tortured and uprisings were put down with brute force and bloodshed while corruption flourished and spread. His presidency was an oppressive struggle for political power and several constitutional amendments should guarantee his objective of life-time presidency. However, in response to fraudulent elections nationwide pro-democratic student protests eventually forced him to resign in April 1960.

A short but chaotic democratization period followed in which Korea shifted to a parliamentary two-chamber system with Yun Bo Seon (1960-1962) as head of state. Internal political disputes

however soon rendered effective governance impossible while pro-democratic student protesters rallied the streets.

In that climate, General Park Chung Hee (1961-1979) assumed presidency in May 1961 after a military coup-d'état and established a dictatorial military regime characterized by harsh and brutal oppression, iron-fist rule and methodical control and surveillance of everyday life.³ Furthermore, faced with severe poverty, hunger and social unrest, the authoritarian regime committed itself to rapid economic growth and industrialization as a way to construct political legitimacy.⁴ Just like president Rhee before him, General Park resorted to constitutional amendments to achieve life-time presidency.

However, in October 1979, Park Chung Hee was assassinated and after a short democratization period under the presidency of Choi Kyu Hah (1979-1980), Chun Doo Hwan (1980-1988) assumed power in 1980 through a coup d'état, ushering in another seven years of military dictatorship and authoritarian administration. In contrast to Park's rule, Chun's governance was less authoritarian and milder with less power bundled in his hands. But he still resorted to forceful and brutal oppression of civilian opposition and people's democratic freedom rights to stay in power. He exercised a tight grip on print and broadcast media and used strong censorship and surveillance to control it.

Massive student protests supported by members of the newly emerging middle-class in 1987 for free and democratic elections eventually forced the Chun military dictatorship to grant direct presidential elections. The country's first democratic elections in 1987 were won by former Army General Roh Tae Woo (1988-1993). Roh's politics were geared towards gradual political democratization, higher economic growth with less social and economic inequality as well as national reunification. In 1988, the so called 'Nordpolitik' was initiated to force North Korea to ease its military threat and open up by means of both expanding and diversifying Korea's global trade relations and of improving relations with communist and socialist countries like the People's Republic of China and the Soviet Union (Kim, 1997).

The project of democratization was further pursued by the first civilian president Kim Young Sam (1993-1998) who set out to 'create a new Korea'. He launched several reforms to eradicate major illnesses Korea has been struggling with like political corruption, abuse of political power or a failing economy. He had two of his predecessors (Chun Doo Hwan and Roh Tae Woo) arrested for charges of corruption and treason. In 1995, at a time when international pressure for market liberalization was mounting, Kim declared *Segyehwa*⁵ to strengthen the economy's international competitiveness. The economy nevertheless fell victim to the 1997 Asian Financial Crisis and had to appeal for IMF support to prevent a total economic collapse.

³ The regime instrumentalized the Korean Central Intelligence Agency (KCIA) established in 1961 to closely monitor and suppress potential domestic and international political enemies. It penetrated and disrupted privacy by closely monitoring and controlling every aspect of private life.

⁴ The strategy became known as 'developmental dictatorship' and transformed South Korea into a newly industrialized country.

⁵ *Segyehwa* is the Korean word for globalization.

In 1998, in the middle of the Asian Financial Crisis, Kim Dae Jung (1998-2002), a long-standing dissident and political opposition leader to the authoritarian administrations of General Park Chung Hee and Chun Doo Hwan assumed the country's presidency. The administration's vigorous implementation of economic reform and restructuring programs recommended by the IMF quickly ushered in an economic recovery. But it also permanently changed Korea's economic structure as is reflected in higher labor market flexibility, a leaner government and more efficient and market oriented financial and corporate sectors. Roh Moo Hyun (2003-2008), a political protégé and successor of Kim Dae Jung as South Korean president, continued economic restructuring policies which however quickly became secondary as domestic criticism and resentment mounted. Since 2008, Lee Myung Bak (2008-present) is president of South Korea.

III. Adoption policies and infrastructure

Modern formal adoption is a strongly regulated process and its specific appeal as a family planning strategy is affected by the particular design of the adoption laws passed by the government. Specifically, formal adoption laws specify the feasibility and terms and conditions of both domestic and international adoptions. At the same time, these laws also regulate and control the institutional infrastructure put up to initiate and facilitate adoptions. Together, they form the legal and institutional foundation that is either conducive or obstructive to adoptions. Therefore, a thorough discussion of adoption laws, policies and infrastructure for international and domestic adoptions separately will help to explain the emerging adoption patterns and to determine the relative attractiveness of domestic adoptions.

III.1 International adoptions

Prior to the 1950s, adoption was nonexistent as a formal legal process. Formally, international adoption started in 1954 with the establishment of the Child Placement Service to provide and facilitate international adoption of South Korean orphans and mixed-race children to the US and other Western countries. These children were victims of the Korean War and had either lost or were separated from their parents during the war or were fathered by US or European soldiers and were therefore considered 'impure' and became socially stigmatized in a country obsessed with purity, blood lineage and miscegenation (Sarri et al., 1998).

It was, however, not until the *Orphan Adoption Special Law* (Section 731) of 1961 that international adoption became legally regulated and embedded in national law, rendering private adoptions illegal and paving the way for a very effective international adoption scheme. The law was

passed to guarantee orphans' welfare by simplifying the procedures for international adoptions.⁶ It stipulated that foreign adoptive parents have to be qualified by the law of their nationality, have sufficient property available to support the adoptee and are free of any malignant diseases. Moreover, they must not make use of the adoptee in violation of human rights and guarantee freedom of religion to the adoptee and proper treatment with respect to education and safety. In the 1960s South Korea was still an agrarian society with one of the world's lowest per-capita incomes and was suffering from mass poverty and overpopulation. Against that backdrop, the *Orphan Adoption Special Law* was designed to alleviate prevailing pressures of overpopulation and costly institutional care and it became an integral part of the national population policies anchored on population control and emigration (Hübinette, 2004).

