GENERAL STATUS OF AGING AND POLICY FOR POPULATION AGING
Contents

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II. Expected Influences on Korea
III. Policy for Population Aging
Current Status of Population Aging
Aging Population

The number of elderly has been growing.

Senior citizens: 11.0% (2010) → 38.2% (2050)
World’s Fastest-aging Country

Year of Entering Aging, Aged and Super-aged Societies

<table>
<thead>
<tr>
<th>Year</th>
<th>Elderly Population</th>
<th>Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>14.3%</td>
<td></td>
</tr>
<tr>
<td>2026</td>
<td>20.8%</td>
<td></td>
</tr>
</tbody>
</table>

※Source: Population Prospects (Korea National Statistical Office, 2005)
World’s Fastest-aging Country

Aging In Certain Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Year entered</th>
<th>Years spent to enter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>2000</td>
<td>18</td>
</tr>
<tr>
<td>Japan</td>
<td>1970</td>
<td>24</td>
</tr>
<tr>
<td>Germany</td>
<td>1932</td>
<td>40</td>
</tr>
<tr>
<td>USA</td>
<td>1942</td>
<td>72</td>
</tr>
<tr>
<td>France</td>
<td>1864</td>
<td>115</td>
</tr>
</tbody>
</table>

Portion of Senior Population in OECD member countries

- Korea (38.2)
- Japan
- Spain
- Germany
- Sweden
- France
- US

Year (2005, 2020, 2030, 2040, 2050)
Total population to decrease after peak of 52 million in 2030.
Demographic Forecast

Working age population

A reverse trend in population

Aged Dependency Ratio

2016

2017

2010

2050

37.2%

72%

65+ yrs

15-64 yrs

Aged population

Working age population
Expected Influences on Korea
In case TFR 1.08('05) continues,
Population Aging & National Pension

The Number of National Pension Plan Holders & System dependency Ratio

Population Aging & Medical Cost

[The percentage of the elderly in the whole population & the ratio of care cost to total medical bills in the National Health Insurance]

※Source: National Health Insurance Corporation, 2008
Population Aging & Education

[Outlook on the number of school-aged population]

(Unit: 10,000 persons)

Source: Statistics Korea Population Projections for Korea, 2006
### Types of housing preferred by each age groups

<table>
<thead>
<tr>
<th>Sized</th>
<th>30-39Y</th>
<th>40-49Y</th>
<th>50-59Y</th>
<th>60-64Y</th>
<th>65Y +</th>
</tr>
</thead>
<tbody>
<tr>
<td>small</td>
<td>22.0</td>
<td>24.1</td>
<td>27.3</td>
<td>46.9</td>
<td>52.5</td>
</tr>
<tr>
<td>medium</td>
<td>62.9</td>
<td>52.3</td>
<td>50.3</td>
<td>37.3</td>
<td>34.6</td>
</tr>
<tr>
<td>large</td>
<td>15.1</td>
<td>23.6</td>
<td>22.4</td>
<td>15.8</td>
<td>12.9</td>
</tr>
</tbody>
</table>
### Population Aging & Finance

[The projected changes in the types of assets individuals own in the aging society]

<table>
<thead>
<tr>
<th>Category</th>
<th>2004</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td>17.0</td>
<td>21.8</td>
<td>26.1</td>
<td>30.2</td>
</tr>
<tr>
<td>Cash and deposit</td>
<td>9.4</td>
<td>9.8</td>
<td>8.7</td>
<td>7.7</td>
</tr>
<tr>
<td>Securities</td>
<td>3.0</td>
<td>5.7</td>
<td>9.0</td>
<td>12.5</td>
</tr>
<tr>
<td>Insurance and deposit</td>
<td>3.6</td>
<td>5.2</td>
<td>7.2</td>
<td>9.1</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>1.0</td>
<td>1.1</td>
<td>1.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Non-financial assets</td>
<td>83.0</td>
<td>78.2</td>
<td>73.9</td>
<td>69.8</td>
</tr>
</tbody>
</table>
Policy for Population Aging
Active Reaction to Population Aging

