

Active ageing in the Republic of Korea: Older persons' **employment and social participation**

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Active Ageing

According to the WHO (2002), 'active ageing' is the process of optimizing **opportunities for health, participation and security** in order to enhance quality of life as people age.

The word 'active' refers to **continuing participation in social, economic, cultural, spiritual and civic affairs**, not just the ability to be physically active or to participate in the labor force.

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-The Active Ageing Index (2012)

- At the close of 2012, the EU Social Affairs Ministers endorsed a Council declaration on the EY2012 and the Guiding Principles on **Active Ageing and Solidarity Between Generations** (Council of the European Union, 2012).
- These principles reaffirmed that active ageing need to be promoted in **the three domains of employment, participation in society and independent living.**

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Contents

1. Why "active ageing" is necessary for ROK context ?
2. What policies and programs are currently in place for "active ageing" in ROK?
3. Realities: Older Koreans' perspectives and utilization of these policies/programs
4. The "gaps" identified and the corresponding policy suggestions for ROK

Active ageing in the Republic of Korea:

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1. Why “Active ageing” is necessary for ROK context ? : Poverty and Loneliness for prolonged post-retirement period

Rapid Increase in Life Expectancy & Unchanged Retirement Age*

(* mandated retirement age : 60 yr. old from Jan 1st 2016)

- Prolonged post-retirement period
- Social isolation entailed from decreased social participation during post-retirement
- Adverse effect of social isolation on physical and mental health
- Increase of medical and welfare cost
- (In other words,) More social engagement of older people, less cost for their medical and welfare

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1. Why “Active ageing” is necessary for ROK context ? (continued)

Poverty among Older Koreans (2001)

Table 3. Poverty Rates and Poverty Gaps of Older Koreans

	(Unit: %)		
	Relative Poverty (based on half median equalized population incomes)		Absolute Poverty (based on National minimum standard of living)
	Korea	OECD Average	Korea
Whole population	15.0%	11.1%	8.7%
Older population	45.1%	15.1%	33.3%

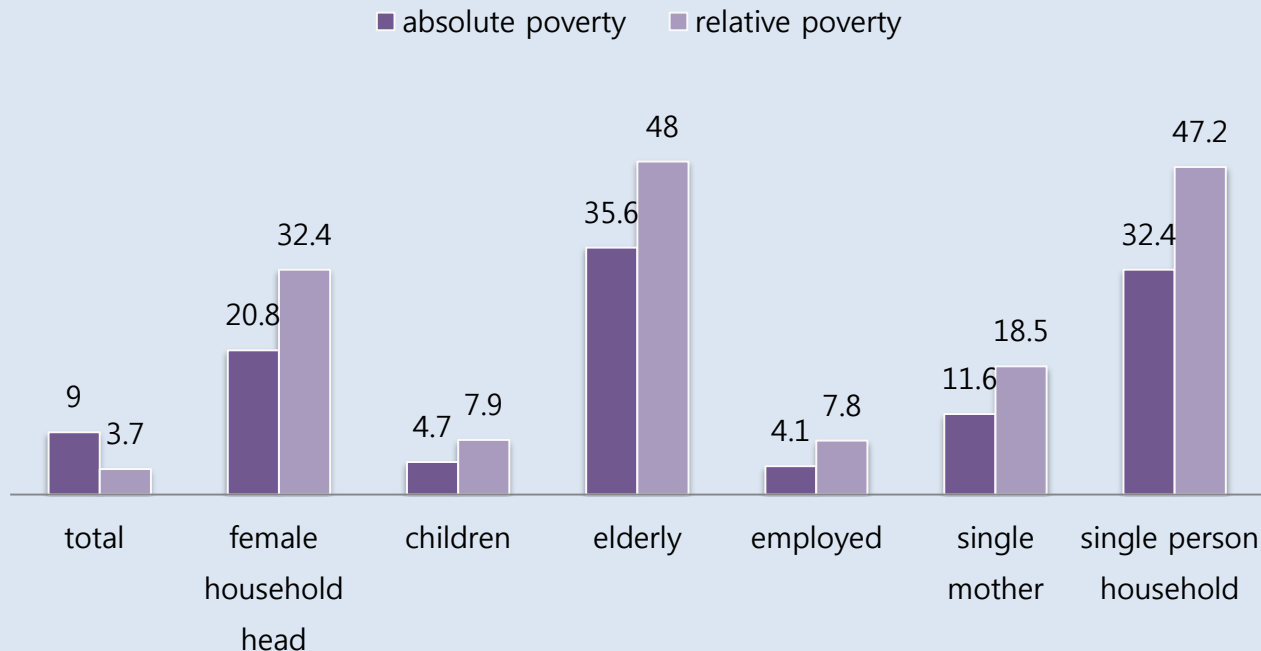
Source: Provisional data from OECD Income distribution and poverty database.