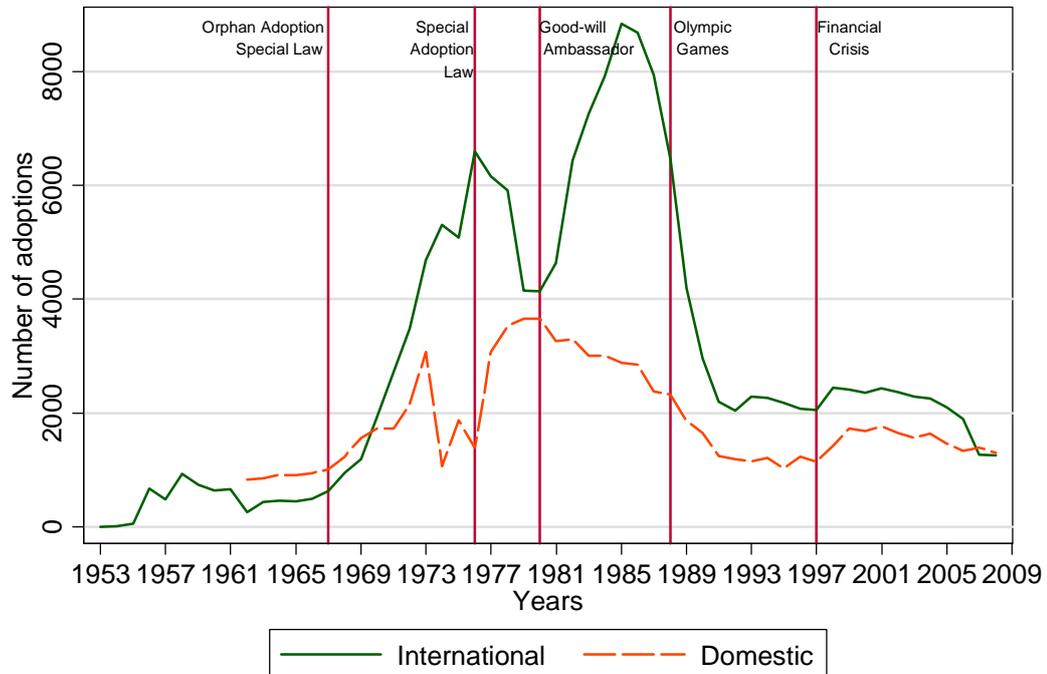
The institutional foundation for the most successful international adoption program was laid down in 1967, when the *Orphan Adoption Special Law* was amended. It stipulated that only government licensed international adoption agencies could provide adoption services. It also allowed adoption agencies to charge fees to cover the processing costs of adoption applications. These national adoption agencies worked closely with licensed Western counterparts to facilitate and expedite international adoptions. Furthermore, adoption agencies were required to employ professional social workers, doctors and nurses to manage orphanages, to provide pre-adoption foster care and to carry out domestic adoptions (Hübinette, 2004). As a result, seven international adoption agencies were active in the 1970s. The Seventh Day Adventists were the first agency that placed Korean children in overseas homes in 1953, the Child Placement Service was established in 1954 with foreign grants to carry out international adoptions of mixed-race children and was renamed Social Welfare Society in 1972, the Catholic Relief Service was established in 1955 with the aim to place Korean children in Catholic families in the US, Holt Children's Services was established in 1956 by the evangelical Christian farmer Harry Holt and soon became Korea's and the world's dominating international adoption agency, Korea Social Service became operative in 1964 as the first agency entirely run by Koreans, Welcome House was founded in 1958 by the writer Pearl S. Buck to serve Amerasian children and finally Eastern Child Welfare Society was established in 1972 by the devoted Christian Kim Duk Whang (Hübinette, 2004). The expanding infrastructure proved conducive to international adoptions which soared to about 6,600 cases in 1976 alone.

Since its inception in the 1950s, Korea repeatedly initiated a phasing out of its very successful international adoption program. A first attempt to permanently discontinue the program was made in 1976 after an amendment of the *Special Adoption Law*. Specifically, with the exception of mixed-race and handicapped children, the international adoption scheme was declared to gradually phase out by 1981. In order to pursue this policy, a *Five Year Plan for Adoption and Foster Care* (1976-1981) became operative which stipulated a reduction of international adoptions by 1,000 per year and a simultaneous increase in the number of domestic adoptions by 500 annually by means of a special

⁶ An orphan is any person under the age of 18 who either has no known person to support him or her or whose parents or legal guardians have consented to the adoption.

quota system (Sarri et al., 1998). At the same time, the number of agencies handling and facilitating international adoptions was restricted to four only and required to be wholly run by Koreans. These four agencies are still active today: the Social Welfare Society, Holt Children’s Services, Korea Social Service and Eastern Child Welfare Society.

Figure 1: International and domestic adoptions in South Korea, 1953-2008



Source: Ministry for Health, Welfare and Family Affairs

However, insufficient domestic adoptions undermined the success of the *Five Year Plan*. In 1980, the Chun Doo Hwan government (1980-1987) discontinued this plan, instead embracing an openly promotional tone with respect to international adoption, which became an integral part of governmental emigration policies. Adoptees were presented as ‘good-will ambassadors’ who further contributed to the promotion of friendship ties with Western allies (Sarri et al., 1998). As a result, the quota system was abolished and the four agencies handling international adoptions were given plenty of rope to track down indefinite numbers of adoptable children. Consequently, the 1980s witnessed the emergence of a thriving economy and of an effective and continuously expanding adoption infrastructure since the adoption agencies were also running their own delivery clinics, baby reception centers, temporary institutions and foster homes for pre-adoption care. Moreover, they were also in charge of a growing number of maternity shelters and homes for young, single and unwed mothers which guaranteed an incessant supply of newborn, healthy and adoptable babies (Hübinette, 2005).⁷

⁷ By the mid-1980s, Holt Children’s Service ran its own orphanage for orphaned and disabled children, a Baby Home, the Holt Medical Clinic, temporary foster care services, an assistance facility for the disabled and the Holt Babies’ Reception Center. International and domestic placements of children were arranged from ten different local branch offices spread all over South Korea, of which nine were established in the 1970s alone (Holt Children’s Service, 2009). The Social Welfare

As a result of the new and supportive policies, the 1980s saw international adoptions peaking. A historical high was recorded in 1985 when 8,837 children were placed overseas. In contrast, at the same time, the number of domestic adoptions continuously declined to only around 2,000 cases annually. All in all, between 1980 and 1989, 66,511 cases of international adoptions were reported⁸ while only 28,543 domestic adoptions were carried out (Figure 1). For the 1980s, with on average 6,651 international adoptions per year, Korea ranked as the major sending country worldwide. In comparison, in the 1980s, India, as the second most important sending country, only reported an average of 1,532 annual cases of international adoptions, Colombia, ranking third, sent on average 1,484 children per year abroad. While Brazil and Sri Lanka, ranking fourth and fifth, reported 753 and 682 average annual cases of overseas adoptions, respectively (Selman, 2002).

The year 1988 came as a turning point for South Korea's adoption history. In 1988, South Korea, which had emerged as one of Asia's newly industrialized economies, hosted the Olympic Games and was exposed to the critical scrutiny of the international community, expressing particular interest for and criticism of the country's international adoption policies. Articles like 'Babies for Sale' by M. Rothschild (The Progressive, 1988) or 'Babies for Export: And Now the Painful Questions' by S. Chira (The New York Times, 1988) as well as growing criticism from North Korea shamed the government. As a consequence, the government announced the intention to reduce the number of international adoptions by 400 to 600 annually and to discontinue the program by 1996. The lacking response of domestic adoptions induced the government in 1994 to continue international adoptions, but for mixed race or disabled children only. These children however first had to be made available to Korean families for domestic adoption before eventually being considered for international adoption and being placed overseas (Hübinette, 2004).

