

# Population Aging and Social Strategies for Aging Problems in Korea

Ki-Soo Eun

## Abstract

*This paper reviews the aging of Korean society in terms of demographic transition, and explores the various social problems Korean society is facing as a result of this rapid aging and the ways in which society and families are grappling with the challenges.*

*Economic well-being and health problems are the two most important concerns for the elderly in Korea as well. Due to the decline in family support and the incipient stage of welfare programs, elderly Korean citizens are facing the economic hardships of an aging society. The old seem to participate in the labor market more actively than their counterparts in advanced societies, but it is because they are in danger of falling into poverty. Delaying the transition from adolescence to adulthood for Korean youths as a response to the economic recession imposes a greater burden on the middle-aged generation. The social burden of health care expenses for the growing elderly population is increasing steadily every year. If the health problems of the elderly are not dealt with properly in Korea, it will increase conflict, discord, and tragedy in families, casting a shadow over the future of society in general.*

*It is more desirable to devise better means of caring for the elderly by combining the efforts of both state and family based on existing family values in Korea. This paper stresses that the active role of the state in caring for the elderly may stimulate and promote more participation of family into elderly care.*

**Keywords:** aging, elderly care, demographic transition, transition to adulthood, health care expenses, crowding-in, crowding-out, welfare state, poverty

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## Introduction

Korea has turned into an aging society as a result of demographic changes over the last forty years. Korean society, which maintained a high birthrate until the mid-twentieth century, started to put the brakes on new births with the national family planning program of the 1960s. As a result, the higher fertility rate of six births per woman declined to the replacement level of two per woman in just 20 years since the family planning program was introduced. The sharp transition from higher fertility rates to lower rates was a remarkable one that drew much attention from the world.

In a short period of time, Korea succeeded in bringing the high fertility rate down to a much lower level. However, it now suffers deepening aging as a side effect of this rapid decline of fertility.<sup>1</sup> Though the policy of curbing population growth was successful at lowering the fertility rate in a short period of time, it led to the rapid aging of Korean society. The biggest problem with the aging of Korean society is that it is proceeding too rapidly. Though the policy of curbing population growth was successful at lowering the fertility rate in a short period of time, it also led to the rapid aging of Korean society. While the birth rate is now falling below the replacement level, reaching the lowest level of fertility, the aging of Korean society is progressing faster than any other countries.

Having had little time to prepare for this demographic change, Korean society is facing unprecedented challenges from a rapidly aging society. On a personal level, Korean people are perplexed by the question of how to spend their unexpectedly longer lives. Families are troubled by the burden of supporting aging parents. The society at large is also confronting the new challenges of trying to socially and economically support a rapidly growing population of seniors, address their health problems, and cope with the aging of the work-

1. A society is judged to be an aging society when the proportion of those aged 65 or over exceeds seven percent of the total population; by this standard, Korean society became an aging society as of the year 2000.

force and attendant decline in productivity.

This paper reviews the aging of Korean society in terms of demographic transition and explores the various social problems Korean society is facing as a result of this rapid aging and the ways in which society and families are grappling with the challenges. This paper is expected to help to illuminate how Korean society is responding to the challenge of an aging society.

## Population Aging

For the most part, the human population is constantly on the increase. Modernization of society has brought about increased food production, improvement of hygiene and sanitation, development of medical knowledge technology, and widespread use of antibiotics, resulting in a sharp decline in mortality due to war and epidemics. Coupled with the higher rate of fertility, this decline in mortality has caused the population to increase dramatically. Developing countries, including Korea, began to deliberately lower their fertility rates after the 1950s. Korean society was able to do so through successful implementation of the national family planning program in the early 1960s. Nevertheless, despite the decline in fertility, Korea saw a sharp increase in its population due to the lower mortality rate, which preceded the decrease in fertility, and a baby boom resulting from high numbers of marriages in the 1950s after the Korean War (Eun 1997).

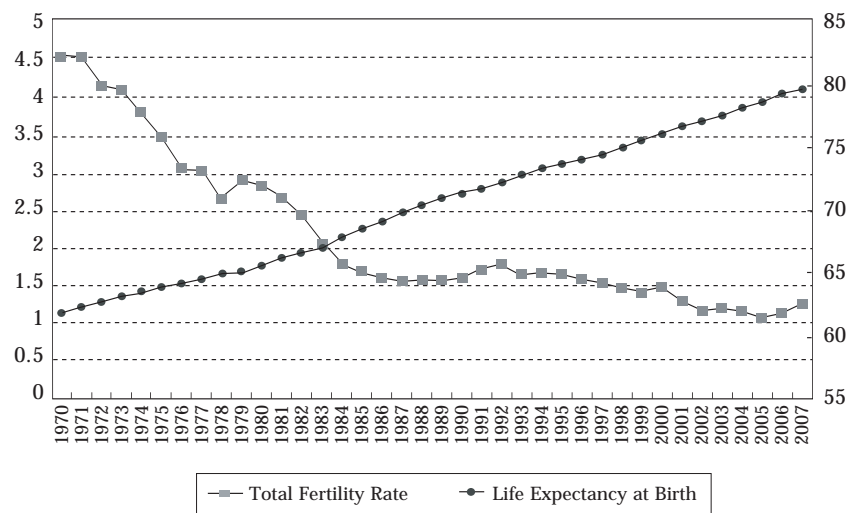
The Korean policy to curb fertility was highly successful. In addition, industrialization created numerous jobs in urban areas and triggered migration from rural areas to cities. On the personal level, modernization delayed the transition to adulthood, with working life, marriages and childbirth being delayed for the sake of higher education. This led to a higher age at marriage and a decline in the number of childbirths, bringing fertility rate further down. In the end, the total fertility rate stood at 2.1 in just 20 years since the introduction of the family planning program.