Kim et al., Poverty statistics yearbook, 2001.

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1. Why “Active ageing” is necessary for ROK context ? (continued)

Poverty among older Koreans (disposable income, 2013)



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1. Why “Active ageing” is necessary for ROK context ? (continued)

Willingness for Economic Activity of Senior Citizens of 65+ (2014) unit: percent(person)

Characteristics	Do not want to work	Want to stay in current job	Want to start a new job	Not working currently, but want to work in future	Persons
Total	65.3	23.7	1.3	9.7	100 (10,279)
Urban	67.1	20.0	1.5	11.4	100 (7,870)
Rural	59.4	20.0	0.8	3.9	100 (2,403)
Male	53.7	31.6	2.0	12.7	100 (4,290)
Female	73.6	18.1	0.9	7.4	100 (5,989)

Reasons for that Senior Citizens (65+) Want to Work (2014) unit: percent(person)

To earn living cost	To make pocket money	To Maintain Health	To get along with people	To develop abilities	To spend time	Percent(persons)
71.9	13.2	4.8	1.2	5.1	3.8	100 (3,554)

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2. Policies and Programs in place to encourage "Active Ageing"

Policy Base: Aging Society and Population Master Plans of Korea

- Established **every 5 years: 1st(2006-2010); 2nd(2011-2015); 3rd(2016-2020)**
- Policies and programs among multiple government ministries, inc. Ministry of Health and Welfare, Ministry of Labor, Ministry of are involved
- As of 2015, the 2nd phase of Master Plans being implemented

3 GOALS for employment and social participation:

- 1) Building a systematic base for the more and the longer for work
- 2) Enhancing the productivity of seniors through the lifelong education enlargement '
- 3) Activation of leisure and volunteering activities

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2. Policies and Programs

The Two Major Ministries for older Koreans' employment policies

Ministry Responsible	Target Population of corresponding Act	Policy Directives	Context Of Policy & Programs
Ministry of Labor & employment	Act of Anti-Age Discrimination on Employment & Employment for the Aged and the semi-Aged <ul style="list-style-type: none">•The aged: 55 - 64•The semi-aged: 50-54	Master plan for employment facilitation for the aged (2012-2016, 2 nd Phase) <ul style="list-style-type: none">• Mandated retirement age: 60 (Jan. 2016)• Job retention assistance in the main job : Flexible retirement by 'Wage Peak System'• Assistance for retirement preparedness & career development• Early reemployment in the post-retirement	<ul style="list-style-type: none">• Employment Assistance for the aged between 55-64• Assistance for labor market entry and exit with public services
Ministry of Health & Welfare	<ul style="list-style-type: none">• Senior Welfare Act(1981) (the elderly: 65 +)• Master Plan of Aging Society and Population	Master Plan of Aging Society and Population (2011-2015, 2 nd Phase) <ul style="list-style-type: none">• Economic stability in post retirement• Active ageing through social participation• Government-Assisted employment Programs for seniors *	<ul style="list-style-type: none">• Direct job provision for the elderly 65+ by government

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•Government –Assisted Employment Programs for Seniors

(carried by Ministry of Health and Welfare)

- **Public Employment Programs for Seniors** (In 2014, 295,000 ppl are planned to receive support)

- Public good jobs : 248,000
- Market focused jobs : 25,600
- Owner operating jobs : 6,400
- Talent utilizing jobs : 15,000

- **Job Assistance Center for Seniors** (Approx. 250 centers in total, 20000 jobs provided)