A third attempt to discontinue the international adoption program was made in 1996 when the government announced to reduce international adoptions by 3 to 5 percent annually and to eventually phase them out by 2015 (Kim and Henderson, 2008). Simultaneously, to promote adoption and to protect adopted children and their rights, the *Special Law on Adoption Promotion and Procedure* was implemented. It stipulates that any child under the age of 18 who voluntarily seeks protection in public childcare facilities, was abandoned or entrusted in these facilities' care is eligible for adoption provided the parents' or legal guardians' consent is available. Both domestic and foreign adoptive parents have to meet minimum wealth and property conditions, are eligible under national law and must not suffer from any mental or physical disability that significantly restricts their childcare

Society operated short-term foster home care for babies, four babies' reception homes for short-term care, a shelter for unwed mothers and their babies providing free lodging, medical care and counseling, a Children's Daycare Center, several nurseries and the Hanseo General Hospital (Social Welfare Society, 2009). And Eastern Child Welfare Society was in charge of the Eastern Child Welfare Center and the Eastern Welfare Center housing Esther's Homes for unwed mothers and their babies that provide free accommodation, medical care and counseling, Jacob's Homes as a shelter for children having experienced domestic violence, a Rehabilitation Center and Counseling Center as well as a hospital for children in need (Eastern Child Welfare Society, 2009).

⁸ Of the total number of international adoptions, 68 percent (45,071 children) went to the US, 10 percent (6,522 children) to France, 5 percent (3,448 children) to Denmark, 4 percent (2,587 children) to Sweden, 3 percent (2,218 children) to Norway and 2 percent (1,494 children) to the Netherlands. The rest found new homes in Belgium, Germany, Canada or Switzerland (Overseas Adopted Koreans, 2007).

capabilities. Moreover, they must guarantee religious freedom to the adoptees and must not violate the adoptees' human rights by engaging them in disgraceful or unethical activities. Domestic adoptive parents must be at least 25 years of age and at most 45 years of age while international adoptive parents must be at most 50 years of age. In the case of international adoption, adoption agencies need to provide post-adoption services.

The plan to cease international adoptions suffered a setback during the Asian Financial Crisis which was particularly dramatic and shocking for South Korea as real GDP plummeted and unemployment skyrocketed to about 8 percent, twice the pre-crisis level (Lee and Han, 2006). To ease the growing pressures of poverty, international adoption was again allowed to rise and the international placements of healthy Korean children was facilitated. In 1998, 2,400 cases of overseas placements were reported, about 400 more than in the pre-crisis years.

And again in 2005, after the Financial Crisis was overcome, the Ministry of Health and Welfare re-announced the ultimate phasing out of international adoptions by 2015 and introduced several measures to encourage domestic adoptions.

III.2 Domestic adoptions

In the aftermath of the Korean War, official government policies predominantly promoted international adoptions as the most effective temporary solution to provide new permanent homes for the numerous homeless, orphaned and mixed-race children. It was only in the 1960s, in an effort to counterbalance expanding international adoptions, that two domestic adoption programs were implemented. Specifically, between 1962 and 1970, a system openly encouraging domestic adoptions was operative which required government employees and officials to take care of an orphan. And in 1964, with the help of the American Christian Reformed Church, the Christian Adoption Program in Korea was established as a special agency for domestic adoptions only (Hübinette, 2004). The Program later merged with Holt in 1975 (Hübinette, 2004). Considering South Korea's whole history of adoption, the 1960s were the only decade in which domestic adoptions consistently outnumbered international adoptions by a ratio of up to 3:1. In total, between 1960 and 1969, 6,166 South Korean children were placed overseas while 8,247 children found new homes in South Korea. However, starting in 1970, two major changes occurred. On the one hand, in the light of Korea's noticeable recovery from the War and from pressures of poverty, premarital births permanently replaced abandonment as the major reason for adoption (Lee, 2007). And on the other hand, for the first time, international adoptions exceeded domestic adoptions and reached as high as about 6,600 cases in 1976 alone while domestic adoptions dwindled.

In that light, the renamed *Special Adoption Law* of 1976 was designed to ease domestic adoptions and foster care and to regulate and reduce international adoptions. The special quota system

implemented under the *Five Year Plan for Adoption and Foster Care* (1976-1981) quickly resulted in a significant rise in domestic adoptions to a historical high of about 3,700 annual cases in 1979 and 1980 while international adoptions quickly fell but still remained above domestic adoption levels. Unfortunately, the ‘good-will ambassador’ policy pursued in the 1980s swiftly undid any previous success of domestic adoptions which continuously declined throughout the 1980s and 1990s. Even financial incentives like income tax breaks, family allowances, tuition exemptions and support allowances implemented in 1988 to encourage domestic adoptions remained ineffective (Sarri et al., 1998). Only government initiatives launched in the wake of the Asian Crisis prompted a slight increase in domestic adoptions. But since the year 2000 domestic adoptions stagnate at around 1,500 cases annually.

In 2005, the Ministry of Health and Welfare re-announced the phasing out of international adoptions by 2015. And as of January 2007, as laid down in the ‘*Comprehensive Measures for Promoting Domestic Adoption*’, several measures are in place to encourage domestic adoptions: the age limit of domestic adoptive parents was increased to 60, restrictions on the adoptive parents’ number of children were abolished and for the first time single parents became eligible for adoption. Moreover, equivalent to maternity leaves, so called ‘adoption leaves’ of two weeks are granted to public officials adopting domestically. A prioritization of domestic adoptions is pursued so that children that are available for adoption have to wait at least five months for a possible domestic adoption before being considered for overseas placement. However, children with inherited mental or physical disabilities who are in urgent need of medical care are exempted. Furthermore, some financial measures are put in effect like a monthly allowance of 100,000 won granted to adoptive parents until the adoptee has reached the age of 18 or the coverage of the adoption fee of 2 million won by the Korean government. Finally, the significance of post-adoption services is acknowledged by highlighting the need for the establishment of comprehensive family and biological roots search systems, by building so called ‘Adoptee Centers’ that offer information related to Korean culture, employment opportunities or lodging for visiting overseas adoptees and by providing relevant services intended to help overseas adoptees to learn Korean or to get to know Korean culture (Overseas Adopted Koreans, 2007b).

The discussion of adoption policies points at a constant shift between different policies that alternately promoted and controlled international adoptions. In the 1960s, under the pressure of overpopulation and poverty, a very open and proactive international adoption scheme was promoted. The 1970s saw a more conservative and controlled approach while in the 1980s international adoptions were again promoted. Since the 1990s, an anti-international adoption policy is promoted and the international adoption program is scheduled to finally phase out in 2015.

All in all, with the exception of the ultimate phasing-out policy, all implemented international adoption policies showed remarkable effectiveness. The overall success of the international adoption program can partly be traced back to the strong bias towards and preference for international adoptions

to ease domestically emerging socio-economic and demographic pressures like miscegenation, socially stigmatized single motherhood, poverty and starvation or overpopulation. But it is also a result of the adoption infrastructure which was allowed to grow and flourish as a consequence. Particularly since the 1970s, adoption agencies have developed a strong and comprehensive institutional network. They have been running their own delivery clinics, baby reception centers, temporary institutions and foster homes. And since the mid-1980s, adoption agencies have been managing a growing number of maternity shelters and homes for young, single and unwed mothers which guaranteed an incessant supply of adoptable babies.