Contrary to the expectations of demographers, however, Korea's

fertility rate continued to fall below the replacement level. The declining pace of the fertility rate accelerated after the financial crisis of 1997, in particular, with the total fertility rate reaching as low as 1.08 in 2005. With the exclusion of a few city-states, this was the lowest in the world.

On the other hand, Korean mortality also continued to drop amid improving health conditions and advanced medical services. As a result, life expectancy at birth continued to grow to reach almost 80 in 2007 (Figure 1). Korea is now becoming a society where living into one's 80s is the norm. The 0-14 year-old demographic continues to shrink, while those over 60 account for the greater portion of the population. As seen in Table 1, the proportion of old people aged 65 and over were just 2.9 percent of the population in 1960 before the family planning program was introduced, while children aged 0-14 accounted for 42.3 percent. However, the proportion of children has

Figure 1. Trends in Total Fertility Rate and Life Expectancy at Birth in Korea, 1970-2007



Source: Korea National Statistical Office (<http://www.kosis.kr/>).

rapidly decreased, while the number of those aged 65 and over kept growing after the implementation of the family planning program. In 2000, those aged 65 and over accounted for 7.2 percent, showing that Korea has become an aging society.

Even if fertility and mortality rates continue to fall, the population could still grow with an increase in marriages and childbirths. In the 1980s when the fertility rate dropped below the replacement level, the Korean population posted growth. According to projections by the Korea National Statistical Office, the Korean population is set to reach 49.3 million in 2020 and begin decreasing after 2020.

Though the total population will continue to grow until 2020, the size of the elderly population is expected to increase, too. The proportion of older people aged 65 and over is expected to outgrow that of children aged 0-14 in 2020. When those aged 65 and over account for more than 20 percent of the total population, that society is called a "super-aged society." Korea is expected to become one in 2020-2030. By 2050, the proportion of older people aged 65 and over are expected to increase to 38.2 percent of the total population, more than four times that of children.

One of the characteristics of an aging society is that there is not only an increase in the population of those aged 65 and over but also a sharp increase in the "oldest olds." In the past, it was so rare for

Table 1. Population Size and Age Structure, 1960-2050

(Unit: %)

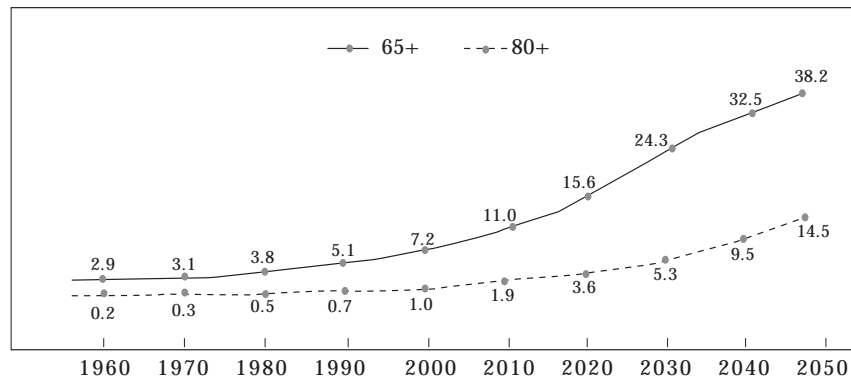
Age	1960	1970	1980	1990	2000	2010	2020	2030	2040	2050
0-14	42.3	42.5	34.0	25.6	21.1	16.2	12.4	11.4	10.3	8.9
15-64	54.8	54.4	62.2	69.3	71.7	72.9	72.0	64.4	57.2	53.0
65+	2.9	3.1	3.8	5.1	7.2	11.0	15.6	24.3	32.5	38.2
Total pop. (million)	25.0	32.2	38.1	42.9	47.0	48.9	49.3	48.6	46.3	42.3

Source: Korea National Statistical Office (<http://www.kosis.kr/>).

people to live until 60 that an entire village would throw a large banquet for a person on his or her 60th birthday. But nowadays, it is common to live until 60, and 70 is no rarity, either. As the average life span reaches 80, the proportion of the oldest olds is rapidly growing and expected to further increase at a rapid pace. As seen in Figure 2, those aged 80 and over are expected to account for 5.3 percent of the total population in 2030 and 14.5 percent in 2050. The super-aged society is expected to require astronomical costs for their health care and support.

As the proportion of those aged 65 and over, and those aged 80 and over in particular, grows, Korea is becoming a fast-aging society. As shown in Table 2, in 1960, the median age of the Korean population was just 19 years.<sup>2</sup> But by 2000, the median age had risen to 31.8 when the birth rate reached the world's lowest. It is predicted that it will reach almost 50 in 2030 and 56.7 in 2050. By then, those

Figure 2. Changing Proportion of Those Aged 65+ and 80+ in Korea, 1960-2050



Source: Korea National Statistical Office (<http://www.kosis.kr/>).

2. In demography, the average age of a society is termed the median age.

Table 2. Median Age and Dependency Ratio in Korea, 1960-2050

	1960	1970	1980	1990	2000	2010	2020	2030	2040	2050
Total-age dependency ratio	82.6	83.9	60.7	44.3	39.5	37.2	38.9	55.4	74.7	88.8
Child dependency ratio	77.3	78.2	54.6	36.9	29.4	22.2	17.2	17.7	18.0	16.8
Elderly dependency ratio	5.3	5.7	6.1	7.4	10.1	15.0	21.7	37.7	56.7	72.0
Aging index	6.9	7.2	11.2	20.0	34.3	67.7	125.9	213.8	314.8	429.3
Median age	19.0	18.5	21.8	27.0	31.8	38.0	43.8	49.0	53.4	56.7

Source: Korea National Statistical Office (<http://www.kosis.kr/>).

in their 40s and 50s will be regarded as young.