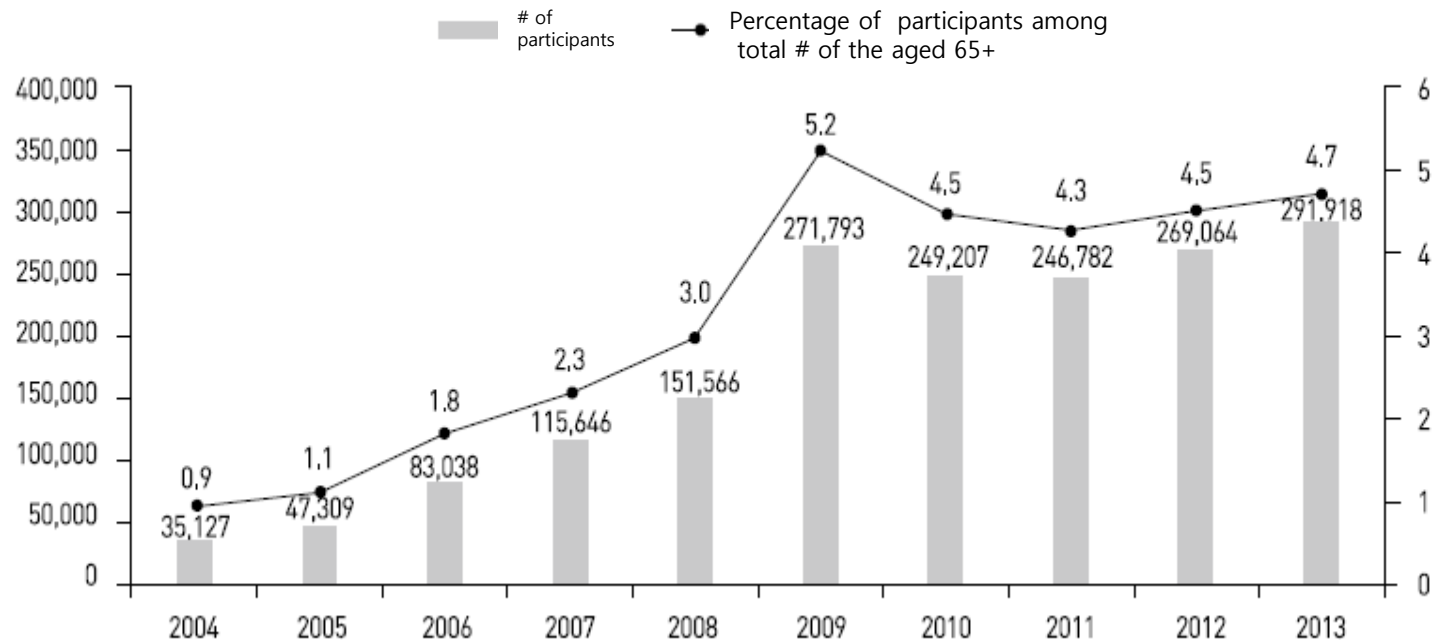
However, negative stereotypical images of seniors in labor market result in that most of seniors get employed in small businesses.

The most frequently taken job by seniors is security guard (34.5%), followed by cleaning (23.0%).

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of Participants in Public Employment Programs for Seniors

of participants in public employment program for seniors (Ministry of Health & Welfare), 2013



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2. Policies and Programs in place to encourage "Active Ageing"

Governmental programs for social participation for seniors

(quoted from Modified Version of Aging Society and Population Master Plan of 2012)

Governmental Program Areas	Ministries involved
Civic engagement for retirees and the elderly	Ministry of Labor, M. of Health & welfare
Lifelong Education Opportunity for baby-boomers, retirees, and the elderly	Ministry of Education, Ministry of Labor
Activation of leisure and volunteering: building infrastructure for social activities, voucher for leisure and cultural participation	Ministry of Interior, M. of Health & Welfare, M. of Culture, Sports, and Tourism, etc.