Domestic adoptions, on the other hand, never really picked up and the few policies aimed at encouraging domestic adoptions fell short of government targets. Only the more coercive and regulated policies of the 1960s and 1970s showed some effect while policies of the 1980s promoting monetary incentives like tax breaks, fee exemptions or allowances have failed to produce desired results. Lagging and insufficient domestic demand can be ascribed to the policies applied by the few dominant adoption and childcare agencies that, at the disadvantage of domestic adoptions, promoted, favored and predominantly pursued overseas placements. Furthermore, low demand for domestic adoptions may also be traced back to strong prevailing social norms and values discriminating against domestic adoption, rendering it an unattractive and unlikely family planning policy for Koreans. Hence, in what follows, the role of social factors will be analyzed.

IV. Social values and attitudes

Social values are deeply engrained in people's consciousness and society as a whole and they are manifest in behavioral norms that lubricate social relations and help to establish order and harmony in society. They exert pressure on members of society to conform and they punish behavior commonly perceived as misconduct with social marginalization and ostracization. As such, prevailing and changing social values determine what types of children or family structures are socially acceptable and are therefore decisive for both, the availability or supply of as well as the appeal of or demand for domestic adoptees. Child abandonment may become mothers' last resort when faced with strong discrimination and ostracization while the social stigma of adoption and the perceived inferiority of adopted children significantly reduce the appeal of domestic adoption.

While there are many different influences shaping and determining Korean values, Neo-Confucianism is considered to be the central one (Hyun, 2001). It was first introduced towards the end of the 14th century and became dominant as official state ideology during the Chosun Dynasty, dated between 1392 and 1910. Since then, its official character as a state ideology determining government

policy, administrative procedures or formal education has been abandoned.⁹ Confucianism remains nevertheless deeply rooted in Korean society as is testified by social and family rituals, kinship organization, ideology or even formal laws.

Neo-Confucian philosophy depicts society as a rigid hierarchical system of vertical superior-subordinate relationships, prescribes social relations and specifies moral conduct. It permeates all levels of society, from family to community and the state. Specifically, morality and social relationships are governed by the “Five Relationships”: between father and son there should be warmth, between husband and wife there should be respect, between ruler and subordinate there should be righteousness, between old and young there should be order and between friends there should be trust (Keum, 1999). With the exception of the last, all relationships are characterized by authority and subordination in that the father, husband, ruler or elder should command and protect while the son, wife, subordinate or younger are expected to obey. Confucian philosophy identifies the family as the backbone of society whose governing principles of family life and conduct, respect and morality are applied to the whole society to ensure social order and harmony. Filial piety, the respect of a child for the parents, is considered the fundamental value that guarantees order and harmony in the family as well as in society as a whole.

Family-related rules based on Neo-Confucian principles fundamentally transformed Korean society into one dominated by strictly exogamous and agnatic lineages (Deuchler, 1992). Consequently, marriage between men and women of the same family or clan was considered incestuous and was therefore prohibited. Moreover, continuation of family lineage was strictly confined to male posterity and inheritance became patrilineal, favoring the first-born son while discriminating against daughters or wives. Furthermore, ancestor worship rituals of commemoration and respect for deceased parents or relatives became the sole prerogative and responsibility of the first-born son. As a result, the social status of women changed radically. Unlike before, women were no longer allowed to perform ancestor rituals, experienced limited rights to property inheritance and were relegated to an inferior status within the family, subordinate to their fathers before marriage, their husbands after marriage and their sons after their husbands’ death.¹⁰ But, as outlined above, particularly in the last 50 years, Korean society changed fundamentally. And women, the backbone of successful industrialization of the 1960s and 1970s, increasingly stood up and fought for their right to

⁹ Confucianism is no longer the nation’s official political ideology and students no longer study classical Confucian teachings as part of their curriculum and prerequisite for an official administrative position (Hahm, 2003).

¹⁰ The importance of family lineage is also reflected in society’s obsession with family history and genealogy. Only a couple of hundred family names are known in South Korea and the majority of Koreans uses only a few of these names. Given the social status attributed to family lineage, lineage ties are carefully recorded for generations and genealogies are frequently edited to incorporate new family lines and published in books or magazines. Many Koreans claim family relations to ancestral kings or respectable members of the aristocrat strata, the *yangban* (Paik, 2000), which defines their social status and political power. Shared family names are often interpreted as descending from a common ancestor and some even claim shared roots despite different family names. Some respectable lineages also award scholarships or sponsor sports events for their members, which reinforces lineage status, honor and social influence and strengthens solidarity and coherence among its members (Paik, 2000).

gender equality granted by the Constitution of 1948. Consequently, formal laws that were based on traditional patriarchic Confucian principles were amended and women are increasingly granted greater equality and more rights. Revisions of the Korean inheritance law now guarantee equal rights to all members of the family, including daughters and wives. The eldest son is still allowed to receive a higher inheritance to perform ancestor worship rituals, though.

The agnatic principle of family rule that underscores the importance of blood-relatedness in continuing family lineage and genealogy may significantly reduce Koreans' willingness to adopt. After patrilineality emerged as the dominant principle in the 18th century, agnatic adoption from within the patrilineage became the only acceptable form of adoption and consequently abandoned or orphaned children outside clan or family lineage were considered non-adoptable. More specifically, in the absence of blood-relatedness any potential male adoptee is regarded as an inappropriate heir and keeper of family lineage, which strongly deters adoption. On the other hand, in the Korean patrilineal system, women have no active role in continuing their own family lineage. Upon marriage, they are integrated in their husbands' lineages, become responsible for taking care of their husbands' parents and relatives and, most importantly, are expected to give birth to a male heir to maintain family lines. Women are also regarded as financially more burdensome as parents need to come up with an attractive and sizeable dowry to guarantee their daughters' marriage to a good husband from a respectable family lineage. By contrast, women may be required to serve and support their parents and to look after them in old age. As such they are assigned crucial roles as caregivers and support networks which may encourage adoption of female children. Official statistics show that the majority of domestic adoptees are indeed female (Overseas Adopted Koreans, 2007a). This is, however, not the result of an excess supply of female adoptees. Over the last decade an equal number of male and female Korean children were adopted from Korean institutions. Provided that the sex-composition of adoption (or demand) properly reflects the sex-composition of child abandonment (or supply), this suggests that even though girls have a lower status in Korean society, they are equally likely to be given up for adoption than boys. All in all, the sex-biased adoption pattern seems to mirror the different roles society assigns to male and female children as keepers of family lineage or caregivers and elderly care providers, respectively. And while due to lacking blood-relatedness male adoptees fail to fulfill their specific role, female adoptees are able to fulfill theirs. Furthermore, statistics also point at society's potential stigmatization of and disregard for adopted children. Holt Children's Services, Korea's most successful adoption agency, reports for 2005 that with the exception of only a few cases, all domestically adopted children were included in the family registry as own children instead of adopted children which can be read as a strategy to conceal adoption to avoid the children's ostracization and marginalization (Overseas Adopted Koreans, 2009).