With the aging of the population, the dependency ratio undergoes radical changes. Generally, those aged 15-64 are presumed to be the economically productive population. The ratio of the population aged 0-14 to the population aged 15-64 is referred to as the child dependency ratio, and the ratio of the population aged 65 and over to population aged 15-64 as the elderly dependency ratio. These ratios are used to gauge the burden of the economically productive population to support the young and old age groups. As found in Table 2, the child dependency ratio rose to 78.2 per 100 for economically productive persons in the 1960s and 1970s, when birth rates were higher. But the child dependency ratio continued to decline and is now expected to come down to 16.8 per 100 economically productive persons in 2050.

In contrast, the burden to support old people aged 65 and over kept growing and is expected to increase further. In 1960, the number of persons aged 65 and over who had to be supported by 100 economically productive persons was no more than 5.3. But they increased to 10.1 in 2000. In 2050, the elderly dependency ratio is expected to rise to 72 with every 100 supporting 72 old persons. This means that every economically productive person will bear the exorbitant burden of supporting one old person.

As the child and elderly dependency ratios change in opposite ways, the total-age dependency ratio, which is the sum of the two, is set to decline until 2010, but will rise sharply after 2010 as the elderly dependency ratio swiftly outpaces the decline in the child dependency ratio. The total-age dependency ratio in 2050 is expected to rise to 88.8 per 100 economically productive persons.

The aging index, which shows the age of a society, is the ratio of those aged 65 and over against those aged 0-14. The aging index was 6.9 in 1960 and rose to 34.3 in 2000 when Korea entered the phase of an aging society. In 2020 the aging index will exceed 100 and soar to 429.3 in 2050, as the young age group is rapidly shrinking, while those aged 65 and over sharply increase.

The Korean population is getting old fast due to the falling fertility and mortality rates and the lengthening of the average life span over the last 40 years. According to research by Bloom, Canning, and Fink (2008), Japan is expected to be the most aged society in the world, with 44 percent of the population reaching 60 and over in 2050. Next in line behind Japan is Korea, where the old age population is expected to reach 42.2 percent of the total population in 2050. On the other hand, the projection of the ratio of those aged 60 and over against the total population of Korea shows the expected transition to a super-aged society between the years 2000 and 2050. Bloom and his colleagues (2008) predict that Korea will post the highest growth in the world of the 60 and over population at 30.7 percentage points over the next 40 years until 2050. Following Korea, Singapore will post a growth of 29.3 percentage points and Cuba, 24.5 percentage points. Japan, which is already undergoing population aging, is expected to post a growth of 20.7 percentage points during the same period. Given its current fertility and mortality rates, Korea is certain to become a super-aged society by 2050, marking the fastest such transition in the world.

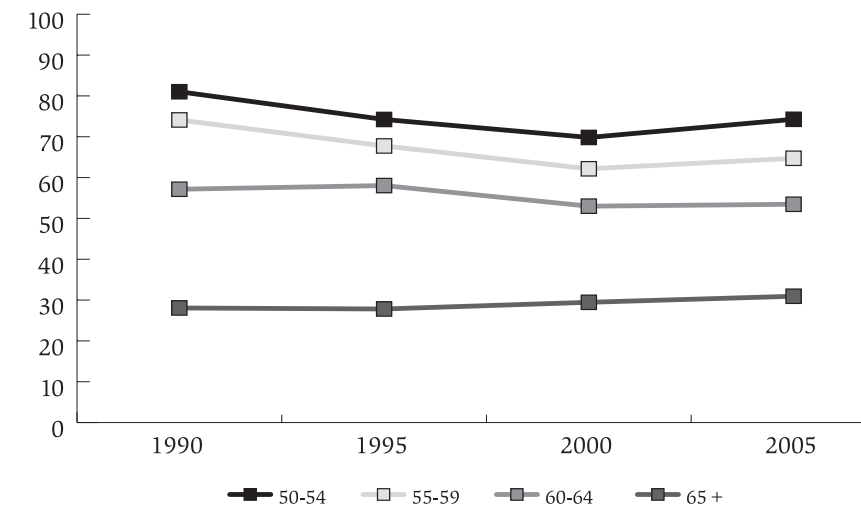
## Challenges of Aging Society

The rapid progress of the aging of the population is having a serious impact on all of Korean society. First of all, the old aged group faces diverse kinds of challenges. They are straddled with economic and health problems. Seniors are more likely to suffer ill health for at least several years before death due to their prolonged life span.

### Economic Problems

The aged population of Korea is faced with economic difficulties. One of the most important activities in human life is labor. Through labor,

Figure 3. Ratio of the Employed to the Total Population in Each Age Group in Korea, 1990-2005



Note: The labor force participation rate is usually used to understand participation in the labor market. But I use this ratio because I would like to show how many people in each age group are employed.

Source: Author's calculation based on the data of the Korea National Statistical Office (<http://www.kosis.kr/>).

people sustain their livelihoods and have a sense of personal identity. However, the aged population of Korea stands less chance to engage in productive activities due to earlier retirements and limited job openings for them.

Figure 3 shows that the number of employed people sharply decreases as their cohort grows older. This indicates that not only the aged group but also those in their 50s show a steady decline in the proportion of employed people over the period. The proportion of working people among those aged 50-54, 55-59 and 60-64 kept dwindling from 1990 until 2000. But it showed a slight increase in employment from 2000 to 2005.

The proportion of those who have jobs among the 60-64 year age group stood at slightly over 50 percent as of 2005. The ratio of employment among this age group did not exceed 60 percent from 1990 to 2005. Among those aged 65 and over, just about 30 percent of them had jobs from 1990 to 2005.