- 「Aging Society and Population Act」 (’05.5.)
- 「Presidential Committee on Aging Society and Population Policy」 launched (’05.9.)
- 「The 1st Basic Plan on Aging Society and Population (2006~2010)」 announced (’06.8.)
- 「The 2nd Basic Plan on Aging Society and Population (2011~2015)」 announced (’10.10.)
The Second Basic Plan (2011~2015)

Vision
To become an energetic advanced country by successfully responding to low fertility and aging society

Goal
Gradually restore the fertility rate, and establish a response system the aging society
Raise the fertility rate to the OECD average, and effectively address the aging society issue

Tasks
Create Childbirth & Childcare-friendly Environment
- Ensure the balance of work and family on a daily basis
- Reduce the burden of marriage, childbirth, and childcare
- Create sound and safe environment for children & teenager

Lay the Groundwork for Improving the Quality of Life in the Aging Society
- Build a response employment opportunities
- Ensure stable & energetic post-retirement lives
- Create the elderly-friendly environment

Secure the Growth Engine and Improve Policies Area by Area
- Lay the groundwork for utilizing untapped human resources & raise their competitiveness
- Improve socioeconomic systems in response to demographic changes
- Promote the elderly-friendly industries
[Area #1] Addressing Low Fertility

Create Childbirth & Childcare-friendly Environment

Ensure the balance of work and family on a daily basis:
- Enhance maternity leave system
- Expand flexible work schedule system
- Create the family-friendly work environment

Reduce the burden of marriage, childbirth, and childcare:
- Create ideal conditions to start a family
- Improve support for pregnancy & childbirth
- Increase the financial support for childcare
- Expand the infrastructure for childcare support

Create sound and safe environment for children and teenagers:
- Support vulnerable children
- Establish safety protection system
- Lay the groundwork for children policies
## [Area #1] Addressing Low Fertility

<table>
<thead>
<tr>
<th>Areas</th>
<th>Priority Tasks</th>
<th>Dept. in charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure the balance of work and family on a daily basis</td>
<td><strong>Enhance maternity leave system</strong>&lt;br&gt;Introduce fixed allowance for maternity leave &amp; incentives for returning back to work&lt;br&gt;Introduce the rights to request reduced working hours during childcare&lt;br&gt;Allow to take maternity leave cumulatively or separately</td>
<td>MOEL</td>
</tr>
<tr>
<td></td>
<td><strong>Expand flexible work schedule system</strong>&lt;br&gt;Improve the criteria to calculate the number of full-time workers&lt;br&gt;Introduce and expand smart work centers</td>
<td>Ministry of Public Administration and Security (MOPAS)</td>
</tr>
<tr>
<td></td>
<td><strong>Create the family friendly Work environment</strong>&lt;br&gt;Make the installation of in-company daycare centers mandatory&lt;br&gt;Expand family-friendly certification system for public agencies</td>
<td>MOHW, MOEL, Ministry of Gender Equality and Family (MOGEF) &amp; MOSF</td>
</tr>
<tr>
<td>Reduce the burden of marriage, childbirth, and childcare</td>
<td><strong>Create ideal conditions to start a family</strong>&lt;br&gt;Ease income qualification for the newlyweds to apply for housing loans&lt;br&gt;Transfer active military servicemen with kids to full-time reserved forces</td>
<td>MLTM, Ministry of National Defense</td>
</tr>
<tr>
<td></td>
<td><strong>Improve support for Pregnancy &amp; childbirth</strong>&lt;br&gt;Support regions with insufficient medical infrastructure for childbirth&lt;br&gt;Expand support for infertile couples</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td><strong>Increase the financial support for childcare</strong>&lt;br&gt;Provide full financial support for childcare &amp; educational expenses&lt;br&gt;Rehire the head of family with multiple children after retirement in the case of public officials&lt;br&gt;Provide tax incentives, support for housing, and educational expenses for families with multiple children</td>
<td>MOHW, MEST, MOPAS, MOSF, MLTM, MEST</td>
</tr>
<tr>
<td></td>
<td><strong>Expand the infrastructure for childcare support</strong>&lt;br&gt;Enhance certification system of childcare facilities&lt;br&gt;Introduce public and self-governing daycare centers&lt;br&gt;Extend the opening hours of childcare facilities&lt;br&gt;Institutionalize baby sitter market (create baby sitter market)&lt;br&gt;Build the infrastructure for after-school care services</td>
<td>MOHW, MOHW, MEST, MOGEF</td>
</tr>
<tr>
<td>Create sound and safe environment for children and teenagers</td>
<td><strong>Support vulnerable children</strong>&lt;br&gt;Promote Dream Start program</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td><strong>Establish safety protection system</strong>&lt;br&gt;Reinforce the support for sexually assaulted children&lt;br&gt;Increase the number of specialized children-protection centers (prevent child abuse)&lt;br&gt;Wee Project (prevent school violence &amp; protect victims)</td>
<td>MOGEF</td>
</tr>
<tr>
<td></td>
<td><strong>Lay the groundwork for children policies</strong>&lt;br&gt;Establish mid-to-long term basic plans for children policies</td>
<td>MOHW</td>
</tr>
</tbody>
</table>
Lay the Groundwork for Improving the Quality of Life in the Aging Society