Preservation and continuation of family lineage also emphasizes the central role attributed to the concepts of family, marriage and motherhood. Traditionally, marriages which symbolize the unification of not just two people but two families or lineages were arranged by matchmakers and

considered an entry point to adulthood. A wife's major social role was motherhood and her main responsibilities were raising and educating her children, managing the household and giving birth to a male heir to continue family lineage (Kim et al., 2005). However, in the course of modernization, rapid industrialization and globalization marriage behavior and family life in Korea have changed fundamentally. Modern information technologies replace traditional matchmakers, increasingly so called "love marriages" are becoming more common among couples and age at first marriage increased from about 23 in 1970 to 26 in 1990. Moreover, between 1960 and 2008, female labor force participation rose from 28 to 49 percent and the share of one-person households (as a percentage of all households) swelled from 5 percent in 1980 to about 20 percent in 2005 as the marriage rate dropped from 9.2 in 1970 to only 6.6 in 2008 and the divorce rate skyrocketed from 0.4 in 1970 to 2.5 in 2007 (KNSO, 2009). And even though the percentage of childless households has been increasing from about 8 to 15 percent between 1985 and 2000, motherhood is still a dominant concept in Korean society, seen as an obligation to continue family lineage and as a part of a traditional family image (Yang and Rosenblatt, 2008).

Social values attributed to traditional family structures crucially affect the availability of children for adoption. Motherhood is commonly considered a prerogative and responsibility of married women only so that unmarried mothers as well as their children born out of wedlock are socially stigmatized and marginalized as they are shameful for the mother herself and all her extended family. Illegitimate children are frequently subjected to mockery or harassment and single mothers often find themselves rejected and shunned by their kin who deny them any moral or material support, ostracized from their community or discriminated against on their workplace. Consequently, many single mothers opt to secretly give their children up for adoption as a last resort. Since the 1970s, unwed mothers are the single most important source of adoptable children¹¹. This source seems to slowly run dry, though. The Ministry of Health and Welfare reports an ever declining number of children born out of wedlock. Between 2001 and 2007, the number of babies born out of wedlock halved, from about 4,900 to only 2,400 cases per year (JoongAng Daily, 2009). At the same time, since 2000, more and more single mothers have decided to raise their illegitimate children on their own. In comparison to mothers who give their children up for adoption, these single mothers are found to be older and more educated (Woo, 2007). In 2005, there were about 140,000 single mothers nationwide and the number is expected to rise even further in the future (The Korea Times, 2009). The rising number of single mothers can be interpreted as a signal of the growing emancipation and independence of women, their growing confidence and willingness to contest traditional discriminatory patriarchic structures and to stand up for their rights and interests as women and mothers. This is also reflected in a survey conducted by the Ministry of Women and Family among

¹¹ During the 1960s and 1970s, poor female factory workers, who were often subject to physical and sexual exploitation, were the major source of adoptable children. In the 1980s, many unwed college-aged women relinquished their illegitimate children while today, the majority of children given up for adoption come from young single mothers in their teens and early twenties with middle or working class background (Overseas Adopted Koreans, 2009).

single mothers in 2006, which shows that their desire to raise their children has become an equally important motivation to giving birth as having missed the timing for abortion or lack of money for it (Woo, 2007).

Changes in social values in general and the role of women in society in particular are also partly manifest in fundamental revisions of formal laws. 2005 is considered a groundbreaking year since after decades of political struggle of women's rights groups the Constitutional Court of Korea announced the abolition of the patriarchic and discriminatory *hoju* (meaning "Master of the Family") household registration system. The system is based on domestic male supremacy and organizes individuals into households, with the *hoju* as the household head. The status, rights and responsibilities of other household members are determined by their relationship to the household head. The system specifies only male family members as household heads and that children automatically assume their father's surname. Also, the biological father's consent is needed to register his illegitimate child with the registrar. And, as a general rule, adopted children have no right to succeed as household heads and are excluded from inheritance. Since 2008, an individual registration system is in place that is expected to render adoption more appealing and to make it easier for single mothers to raise their children born out of wedlock. Specifically, adopted children are granted equal rights and are eligible for inheritance of family property starting a year after their adoption. And while the fact that a person is adopted is still recorded it is no longer noted down on the basic registration certificate. This obviates ostracization and marginalization of adopted children as delicate personal information is no longer disclosed in the course of school enrollment or application for a job for which the family registration has to be submitted. The new system also enables children to use their mother's surname. Furthermore legal recognition of an illegitimate child no longer rests on either the biological father's or the maternal grandfather's consent to have the child included in their registries. Up to now this proved extremely difficult given the socially perceived inferior status of the child and the shame it cast on the family. Hence, unlike before, a mother can legally represent her child and no longer needs the signature of the biological father (or maternal grandfather) for all civil and legal matters which, at least from a legal perspective, facilitates single motherhood.

While the abolition of the *hoju* registration system is a watershed for gender equality in Korea, the potential effect on both the demand for and the supply of children for adoption might be rather limited. For one, the adoption status still needs to be disclosed in order to call upon incentives like grants or fee exemptions offered to adoptive parents, which still exposes adoptees to mockery and social marginalization and discourages domestic adoptions. Secondly, economic hardship and poverty as well as social marginalization are stronger motives for single mothers to give their children up for adoption than legal considerations or difficulties (Lee and Park, 2003; Lee, 1998; Woo, 2007).

The discussion highlights that as a result of rapid industrialization, globalization and demographic change Korean society changed fundamentally. Nevertheless, some core values, while notably loosening up, remain. These values affect both, society's acceptance of adoption as well as of

single mothers and their extramarital offspring. Specifically, social acceptance of adoption and consequently demand for adopted children still appears rather low. For one, continuation of family lineage is a central motivation so that, as a patrilineal society, Koreans particularly reject non-agnatic adoption of male adoptees who, due to the lack of blood-relatedness, are unable to function as legitimate heirs and keepers of family lines. Furthermore, adoptions are found to be kept secret which tends to point at a low social acceptance of adoption as a family planning practice.

Traditional family values emphasize marriage as a prerequisite for motherhood so that society punishes non-conformity with discrimination and ostracization of single mothers and their illegitimate children. Hence, in the face of strong social pressures, single mothers often resort to putting their illegitimate children up for adoption which guarantees a continuous supply of adoptable children. But, over the last few decades, women have increasingly contested traditional discriminatory patriarchic structures and have successfully claimed their rights as women and mothers. More and more single mothers opt for a non-traditional family structure and raise their illegitimate children on their own instead of surrendering them for institutional care or adoption.