Compared with advanced countries that are showing recent trends of earlier retirement and low employment among seniors, the employment rate of old people in Korea may seem higher. However, most are working in the agricultural and fishery industries due to a lack of younger manpower, thus belying a positive reading. The old workforce in the agricultural sector accounts for more than half of the total number of old employees. Aside from those in the agricultural sector, there are many engaged in manufacturing or manual labor (Park 2002). Most old people are still working for two main reasons: the agricultural sector lacks a younger workforce, and those living in urban areas have to sustain their own livelihoods. The employment condition of old people in Korea does not merit a positive evaluation, even if their employment rate is higher than that of advanced countries, as most of them have to work to sustain their livelihood under economically destitute conditions.

Another problematic feature of the employment of old people in Korea is their poverty level (Park 2003). Kim Tae-Hun et al. (2007) found that the proportion of those aged 65 and over who belong to poor families exceeds 34 percent of the total population aged 65 and

over, higher than that of advanced countries. The poverty rate of old people in Korea is even higher than their counterpart in the United States as well as in Germany and Italy, which have higher rates of poverty for old people in Europe. Compared with advanced countries, the poverty rate of children in Korea remains low. The reason for the higher employment rate of old people in Korea is ascribed to the fact that they have to sustain themselves by engaging even in low-paying manual labor, due to the lack of public support or other income sources after their retirement.

The economic destitution of old people in Korea is demonstrated by their income sources. The ratio of those who earn a living on their own or depend on the earnings of their spouses make up 83.2 percent of old people aged 60-64. Those who rely on the support of their children and relatives account for just 14.2 percent. Among the higher age group, however, the ratio of those who earn a living or depend upon the income of their spouses stands lower, while those relying on their children and relatives make up the greater portion. In the case of those in their 70s, the ratio of those who earn a living or depend upon the income of their spouses declines to 48.2 percent, while the ratio of the others relying on their children and relatives rises to 45.3 percent. Among those in their 80s, more than 80 percent of them are dependent on their children or their in-laws (KNSO 2007). The elderly who have to make a living for themselves suffer from poverty. One in every four poor persons, entitled to government aid, is aged 65 or over, a testament to the economically adverse conditions facing the elderly in Korea (Park 2002; KNSO 2008).

Among the income sources of the elderly, the portion that pensions, retirement grants and income from assets take up remains small, and the wages they or their spouses earn are the main source of their income. Pensions and retirement grants cover only 14-19 percent of the living expenses of the elderly (those aged 60-64 or 80 and over) (KNSO 2007). This indicates that pensions and other welfare subsidies for senior citizens fail to meet their financial needs.

Senior citizens are not financially prepared for the onset of a fast-aging society. The current population of the elderly was unable to

save for their old age, as they had to support their parents while raising children at the same time. As Korean family norms made it customary for children to support aging parents, this demographic spent all of their earnings on their children without making provisions for their own old age in the belief that their children would take care of them after retirement. But when they reach retirement age in this fast-aging society, they can no longer expect such support from their children. In addition, they are left with insufficient pension and government subsidies allotted for them. Therefore, they have to earn a living even after retirement by going so far as taking up menial jobs. They now confront the hard reality of having no choice but to rely upon their children and in-laws for the rest of their lives when they are unable to continue working.

### *Health Problems*

One of the problems that arise in an aging society is the declining health of the elderly. The aging process weakens the body, while the increase in life expectancy means the amount of time spent dealing with old-age-related sicknesses is extended. At the societal level, the increase of the elderly population results in a phenomenal growth of health care costs for the elderly. In an aging society where everyone can fulfill their desire to live a long life, the elderly tend to have higher incidences of illness and lower levels of personal wellbeing. Furthermore, they pose a great challenge to society, which must shoulder their skyrocketing health care costs and help them to stay healthy.

The health problems of the elderly are not confined to everyday illnesses. High blood pressure and diabetes are more common among seniors, but these conditions also occur among younger people. On the other hand, seniors are often stricken with what is called "diseases of old age" that rarely occur in the young. These frequently include Alzheimer's disease, palsy, and degenerative arthritis, to which the elderly are especially vulnerable. People in old age are susceptible not just to age-blind diseases but also to age-related ones. The health problems of the elderly are complicated, as they are prone

to age-related disease and many are unable to live independently and have to depend on somebody else due to their deteriorating health. Therefore, a health care policy for the elderly should not just focus on diseases in general; instead, it should take a comprehensive approach to link health and welfare at the societal level.

In a survey of senior citizens regarding what kinds of difficulties they have in everyday life (multiple responses allowed), a higher proportion of respondents reported health problems over economic difficulties (KNSO 2007). More than 60% of respondents 60-69 years in age reported health problems, and the corresponding figures for the 70-79 and 80-89 age brackets were 73.6% and 78.4%, respectively. Meanwhile, about 50% responded that economic difficulties were their biggest concern. As shown in the survey results, health turned out to be a more dire problem for the elderly than economic wellbeing.

In a 1998 survey, although somewhat outdated, 86.7% of respondents aged 65 and over were found to have a chronic disease (Chung et al. 1998). That is, three out of four seniors suffer from a chronic disease. The occurrence rate of chronic disease increases with age, even among the elderly. By sex, women are more prone to chronic diseases than men of the same age.

According to Park's (2003) analysis, life expectancy is increasing rapidly in Korea, which means that a significant part of the extended old age may be filled by time spent suffering from chronic disease and constrained daily activities. With all this evidence, the growing life expectancy is not just a blessing even at the individual level. If people become sick in old age and have to depend on assistance from others for their daily activities and pose a burden on society to finance their medical care, a longer life span may not be something we can celebrate.

The social burden of health care expenses for the growing elderly population is increasing steadily every year. According to the statistics for national health insurance, 19.3% of total health care expenditures was spent on people aged 65 years and over in 2002; it increased to 21.3% in 2003, to 24.4% in 2005, and to 28.2% in 2007 (KNSO 2008). The share for elderly health care has already exceeded

a quarter of total health care expenditures, reaching nearly 30%. Of course, it was expected that health care costs for the elderly would increase more rapidly than those of other age groups, but what is alarming is the velocity of the growth rate, which has exceeded everyone's expectations.