**Build a response system to baby boomer's aging**
- Provide diverse employment opportunities
- Establish multi-pillar income security system for post-retirement years
- Establish preventive medical care system
- Support to prepare for post-retirement years

**Ensure stable and energetic post-retirement lives**
- Enhance job programs
- Secure income for seniors to prevent elderly poverty
- Ensure healthy post-retirement life and stabilize medical cost
- Provide more opportunities to participate in social and leisure activities

**Create the elderly-friendly environment**
- Create the elderly-friendly housing and transportation environment
- Improve the elderly's rights and create the atmosphere for senior citizens to be respected
# Area #2: Addressing Ageing Society

<table>
<thead>
<tr>
<th>Areas</th>
<th>Priority Tasks</th>
<th>Dept. in charge</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Build a response system to baby boomer's aging</strong></td>
<td>Establish multi-pillar income security system for post-retirement years</td>
<td>Ministry of Employment and Labor (MOEL)</td>
</tr>
<tr>
<td></td>
<td>Promote senior-friendly wage peak system</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Help senior citizens to start their own business</td>
<td>Small and Medium Business Administration</td>
</tr>
<tr>
<td></td>
<td>Establish multi-pillar income security system for post-retirement years</td>
<td>MOEL and Ministry of Strategy &amp; Finance (MOSF)</td>
</tr>
<tr>
<td></td>
<td>Promote retirement pension system and ensure that the system takes hold</td>
<td></td>
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<tr>
<td></td>
<td>Establish preventive medical care system</td>
<td>Ministry of Health and Welfare (MOHW)</td>
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<tr>
<td></td>
<td>Reinforce follow-up care after regular checkups and increase the rates of undergoing medical examinations</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td>Build comprehensive health care system led by public health centers</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td>Introduce chronic disease care programs</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td>Support to prepare for post-retirement years</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td>Develop and standardize programs to plan for post-retirement life</td>
<td></td>
</tr>
<tr>
<td><strong>Ensure stable and energetic postretirement lives</strong></td>
<td>Enhance job programs</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td>Expand job opportunities for the elderly</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Revise job support system and reinforce its role</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td>Secure income for seniors to prevent elderly poverty</td>
<td>Ministry of Food, Agriculture, Forestry and Fisheries</td>
</tr>
<tr>
<td></td>
<td>Introduce farmland pension system</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ensure healthy postretirement life and stabilize medical cost</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td>Expand health insurance coverage based on the characteristics of senior diseases</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td>Secure fiscal soundness through efficient health insurance spending</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td>Provide quality elderly-care services</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td>Provide more opportunities to participate in social and leisure activities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Specialize volunteer work programs for seniors</td>
<td>MOHW, Ministry of Education, Science and Technology (MEST)</td>
</tr>
<tr>
<td></td>
<td>Develop and distribute leisure activity programs for the elderly</td>
<td>MOHW, Ministry of Culture, Sports and Tourism</td>
</tr>
<tr>
<td><strong>Create the Elderly friendly environment</strong></td>
<td>Create the elderly friendly housing and transportation environment</td>
<td>Ministry of Land, Transport and Maritime Affairs (MLTM)</td>
</tr>
<tr>
<td></td>
<td>Continuously provide rental housings for seniors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improve the elderly's rights and create the atmosphere for senior citizens to be respected</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td>Reinforce the protection of senior citizens, living alone (Expand elderly-care services)</td>
<td>MOHW</td>
</tr>
</tbody>
</table>
A. Build a response system to baby boomer's aging