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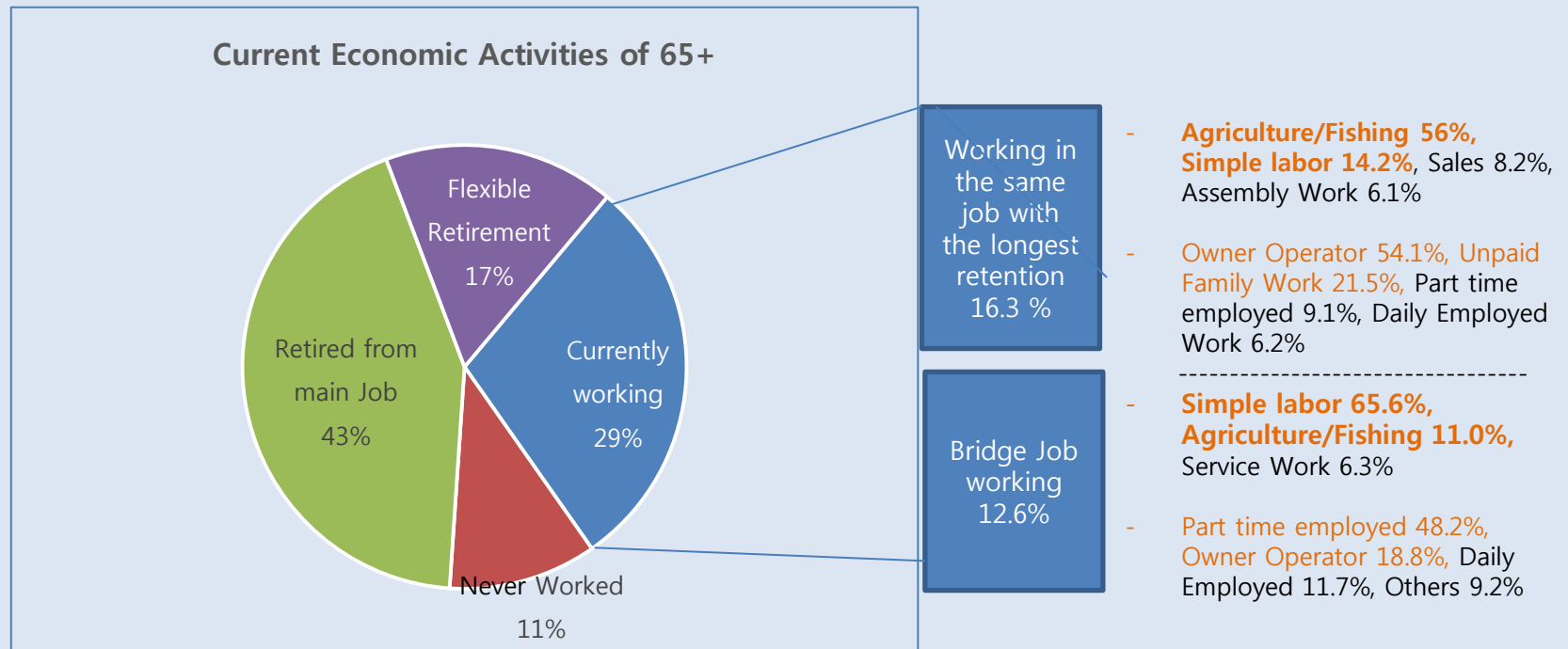
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3. Realities: Program utilization, participation, and recognition

- Related statistical information are quoted from **the National Survey of Older Koreans, NSOK** carried out by the Ministry of Health and Welfare & KIHASA(2014)
- **NOSK**: The National Survey has been conducted periodically by 3 years
- With full range of variables, this National Survey(NSOK) provides report on the current situation of **employment and the level of participation in five types of activities: leisure, computer use, lifelong learning, social organizations and volunteering**

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3. Realities: Current Economic Activities of 65+ (NSOK, 2014)

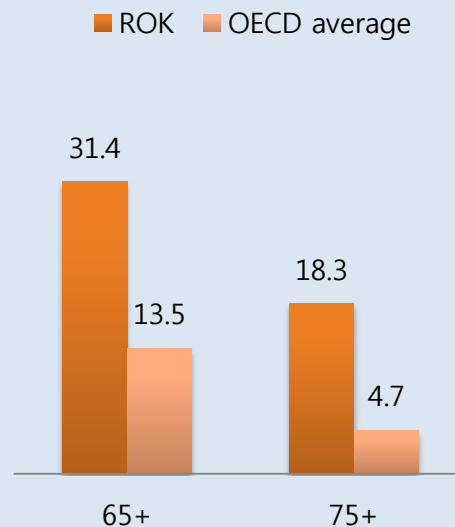


- **Flexible Retirement:** State of currently being unemployed after retiring from the job of the longest period, followed by being re-employed in post-retirement.
- **Bridge job working:** State of currently being employed for another job after retiring from the job of the longest retention.
- **37.5% of male seniors, 22.7% of females are currently working** ; average age of seniors currently working 71.5 yrs old, among currently working seniors, male 54.2%, for female 45.8%.