Many people in later life need specialized treatment and care, e.g., for senile dementia or paralysis. As those illnesses are not generally covered by public health insurance, family members usually shoulder the responsibilities of caring for their ill parents. Private nursing homes and specialized clinics are not a viable option for the average family, as payments are too high for their income levels. So most families take care of them at home, with someone in the family making a big sacrifice. When there is an elderly member suffering from dementia or palsy in the family, family life operates with the ill member at the center, which exercises great restraints on the lives of other members. At least one member of the family—typically, a woman—has to sacrifice her personal life and devote time and effort to the care of the elder one. As a Korean saying goes, “Long illness turns away even a filial child.” Although Koreans have strong sense of filial piety and believe that they should take care of their old parents, many lose their “filial piety” if their parents have a disease that is not life-threatening but requires constant care around the clock. Families that cannot provide adequate care or protection to illness-stricken elderly members, such as low-income families, sometimes make a drastic choice in the end, neglecting, abusing, or abandoning ill parents. If the health problems of the elderly are not dealt with properly in the era of aging society in Korea, it will increase conflict, discord, and tragedy in families, darkening the future of society in general.

#### *Changing Family and Life Courses*

The social change that has taken place in Korea during the past forty years has generated a fundamental transformation in the Korean family. Population migration from rural to urban areas in the process of

industrialization disturbed the communal sense of family, kin, and village. Urban migration timed with industrialization involved not only families but also individuals moving around in pursuit of education and job opportunities. Young people went to schools in cities, away from their parents, and landed jobs there. They adapted themselves to modern ways of life and lived independently from their parents, achieving the transition to adulthood at an early age.

In the West, which had long ago completed its demographic transition and sustained a low birthrate over a long period of time, family was transformed from a traditional one with a bulging middle to a verticalized one with a tall thin shape. The demographic conditions of low fertility and low mortality resulted in creating the so-called beanpole family (Meil 2006). In a modern society characterized by low fertility and low mortality, four or five generations coexist at the same time with no clear distinctions, in many cases, between supporting and dependent generations. People who would have been in the dependent age group in previous eras may still be supporting their children and their aged parents at the same time. In Western societies, which have maintained a low birthrate for a long period of time, many people in their 50s and early 60s still support their parents and children, being classified as the sandwich generation.

Behind the genesis of this sandwiched generation lies change in the timing of youth's transition to adulthood as well as the aforementioned demographic change. Modern society is changing from an industrial society based on manufacturing to a knowledge economy society based on knowledge and information. In the era of knowledge economy, college education is essential for one to join the middle class and even higher educational credentials such as graduate degrees are in high demand. In Korean society, too, college graduation has now practically become a form of public education and many people go to graduate school seeking a master's degree and beyond.

Meanwhile, a major change is taking place in the labor market in the midst of the fluctuating global economy (Fussell 2002). In the past, the labor market offered stable jobs; once a person landed a

job, he/she held it until retirement. But such a labor market does not exist any more. In the case of Korea, after the economic crisis in the late 1990s, the concept of a lifetime job disappeared altogether and a flexible labor market was introduced, resulting in throngs of non-regular jobs, whose main characteristic was low job security vis-à-vis regular jobs. The jobs that await new labor market entrants fresh out of college come with, mostly, low status, low wage, and unfavorable working conditions. With the recent global economic downturn, youth unemployment is increasing sharply, making it the foremost social issue in Korea and abroad.

In this context, youths who would have led, in the past, an economically and psychologically independent life from their parents, now continue to live with them or at least live on their support. Young people who would have completed the transition to adulthood by finishing school, getting a job, getting married, and having children, now depend on their parents for their livelihood over an extended period of time (Furstenberg 2008).

More and more adult children are unable to lead an independent life and must depend on their parents, even into their 30s. Korea is no exception. Korean parents are finding that the period of child support is getting extended, compared to the past. With youth transition to adulthood being delayed, parents have to shoulder a double burden, supporting their aged parents and adult children at the same time. In the past, parents would expect that when they get old, they would be supported by their adult children who would by then be out of their childrearing phase. Today, however, parents seldom have such expectations, as their adult children would still be in the phase of supporting their own children whose transition to adulthood would also be delayed. They know that it would be difficult for their children to take on double responsibilities by supporting both their own still-dependent children and their parents.

Today in Korean society, most elderly parents depend on their adult children in later life. The old age pension system that is still at an early stage is not a reliable source of elderly support in most families, so families support elderly parents out of pocket. With the

decreasing family size, there are a smaller number of children in each family to share the burden of parental support. On top of that, with their delayed transition to adulthood, children find it very cumbersome to take on all the responsibilities of family support when they reach the age to support their aged parents. With life expectancy getting longer, the period of parental support will also get longer. Moreover, as the period of illness in old age gets extended with growing life expectancy, so will the period of adult children taking double responsibilities.

In order to help younger generations support their parents, it is necessary to alleviate the difficulties they face in making the transition from adolescence to adulthood. A smooth transition from school to stable employment to marriage to childbearing is needed so that they can provide support to their parents and maintain mutually beneficial relations with older generations (Furstenberg 2008; Fussell 2002). In the knowledge economy society of modern times, however, higher educational credentials are required and newcomers to the labor market are offered mostly unstable, low-wage jobs, which is the main cause of delay in their transition to adulthood. Consequently, this extends the period of time that adult children have to take double responsibilities to support their aged parents and their own children at the same time, which increases tension in intergenerational relations.

### **Response of Korean Society to the Era of Aging**

How has Korean society reacted to the era of aging? This section discusses the response of Korean society and its future agendas in terms of institutional arrangement and family policy.