V. Child and family welfare policies and infrastructure

Childcare is a very time and resource intensive activity. In the light of insufficient or altogether lacking private, family-related childcare support systems, comprehensive and effective government child and family welfare policies and schemes designed to outsource part of the costs and responsibilities to the state become key factors for people's family planning decisions. As such they also affect the demand for and supply of children for adoption in that well-designed, targeted and sufficient welfare programs might induce families to adopt children as additions to their families or to abstain from abandoning their children or putting them up for adoption out of economic and financial distress.

The foundation of the current welfare system was laid down in the early 1960s, during the military rule of president Park Chung Hee. During this initial phase of basic welfare provision, no explicit child or family welfare policies were enacted or implemented, though. However institutionally, a predominantly private and foreign-run childcare network already existed that to many became the last resort in the face of poverty, starvation or social and economic stigmatization and marginalization. Between 1961 and 1970 about 625,000 children were placed in institutional care and were taken care of by numerous orphanages and childcare facilities (Overseas Adopted Koreans, 2007a). These facilities were run by foreign Christian or Protestant missionaries or organizations and were established as early as the mid 19th century as well as in the aftermath of the Korean War. In 1969, the childcare infrastructure comprised about 542 childcare facilities looking after about 61,000 children and according to the Ministry of Health and Welfare, out of the 273 childcare facilities that

were active in 2002, as many as 177 were established before 1960 while 144 were set up in the 1950s (Kim and Henderson, 2008; Hübinette, 2004). Furthermore, the majority of these facilities were the result of Western initiatives.

In this period, the institutional foundation stone for the most effective international adoption program was laid. In the light of the strong pressures of poverty and overpopulation, the disruption caused by the Korean War (1950-1953), and of the inability or unwillingness of the government to provide costly institutional care, an institutional structure for childcare emerged that became increasingly and predominantly geared towards the aim of overseas adoption. In the 1970s, seven predominantly foreign government licensed international adoption agencies were active in South Korea. They guaranteed simple, quick and effective international placement of Korean children so that between 1971 and 1980 around 48,000 children were placed in new overseas homes. And while the private and foreign-run institutional childcare network was very effective and freed the Korean government and society from costly childcare responsibilities, it, however, also inhibited the creation of an indigenous, independent and comprehensive childcare system (Kim and Henderson, 2008).

The first explicit family or child welfare law was implemented during the administration of General Chun Doo Hwan who announced the advent of a democratic welfare society (Time, 1980), partly as a strategy to construct political legitimacy for an oppressive, authoritarian regime. The *Child Welfare Act* was legislated in 1981 and stipulates the promotion of the rights of children below 18 years of age, the protection of children in need and of pregnant women. The Act puts childcare responsibility and management under the jurisdiction of the Ministry of Health and Welfare and was revised in 1984 to incorporate the universal perspective of child welfare services. The Act reflects that childcare was not considered the state's responsibility but highlights the supremacy of informal, familial, community-based mutual support groups and their cooperation with the state, rendering childcare an entirely private affair.

The child and family welfare system was considerably expanded during the presidency of Roh Tae Woo, who in the light of social unrest and political uproar, resorted to social and welfare policies to appease public discontent and restore social peace and harmony. The period was marked by rapidly growing labor market participation of women and a growing number of single mother households. And thanks to initiatives taken by women's organizations which increasingly raised their voices and resorted to legal means to address economic and social difficulties faced by single mothers and to eliminate sexual discrimination, several new laws were legislated like the *Equal Employment Opportunity Act* (1987), the *Mother-Child Welfare Act* (1989) or the *Infant-Child Care Act* (1991).

The *Mother-Child Welfare Act* of 1989 was enacted to support low-income single-mother households in their efforts to gain access to income-generating activities, thereby stabilizing their economically vulnerable position and improving family welfare. Specifically, the Act stipulates that the government and government related agencies provide and conduct vocational training and facilitate job placement of single mothers by promoting their preferential employment. Moreover,

welfare benefits are granted to cover costs of living, expenses for education and care of children under the age of 18 or 20 if still attending school and vocational training expenses during the training period (KWWA, 2009). Homeless low-income single-mother families are also offered permanent government housing. And eligible single mothers may also borrow government low-interest funds to finance child education, medical services or housing. This Act was amended in 2002 and was renamed the *Mother-Father-Child Welfare Act* to also cover low-income single fathers in need of government assistance. Currently, the law grants a monthly childcare allowance of 50,000 won for children under the age of 6 years, covers the costs of education and entrance fees and tuition of high school students (International Women's Rights Action Watch, 2007). But the Act is found to have a limited scope only. In general, the number of single-parent households is on the rise, comprising about 7 and 8 percent of all Korean households in 1995 and 2000 respectively, of which 80 percent were headed by females (Park, 2005). However, in 1995, only about 7 percent of all single-parent households (or equivalently only 0.5 percent of all Korean households) were eligible for government support under the Act.

The *Infant-Child Care Act* of 1991 and its amendments address the entry barriers to labor markets faced by mothers in terms of unshared childcare responsibilities. It stipulates the establishment, certification and management of public and private day care services for toddlers and young children under the age of 6, specifically to support parents who, either due to employment or sickness, are unable to look after their own children. It also obliges enterprises with more than 300 female employees to either establish at least one on-site child day-care center or to subsidize eligible women for external childcare costs (EFA, 1999). In response, the number of day-care facilities almost doubled between 1990 and 1991 from only 1,919 to 3,690 (Song et al., 2009). The infrastructure has further expanded and has developed into a one dominated by private facilities. In 2008, there were about 32,000 day-care centers nationwide of which around 14,000 were private and only 1,800 were public, 14,000 were home day-care centers and only about 340 were workplace facilities. Both, private and public day-care facilities are subject to the same standardized regulations for establishment, management and financial support and reimbursement. In general, parents are free to choose among public or private facilities and pay fees based on their levels of income. Governmental support in terms of either tuition assistance or exemption is also offered provided relatively stringent eligibility criteria based on the number of family members, total income and property are met. Park (2005) stresses the historical character of the Act since for the first time the government and the general public recognized the need for shared childcare responsibility that traditionally rested with the family. However, the Act proves insufficient and partly ineffective. Specifically, due to the low utilization of maternity and parental leave schemes there is still high and so far unmet demand for day-care facilities and places for children under the age of 3 (OECD, 2006). Moreover, because of ineffective enforcement mechanisms and evasive practices of entrepreneurs, the number of workplace facilities is still too low. Under the legislation, low-income families are eligible for government support. However, discriminatory practices of childcare facilities often leave low-income families excluded

from day-care since preference rests with wealthy families who can afford to pay the fees and some extras while government support for low-income families is considered insufficient and unattractive (OECD, 2006). In 2002, only about 24 percent of all children in day-care received any assistance in terms of tuition aid or fee exemption (Park, 2005).