**Provide diverse employment opportunities**
- Promote senior-friendly wage peak system
- Help senior citizens to start their own business

**Establish multi-pillar income security system for post-retirement years**
- Promote retirement pension system and ensure that the system takes hold

**Establish preventive medical care system**
- Reinforce follow-up care after regular checkups and increase the rates of undergoing medical examinations
- Build comprehensive health care system led by public health centers
- Introduce chronic disease care programs

**Support to prepare for post-retirement years**
- Develop and standardize programs to plan for post-retirement life
B. Ensure stable and energetic post retirement lives

- **Enhance job programs**
  - Expand job opportunities for the elderly
  - Revise job support system and reinforce its role

- **Secure income for seniors to prevent elderly poverty**
  - Introduce farmland pension system

- **Ensure healthy post retirement life and stabilize medical cost**
  - Expand health insurance coverage based on the characteristics of senior diseases
  - Secure fiscal soundness through efficient health insurance spending
  - Provide quality elderly-care services

- **Provide more opportunities to participate in social and leisure activities**
  - Specialize volunteer work programs for seniors
  - Develop and distribute leisure activity programs for the elderly
C. Create the elderly-friendly environment

- Continuously provide rental housings for seniors

- Improve the elderly’s rights and create the atmosphere for senior citizens to be respected

- Reinforce the protection of senior citizens living alone (Expand elderly-care services)
[Area #3] Growth Engine

Secure the Growth Engine and Improve Policies Area by Area

Lay the groundwork for utilizing untapped human resources & raise their competitiveness
- Encourage more women to participate in economic activities
- Fully utilize ethnic Koreans living overseas and foreign workforce
- Establish job skill development system

Improve socioeconomic systems in response to demographic changes
- Improve educational policies
- Enhance policies in housing and financial sectors
- Improve fiscal policies

Promote the elderly-friendly Industries
- Secure industrial competitiveness
- Promote domestic & international markets for senior-friendly industries
## [Area #3] Growth Engine