#### *Establishment of Public Pension System and Long-Term Care Insurance*

It is no more feasible that families take on all the responsibilities and

burdens of supporting the retired elderly in Korean society. As a way to lessen the burden of families who care for their elderly members, a public social security system is being developed in Korea, which will provide a minimum level of security for an independent life in old age. Representative social security programs include national pension, government employees' pension, private school teachers' pension and military personnel pension, which are often referred to as the four major public pension schemes. Of them, the national pension plan applies to all residents in Korea.

The national pension scheme was introduced nationwide in 1988 under the National Pension Act. Subscription is mandatory for residents aged 18 to less than 60, with the exceptions of non-income earning spouses and those who are currently insured by or collect benefits from government employees' pension, military personnel pension, and private school teachers' pension. People engaged in income-generating activities must be insured, regardless of whether they have spouses or not. Payment of workplace-based insured persons is shared evenly by the employer and the employee.

Among people over 65 years of age, the number of beneficiaries of the national pension was 944,651 in 2007, and those of government employees' pension and private school teachers' pension were 118,503 and 15,800, respectively. Combining them all, 1,078,954 persons collected pension benefits. This accounted for 22.4% of the elderly population, and a majority of them have no pension benefits (KNSO 2008). However, as the cohort of people receiving a full pension with a 20-year insured period appeared for the first time in 2008 and the number will increase from now on, the national pension is expected to make a great contribution to reducing poverty in old age (Bae and Kim 2005).

The low pension benefit rate of the elderly population is attributed partly to the short history of the national pension program and partly to the problems of the pension scheme itself. The foremost challenge to the national pension program is that, as it is based on a "low contribution-high benefit" design, the pension fund will be in danger of exhaustion in the not-so-distant future. The income replace-

ment rate of pension benefits, which was initially set at 70%, was lowered to 50% in 2008 in anticipation of the future evaporation of the fund due to overly generous benefits compared to contributions.

In addition to the reform of the income replacement rate and contribution amount, it is necessary to raise the pension starting age. The current benefit starting age of 60 is low, compared to 65 in other advanced countries. Other advanced countries are also under financial pressure with the increase of pensioners as the aging of the population progresses, so they are raising the benefit starting age. Today 65 years of age is regarded as relatively young, meaning that the pension age of 60 is too low and should be raised to 65 at least.

However, considering the reality in Korea that many people retire in their early fifties and many retirees have no income source in later life, it would not be appropriate to raise the starting age of old age pension payments, which is the sole source of steady income for many seniors, without addressing their concerns. It is necessary to establish institutional arrangements to protect low-income elderly citizens and be cautious in lifting the starting age of pension payments.

Furthermore, it is necessary to introduce corporate pension and individual pension programs in addition to the national pension scheme. In advanced countries, national pension is recognized and utilized as a program to ensure a minimum standard of living. This means that it does not provide enough income for a comfortable life in old age. National pension is a scheme to ensure a minimum level of livelihood to individuals in old age; it is not a tool to secure more than that. Elderly people who enjoyed a higher standard of living in pre-pension age will experience lowered satisfaction with life if their living standards decline. Elderly Korean citizens have had their quality of life enhanced in the process of brisk economic growth, and if this drops again, they will have difficulty adapting to it. In sum, a two-tiered approach is desirable: to provide a minimum level of living through reform and replenishment of the national pension scheme and to promote corporate pension and private pension programs for the maintenance of a higher standard of living.

In old age, good health is hard to come by. As examined in the

previous section, seniors have a high occurrence rate of chronic disease. They are plagued by age-related diseases (e.g., palsy and senile dementia) as well as age-blind diseases (e.g., diabetes and high blood pressure). These illnesses are hard to cure and require a long period of care, perhaps, until one's last breath.

In Korean society, families take full responsibility in protecting and caring for the elderly who are stricken with chronic diseases. Family support for aging parents is not limited to the economic, instrumental, and emotional dimensions—caring and protection of ill parents also falls to the family. In the patriarchal tradition of the Korean family, this refers more specifically to sons, and more precisely to the eldest son. While people usually say that the eldest son supports his parents and cares for his aged and ailing parents, it is actually the daughter-in-law who is the real caregiver. According to gender roles in the Korean family, men are the breadwinners who work and provide for the family, while women are the nurturers. So it is usually women's work, not men's, to care for ill parents. In other words, the responsibility of caring for aged parents falls solely on women within the tradition of the Korean family.<sup>3</sup>

The care may not be satisfactory on the part of the cared, either. Many age-related illnesses require professional care, and family care delivered without sufficient knowledge and proper technique tends to fall short. Therefore, in many families with aged parents under family care, both the cared and the caregiver suffer.

With the rapid increase of the elderly population and seniors ailing from age-related diseases, it has become impossible that family serve as the sole care provider. It takes a strong sense of filial responsibility for people to sacrifice their work and personal life and devote themselves to ill aging parents. As the national pension system guarantees senior citizens a minimum standard of living, people have expressed the need for the establishment of a long-term care insurance program for the elderly who need professional long-term care

3. This is also true for Asian societies in general. See Ochiai and Molony (2008).

for their chronic diseases of old age.

To many people's relief, the long-term care insurance program was introduced in 2008, making it possible to help seniors who need long-term treatment and professional care or seek help from society. Finally, the responsibility for long-term treatment and care of the elderly, which used to be in the private domain of family (based on personal sacrifice), has been transferred to the public domain of society. As this is the first year of implementation of the program, it is too early to tell whether it will be a success or not. However, the era in which family (precisely, a female member) takes the full responsibility for providing long-term care for parents suffering from diseases of old age has ended and the one in which society shares the responsibility with family has begun. This marks a new chapter in elderly health care in this aging society.