The financial crisis revealed the shortcomings of the prevailing welfare system in handling the accompanying problems of soaring unemployment and rising poverty. As a result, in 2000 the government of Kim Dae Jung enacted the *National Basic Livelihood Security System (NBLSS)* to alleviate growing poverty. It relies on stringent wealth and income criteria to identify a household's eligibility. In the explicit absence of an able-bodied legal supporter like immediate family members, the System provides financial support amounting to the difference between the minimum cost of living set by the Ministry of Health and Welfare at about 40 percent of average household income and the recipients' current income. It offers education, medical allowances, housing benefits and monthly childcare benefits (OECD, 2002). Furthermore, it also offers employment opportunities in government work programs and counseling and training for re-employment. Its '*lone parent benefit*' scheme provides a monthly child raising support subsidy of 17,000 won and covers school fees of middle and high school children, offers a low-interest rate livelihood support loan of 12 million won at the maximum and provides long-term rental housing arrangements provided the income and property requirements are met (OECD, 2002). Just like in many other OECD countries, there is a disconcerting trend towards the 'feminization of poverty' in Korea since the poverty incidence of single-mother households is on average twice as high as that of male-headed households. Specifically, single-mother households have on average only about 37 percent of income of male-headed households at their disposal and account for about 60 percent of all poor in Korea (Lee, 1998). In that light, the System is a major pillar of single-mothers' support network. However, the monthly amount of roughly 840,000 won in 2008 is barely enough to provide for a sound and healthy life.¹² Additionally, eligibility criteria are found to be too stringent to be effective so that in 2008 only about 27 percent of all low-income households benefited from the System while the rest remained unprotected and unsupported (Park, 2008).

Furthermore, in 2001, the government of Kim Dae Jung amended the *Maternity Protection Law* in order to expand paid maternity leave from 60 to 90 days at full wage replacement and to provide financial assistance for parents taking a one-year childcare leave. It stipulates that only employees who are covered by the employment insurance are eligible to maternity and childcare leaves and that during the leave-period, employees are protected from dismissal. Initially, employers had to pay 60 out of the 90 days of paid maternity while the rest was covered by the state (Peng, 2009). This, however, soon led to discriminatory employment practices by employers at the disadvantage of female employees and initiated a revision of the Law in 2005, which shifted the entire financial burden to the state and social insurance organizations. Furthermore, to improve the

¹² In 2008, the average Korean household income was about 2.1 million won so that the minimum living costs set by the Ministry of Health and Welfare amounted to 840,000 won.

attractiveness of the childcare leave initiative, a monthly subsidy of 300,000 won paid by the Employment Insurance was implemented, a subsidy that was subsequently raised to 400,000 won in 2006 and 500,000 won in 2007. In 2006, public servants became eligible to a three-year childcare leave instead of a one-year one and are granted a monthly childcare allowance of 400,000 won paid for one year only. Furthermore, beginning in 2010, the government plans to implement monthly childcare allowances of 100,000 won for children aged 3 and younger which matches the monthly allowance granted to adoptive parents but is paid until the adoptee has reached the age of 18. But the effectiveness of the Law is also limited. In 2003 and 2005, only about 25 and 31 percent, respectively, of all eligible female workers took maternity leave and in 2003 and 2004 only about 5 and 8 percent of all eligible female workers, respectively, took a one-year childcare leave (Kim, 2007). This is partly traced back to the traditional practice of job resignation due to childbirth (Kim, 2007). Furthermore, due to women's frequent casual and part-time employment they are often ineligible to employment insurance and are therefore denied access to maternity or parental childcare leave schemes (Park, 2005). Moreover, in the light of average monthly living costs of about 2.1 million won in 2008 the monthly subsidy for parental leave of 500,000 won appears insufficient to effectively encourage utilization. This specific scheme is particularly unattractive for single mothers who cannot rely on the financial support of their spouses.

The discussion of the child and family welfare policies points at a rather strong discrimination against financial assistance but a profound prioritization of means and measures aimed at improving people's capacities to effectively participate in the growing local and global economies. Training and counseling for (re)employment are central policy elements while the scale of financial benefits is limited and designed to only temporarily smooth economic difficulties until (re)employment. Furthermore, eligibility criteria are quite stringent so that many policies remain rather ineffective and only limited in scope. All this reflects the governments' productivist view, geared towards the overarching goal of economic development without falling into the trap of a 'Welfare Disease' in which overtly generous welfare services eventually discourage quick re-employment and production but encourage exploitation of state resources.

Child and family welfare policies appear ineffective and also insufficient in scale to significantly improve the economic plight of many single mothers, who have to shoulder and balance childcare, household and income-generation responsibilities. Hence, they are frequently in irregular or part-time employment only which affects their income but also renders them ineligible for welfare schemes like maternity or childcare leave. In the absence of a second family income and more supportive and effective welfare policies, single mothers face a higher poverty incidence which increases their willingness to surrender their illegitimate children for adoption.

Moreover, under the prevailing child and family welfare scheme, domestic adoption is attractive as government subsidies granted to adoptive parents are higher and more long-term in scope than regular child allowances.

VI. Assessment

In the light of Korea's history with both domestic and international adoptions, what are the odds that the phasing out of the international adoption program scheduled for 2015 will be a success?

Generally, a global capitalist market for adoptable children has emerged in which children are traded for money. But, with the policy shift away from international adoptions, domestic factors come to determine market dynamics in terms of supply of and demand for domestically adoptable children and to guarantee the new policy's success. These crucial domestic factors, which will be analyzed in what follows, are: prevailing adoption policies and infrastructure favoring and encouraging domestic adoptions, dominant social norms and values towards adoption and single parenthood and, existing child and welfare policies supporting and facilitating childcare.

As reflected in domestic and international adoption policies, throughout Korean adoption history international adoptions received preferential treatment. As a consequence, a comprehensive institutional infrastructure emerged that became predominantly geared towards international adoptions. On the contrary, the domestic adoption infrastructure remained weak and initiatives to encourage domestic adoptions were rare and only partly effective if deemed compulsory. In 2007, several measures and financial incentives like adoption leaves, waiting periods or monthly allowances were implemented in the hope to spur domestic adoptions. Compared to previous policies, these measures are more comprehensive, render a larger part of society eligible for adoption and are financially attractive as adoptive parents receive monthly allowances of 100,000 won until the adoptee's 18th birthday. Furthermore, the institutional infrastructure also shifted towards domestic adoptions and of the 23 adoption centers currently active, only 4 arrange both overseas and domestic adoptions while the other 19 exclusively handle domestic adoptions (CBCP, 2009). Hence, from a policy and institutional perspective, an environment strongly conducive to domestic adoptions is in place. This may also explain why in 2007, for the first time since the 1960s, and in 2008 domestic adoptions exceeded international ones. However, as shown in Figure 1, this euphorically celebrated success is solely due to a significant reduction of international adoptions and, in the absence of countervailing domestic adoptions, this might indicate that a backlog of children in institutional care has been created.

However, while the legal and institutional setup favors domestic adoptions, it also guarantees a constant supply of adoptable children. Since the 1970s, adoption agencies have been running their own delivery clinics, baby reception centers and foster homes and, since the mid-1980s, a growing number of maternity homes for single mothers have been established. And while the infrastructure is a safety net for people resorting to giving their children up for adoption it is also an effective mechanism to track adoptable children down in the many clinics and maternity shelters, which keeps this comprehensive adoption machinery working. Unfortunately, no information about the annual intake of children is available so the system's effectiveness cannot be established.

