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The pressures of rapid population ageing affect retirement, work, and pension policies in South Korea

What is this research about?

South Korea is currently facing the problem of a rapidly greying population. By 2050, estimates put the average age of its population at 54 years old. This will make South Korea the country with the world's most elderly population. The country's current workers pay for the benefits of retirees. However, marriage and fertility rates are falling and young people are having a harder time getting employment. Given this, the state has been pressured to search for new ways to strengthen its income security programs. This research provides an up-to-date look at state initiatives. It also outlines the challenges and possible policy directions for dealing with South Korea's old age crisis.

What did the researchers do?

This research brought together twelve leading scholars and experts interested in how ageing affects the design of social policies. They used South Korea as a case study to expand the current knowledge of how demographic changes are central factors in the design of social

What you need to know:

South Korea's rapidly ageing population is putting pressure on the state to come up with new social policies that accommodate this demographic shift and prevent an age crisis. This shift has played a major role in shaping workplace and income security policies for the elderly.

policies. They focused on policies in the areas of:

- work
- retirement
- pensions

The researchers looked at how ageing affects social policy from a number of angles. Some of the aspects they focused on were:

- social risks from efforts to establish a multi-pillar system of public, private and occupation pension plans
- pension fund management
- investment strategies

What did they find?

The researchers found that South Korea's reforms to existing pension schemes and its new social programmes are not enough to prevent the economic and social crises that may occur due to rapid ageing. Instead, they suggest that wider social service reforms are needed. These include:

- subsidized child care
- family allowances
- the expansion of active labour market policies

The researchers found that there is a positive correlation between social investment and fertility rates. This means that women tend to have more children and contribute to the labour market at the same time, when there are more social programs available. Researchers found that, if the government expands social investment, it will be able to do all of the following at the same time:

- prevent old-age poverty
- increase fertility
- ensure economic competitiveness

How can you use this research?

Public policy makers, specifically those in countries with emerging welfare state programs or facing the effects of an ageing population, will find this research useful. This research acts as a comparative point of reference and a source of guidance to help policy makers better understand:

- the diverse aspects of ageing
- the social risks that it carries
- the considerations that need to be made while designing policy to accommodate rapid ageing.

About the Researchers

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Keywords

South Korea, ageing population, demographic change, pension, welfare state reform

Knowledge Mobilization at York

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