### *Strengthening Family Policy*

Before the advent of aging society, family took the full responsibility for supporting aging parents. Although the notion of social responsibility for elderly support surfaced, the Korean government stressed one way or another that family-based care for the elderly is a good tradition that should be upheld in order to reduce its share of responsibility. As a consequence, Korea, an "advanced country" with membership in the OECD, is the lowest among the OECD member countries in terms of public expenditure of financial assistance provided by the government through family-targeted social policies (Adema and Ladaique 2005, ch. 4).

In Korea, family takes the primary responsibility for supporting children and the elderly, but government support for families remain at a negligible level, indicating that the Korean government should direct more resources toward family support. However, with the intensification of population aging, a welfare state cannot support every need of the elderly or resolve every problem faced by families. It has been found that even in Northern European countries, which are welfare state models, it is not desirable for the state to solve

every problem that arises with the progress of old age without the help of family.

How should the state interact with family to resolve the problems that arise within the elderly population? Could Korean families still take on the responsibility of caring for the elderly in the era of an aging society as they used to do? This issue can be approached in two ways. The first concerns how the family and the state form a partnership to share responsibility for elderly care (Sundstrom, Malmberg, and Johansson 2005). The second is in regards to whether the family is willing to take on the responsibility of elderly care when the state shares it with the family, or whether existing family ties are strong enough to do so (Daatland and Herlofson 2003; Daatland and Lowenstein 2005; Komter and Vollebergh 2002; Lowenstein and Daatland 2006).

It is quite important to examine what kind of roles a family can play with regard to elderly care when family is still regarded as an important social institution and family ties still remain strong despite the existence of various types of family. In Northern European societies, which follow the welfare state model, the perspective is that the state has replaced the family as the primary caregiver for the elderly because there is a strong perception among the populace that responsibility for elderly care belongs to the state, not the family. According to this perspective, the replacement of the family by the state in elderly care reinforced the idea that the family should be free of the responsibility for elderly care. However, empirical studies have found that even in Nordic European societies, the general public continues to attach importance to family and maintains solid family bonds. They may not think that adult children are solely responsible for elder care, but the belief that the family is free from elder care responsibility and family ties are weak has been proved fictitious.

It has been believed until recently that in Northern European societies, families have been "crowded out" of elderly care as the state has taken over this responsibility. However, as the state cannot continue to take full responsibility due to the intensification of aging, the role of family in elderly care is once again under discussion.

Recent studies show that family involvement in elderly care increases when the state carries out the responsibility for elderly care. Active state intervention to reduce the family burden in elder care produces a crowding-in effect as the family tries to work together with the state (Daatland and Lowenstein 2005; Motel-Klingebiel, Tesch-Roemer, and Kondratowitz 2005; Sundstrom, Malmberg, and Johansson 2005).

The reality in Northern European nations, in which the state takes on the major burden of elderly care over the long process of aging and shares responsibility equally with the family, presents important implications to Korean society. First of all, family ties have to be strong for the family to feel responsible for elderly care and really carry it out. In Korea, family bonds are still strong and active in this regard. It can be said that the family is basically ready to take its share in elderly care in the era of aging.

According to the results of the 2007 Korean Longitudinal Survey of Women and Families, 41.9% of respondents who wanted to live with their children in old age (65 or more) reported that it is because they are afraid of getting lonely and 33.5% reported that it is because they are a family. Loneliness was the biggest reason for hoping for cohabitation with children, but the sense of belonging to the same family persists in the minds of people, too.

However, only a minority of respondents explicitly expressed their wish for cohabitation with children in old age. A majority of them responded that they did not want to live with their children. The top reason for this was "want a free life" (60.8%), followed by "don't want to be a burden to their children" (31.6%). This result suggests important implications for policymaking in preparation for the aging society in Korea. As for the second most cited reason, many Koreans think that it would be a great burden to children if they live with them when they are old. Just as Northern European parents do not want to be a burden to their adult children in old age, Koreans do not, either. The sentiment of not wanting to be a burden to children in old age exists not only in Europe but also in Korea where adult children feel strong filial responsibility for caring for their aging parents.

The preference for a separate, free life over cohabitation can be interpreted in several ways. Behind this attitude lies the perception that the older generation poses a burden to the younger generation in terms of contemporary family life, as well as the idea that cohabitation would only increase the older generation's burden of support for the younger generation's education and marriage. As adult children experience a delay in their transition to real adulthood and have to depend on family members, such as parents, in order to raise their own children due to the lack of socially-provided child care facilities, many feel that they cannot be free from the burden of supporting their extended family even later in life.

As shown in the European examples, although the state is the primary caregiver for the elderly, the state's proactive family policy which enables it to shoulder its own role will increase the motivation of the family to take part in elder care based on strong family ties rather than evading that responsibility. Strong family bonds persist in Korean society. We have the minimum requirement for the family to play a role in elderly care in the era of aging society. The sufficient condition is that the state must invest more resources in family policy so that the family does not feel overwhelmed by the full range of elder care responsibilities and, instead, so that they can feel encouraged to participate more actively.

## Summary and Conclusion

I have examined in this paper the progress of population aging and its ramifications in Korea. The distinct characteristics of aging in Korea result from the rapid decline of fertility and the continued low-low fertility rate in recent years. Of course, the declining mortality and increasing life expectancy at birth have also contributed to the acceleration of aging. But the foremost factor is the fast-paced decline of fertility and its continued fall under the replacement-level fertility rate, which gave Korea the lowest-low fertility rate in the world.

Population aging in Korea is inevitable due to the record-level

fertility decline and the continued low-level fertility, which are like two sides of the same coin, and so is its fast speed of aging as long as fertility remains at the current low level. Thus, we should accept it as reality and understand what problems it will cause and how to prepare for them.