In the course of rapid industrialization, modernization and globalization, Korean society underwent fundamental transformations. Specifically, as reflected in changing marriage behavior and family life, core values attributed to family, marriage or motherhood are increasingly contested, questioned and undermined. More and more Koreans remain unmarried or childless or become single mothers as a result of divorce or extramarital relationships. But while contested, these core values still remain strong. Single mothers and their illegitimate children are considered shameful for their families and experience harassment, social marginalization or discrimination. Hence, frequently denied support and shunned by their kin and ostracized from their communities, single mothers often surrender to social pressures and expectations and put their illegitimate children up for adoption. Up to now, single motherhood is the single most important reason for giving children up for adoption. But this is expected to change in due course. On the one hand, an ever declining number of children are born out of wedlock and, on the other hand, single motherhood is becoming more prevalent since increasingly more unwed mothers decide to raise their illegitimate children on their own instead of surrendering them for adoption.

And while prevailing dominant social values and associated pressures affect the availability of adoptable children, these values also influence the attractiveness of and demand for adoption. Korean patrilineal society is dominated by agnatic lineages which render non-agnatic adoption of male adoptees an improper procedure to maintain family lineage. This strongly shows in the underrepresentation of males among domestic adoptees. Furthermore, society stigmatizes adoptions so that adoptive parents conceal them by predominantly adopting children under the age of 1 month who can pass as their own biological children and enter the household registration as their own. Hence, the social stigma of adoption in general and the centrality of patrilineage and blood-relatedness in particular help to explain why domestic adoption in general and adoption of males in particular is still so low.

The specific measures, scale and scope of child and family welfare policies reflect the general productivist approach to welfare policies advocated by Korean governments which avoid exploitation of state resources and highlight predominantly non-financial means to facilitate costly and time consuming childcare activities. Strong emphasis rests on self-help initiatives, training or counseling. Furthermore, eligibility criteria are quite stringent and the scale of financial benefits is limited to encourage quick (re)employment and self-sufficiency. Against this backdrop, however, child and family welfare policies turn out to be partly ineffective and also insufficient in scale and scope. This is particularly crucial for single mothers. Up to now, Korea still lacks rules and regulations that oblige biological fathers to share childcare costs for their illegitimate children. Furthermore, under the *Maternity Protection Law*, women are eligible for a paid maternity leave of 90 days and a one-year childcare leave subsidized by a monthly allowance of 500,000 won. However, women and single mothers are frequently in irregular or part-time employment only which automatically renders them ineligible for both schemes. But even if they are eligible, in the light of average monthly living costs

of about 2.1 million won in 2008 and no second family income, the monthly subsidy of 500,000 won appears insufficient and the childcare leave scheme becomes unattractive. Additionally, single mothers are often denied kinship support and therefore have to rely on expensive institutional childcare. And while under the *Infant-Child Care Act* tuition exemption or assistance are available, eligibility criteria are stringent so that support is often rejected. Single mother households also face a higher poverty incidence which makes them particularly dependent on the *National Basic Livelihood Security System*. But the monthly guaranteed income is insufficient to assure a sound and healthy life and eligibility criteria are too strict and exclusive to be effective. All in all, the prevailing child and family welfare system is still ineffective and insufficient to facilitate single mothers' childcare responsibilities and without additional kinship support child abandonment and placement of children for adoption often remains the last resort.

On the other hand, recent modifications of the child and welfare scheme have rendered domestic adoptions relatively more attractive as parents raising an adopted child receive higher monthly allowances than parents raising their own biological child. Specifically, irrespective of income, the government grants monthly allowances of 100,000 won to adoptive parents until the adoptee has reached the age of 18 while on the other hand, up to now, parents only receive monthly child allowance of 50,000 won. Only beginning in 2010, will parents receive monthly child support of 100,000 won, but only until the child has reached the age of 3. This is not to suggest that adoption in general is a financially lucrative strategy but that adoption might be an attractive alternative for couples or singles to having and raising their own biological children.

VII. Conclusion

With about 162,000 international adoptions between 1954 and 2007, South Korea has the most successful international adoption program worldwide. In light of growing criticism from the international community, Korea has repeatedly, but so far unsuccessfully, attempted to rid itself from the stigma of a country exporting babies. In 2005, the government announced the ultimate phasing out of its international adoption program by 2015. This thesis seeks to identify the likely success of this policy shift away from international adoptions by assessing domestic factors deemed crucial.

From a demand-side perspective, the analysis highlights that more recently implemented comprehensive adoption as well as child and family welfare policies have generated a legal and institutional environment that greatly favors domestic adoptions and provides appealing financial and non-financial incentives conducive to domestic adoptions. And recently, for the first time after the 1960s, domestic adoptions outnumbered international ones which was euphorically celebrated as a great success of public adoption policies. This, however, does not accrue from a growing interest for domestic adoptions which, since 2000, have stagnated at around 1,500 cases annually but is a

reflection of the discriminatory practices and policies against international adoptions. And it appears as if any potential positive response or demand created by these favorable policies is counteracted by the still strong social stigma of adoption and the centrality of blood-relatedness for the continuation of family lineage.

From a supply-side perspective, the analysis shows that since the early years of industrialization up to now, single motherhood has been the main reason for putting children up for adoption to evade financial hardship, harassment, ostracization and discrimination. However, recent trends indicate that fundamental changes are under way which significantly affect the availability of children for adoption. In addition to the continuously declining number of children born out of wedlock, increasingly more and more single mothers decide to raise their illegitimate children on their own. Specifically, older and more educated unwed mothers who are economically independent increasingly stand up for their interests and rights as women and mothers and keep their children born out of wedlock instead of surrendering them for institutional care or adoption. But financial difficulties and hardship still remain single mothers' core problems and major reasons for child abandonment. Due to their childcare responsibilities, single mothers are often found in irregular or part-time employment which contributes to their higher poverty incidence. And while over the last few decades public child and family welfare programs have improved in scale and scope, they are still insufficient to facilitate single mothers' childcare responsibilities and employment opportunities.

All in all, the analysis indicates that the social stigma of adoption is still too dominant to spur the demand for domestic adoptions, at least in the short run. On the other hand, the historically dominant source of adoptable children is slowly running dry as, despite the social stigma and prejudice they face, increasingly more unwed mothers decide to raise their illegitimate children on their own. But this positive development is partly still hindered and undermined by the insufficient and ineffective child and family welfare policies and schemes. And particularly young and less educated single mothers with weak or low employment and income opportunities still resort to surrendering their illegitimate children for adoption. But the Korean welfare system looks back at a relatively short history and the child and family welfare system is still in its infancy, originating from the late 1980s only. Korea's women's organizations have proven pivotal to the implementation and development of the child and family welfare policies and given their growing political influence, more reforms and further improvements are to be expected. Obviously, change is under way which indicates that the endeavor is bound to become a permanent success story in the medium to long-term future.

VIII. References

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