<table>
<thead>
<tr>
<th>Areas</th>
<th>Priority Tasks</th>
<th>Dept. in charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lay the groundwork for utilizing untapped human resources &amp; raise their competitiveness</td>
<td>Reinforce the effectiveness of employment enhancement measures</td>
<td>MOEL</td>
</tr>
<tr>
<td></td>
<td>Improve conditions for women with career-interruption to be reemployed</td>
<td>MOEL, MOGEF</td>
</tr>
<tr>
<td>Fully utilize ethnic Koreans living overseas and foreign workforce</td>
<td>Attract talented human resources overseas by allowing immigration</td>
<td>Ministry of Justice (MOJ)</td>
</tr>
<tr>
<td></td>
<td>Ensure that work permit system takes root and secure skilled workforce</td>
<td>MOJ, MOEL</td>
</tr>
<tr>
<td>Establish job skill Development system</td>
<td>Reinforce the roles of schools in helping students find jobs</td>
<td>MOEL</td>
</tr>
<tr>
<td></td>
<td>Establish the system that enables people to juggle work and study</td>
<td>MEST</td>
</tr>
<tr>
<td>Improve socioeconomic systems in response to demographic changes</td>
<td>Improve educational policies</td>
<td>MEST</td>
</tr>
<tr>
<td></td>
<td>Train teachers and reestablish supply &amp; demand plan for teaching staff</td>
<td>MEST</td>
</tr>
<tr>
<td></td>
<td>Put in place policies to improve school facilities</td>
<td>MEST</td>
</tr>
<tr>
<td>Enhance policies in housing and financial sectors</td>
<td>Establish mid-to-long-term supply &amp; demand plan for housing</td>
<td>MLTM</td>
</tr>
<tr>
<td></td>
<td>Promote long-term financial market</td>
<td>MOSF</td>
</tr>
<tr>
<td>Improve fiscal policies</td>
<td>Introduce financial regulations on mandatory spending</td>
<td>MOSF</td>
</tr>
<tr>
<td></td>
<td>Enhance fiscal health management system</td>
<td>MOSF</td>
</tr>
<tr>
<td>Promote the elderly–friendly industries</td>
<td>Secure industrial competitiveness</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td>Develop usage evaluation system of elderly–friendly products</td>
<td>MOHW</td>
</tr>
<tr>
<td>Promote domestic &amp; international markets for senior–friendly industries</td>
<td>Hold community–based exhibitions and experiential promotion for senior–friendly industries</td>
<td>MOHW</td>
</tr>
<tr>
<td></td>
<td>Expand the industrial infrastructure to enjoy a first–mover advantage in overseas market</td>
<td>MOHW</td>
</tr>
</tbody>
</table>
A. Lay the groundwork for utilizing untapped human resources & raise their competitiveness

- Encourage more women to participate in economic activities
  - Reinforce the effectiveness of employment enhancement measures
  - Improve conditions for women with career-interruption to be reemployed

- Fully utilize ethnic Koreans living overseas and foreign workforce
  - Attract talented human resources overseas by allowing immigration
  - Ensure that work permit system takes root and secure skilled workforce

- Establish job skill development system
  - Reinforce the roles of schools in helping students find jobs
  - Establish the system that enables people to juggle work and study
B. Improve socioeconomic systems in response to demographic changes

**Improve educational policies**
- Train teachers and reestablish supply & demand plan for teaching staff
- Put in place policies to improve school facilities

**Enhance policies in housing and financial sec**
- Establish mid-to-long-term supply & demand plan for housing
- Promote long-term financial market

**Improve fiscal policies**
- Introduce financial regulations on mandatory spending
- Enhance fiscal health management system
C. Promote the elderly-friendly industries

- Secure industrial competitiveness
  - Develop usage evaluation system of elderly-friendly products

- Promote domestic & international markets for senior-friendly industries
  - Hold community-based exhibitions and experiential promotion for senior-friendly industries
  - Expand the industrial infrastructure to enjoy a first-mover advantage in overseas market
Creating the Social Atmosphere

Collaboration
- Fully utilize the government's promotion measures
- Collaborate with private sectors

Education
- Implementing life-cycle-based education

Campaign
- Promoting "Childbirth-friendly Society Campaign"

Population Day
- Designating July 11 as "Population Day"
Ensuring the Stable Supply of Resources

Total amount of investment

First Basic Plan

2010 12.4 trillion
2011 14.1 trillion
2012 14.6 trillion
2013 15.2 trillion
2014 15.7 trillion
2015 16.2 trillion

Second Basic Plan

2010 12.4 trillion
2011 14.1 trillion
2012 14.6 trillion
2013 15.2 trillion
2014 15.7 trillion
2015 16.2 trillion

42.2 trillion KRW
75.8 trillion KRW

79%
Thank you