In this paper, I discussed the fact that elderly people are in serious danger as Korea has become an aging society without being adequately prepared for it. They are the most vulnerable group economically. Korea's elderly poverty rate is higher than advanced countries in the West. The (apparently) high employment rate among Korean elderly people is not actually due to their active participation in the labor market. According to the industrial composition of workers over 65 years of age, they are mostly concentrated in agriculture, fishing and forestry. Seniors working in cities are engaged mainly in blue-collar work or simple low-skill work. Elderly workers in both urban and rural areas suffer from poverty and are eager to take whatever job is available, regardless of the status of the work.

As the physical condition of people deteriorates in old age, health maintenance costs rise exponentially with the increase of the elderly population. According to health insurance statistics, the share of elderly health care expenses in the total health care expenditure approached 30% in 2007. Many seniors have chronic diseases carried over from when they were younger, and the number of people suffering from age-related illnesses that require specialized intensive care (e.g., palsy and senile dementia) is increasing. Social expenses for their care and treatment rapidly increase with the development of aging society.

Among various problems caused by population aging, economic support and health maintenance are the two most dire needs of the elderly. A public pension program and long-term care insurance has to be in place to address those needs. Korea introduced the national pension scheme in 1988, which covers all residents. The national pension scheme is designed to guarantee a minimum standard of living and needs to be supplemented by other pension programs such as corporate and individual pension in order to ensure the elderly a

comfortable life in old age.

The medical expenses of the elderly are close to one-third of the total medical expenses. In spite of that, the responsibility for the care and treatment of elders suffering from age-related illnesses that require specialized intensive care falls almost entirely on the family. To many people's relief, the long-term care insurance program was implemented in July 2008, freeing the family from primary responsibility for caring for elders in need of long-term care for their age-related illnesses.

Even when a welfare system is well developed, the family is still the most important institution and organization for supporting elders (Lowenstein and Daatland 2006). Strong family ties, which still exist in Korean society, are the minimum prerequisite for elderly care in the era of aging. According to previous research on European societies, family solidarity is still strong there despite the change it has undergone. Strong family ties serve as a foundation upon which the state and the family can share the responsibility for elderly care and make a difference (Daatland and Herlofson 2003; Daatland and Lowenstein 2005). Studies have found that the state's active intervention and assistance for the family in elderly care provides the momentum for active involvement of the family in supporting its aging members (Sundstrom, Johanson, and Hassing 2002). When the state takes the primary responsibility for elderly care, it does not generate a crowding-out effect by freeing the family from the responsibility; on the contrary, when the state actively supports the elderly and reduces the family burden, the family is encouraged to be more involved in caring for the elderly, generating a crowding-in effect.

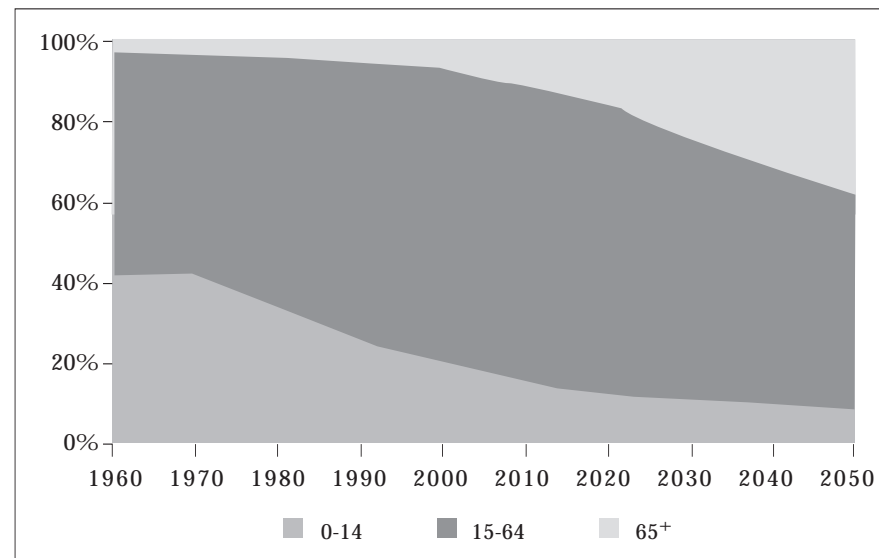
In Korea, the conception still remains strong that the family should be responsible for elderly care, and family members themselves think that they are primarily responsible for supporting the elderly. Meanwhile, the elderly dependent population is rapid increasing, and demand for higher educational credentials is ever-high in the labor market with the shift to a knowledge-based economy. Young people face severe difficulties in finding employment opportunities amidst unfavorable economic conditions and their transition to adult-

hood is delayed. Their middle-aged parents bear a double burden, supporting both their aging parents and children whose period of dependence is extended. Furthermore, as many as four generations exist in the same period with the increase in life expectancy, so the ages of the sandwiched generation supporting both their adult children and aging parents stretch up to the late 50s and early 60s.

In this context, a majority of Koreans are not well prepared for old age. They are very unlikely to live comfortably without family assistance. At the same time, they do not want to be a burden on their children when they get old, nor do they want to bear the burden of providing economic and instrumental help to their adult children even in later life. All this shows that family alone cannot handle the responsibility for elderly care in the era of aging.

The persistence of strong family solidarity in Korean society implies that we have the minimum requirement to solve the problem of elderly care in the era of aging society. The question is whether and to what extent the state designs social policies to assist the family in taking care of the elderly. This does not mean that the state should take on all the responsibilities. What it means is that the state and the family must strike a balance in fulfilling elderly care responsibilities in partnership in order to prevent the tragic situation in which families are overwhelmed and evade responsibility. For this, we should find the necessary conditions in which family ties are maintained and every individual can look forward to a comfortable life in their old age.

## APPENDIX



Source: Korea National Statistical Office (<http://www.kosis.kr/>).

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