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3. Realities: Economic Activity Participation Rate ROK vs. OECD average

Economic Activity Participation Rate by age (2013)



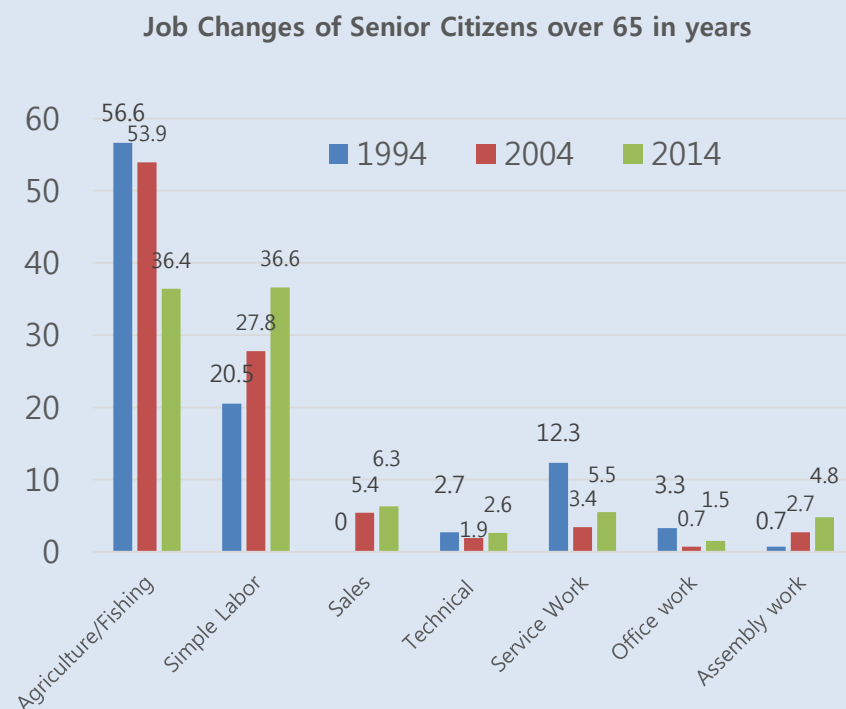
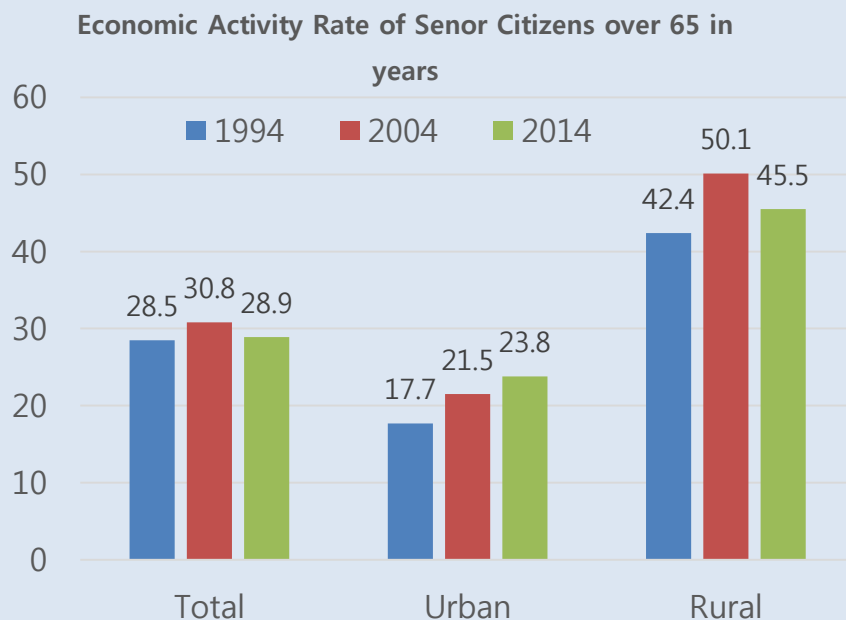
Source: Online OECD Employment Database (<http://stats.oecd.org/>)

In 2013, 31.4% of seniors participate in economic activity, which is more than double the OECD average, 13.5%. For those over 75, it is almost 4 times higher than the OECD average. (18.3% vs. 4.7%)

The high rate of seniors participation in labor market can be associated with seniors' social engagement or participation and also seen as positive for their independence. However, considering the insufficiency of public pension and unpreparedness of post-retirement, they have no choice but to work for living, which is hardly seen as positive.

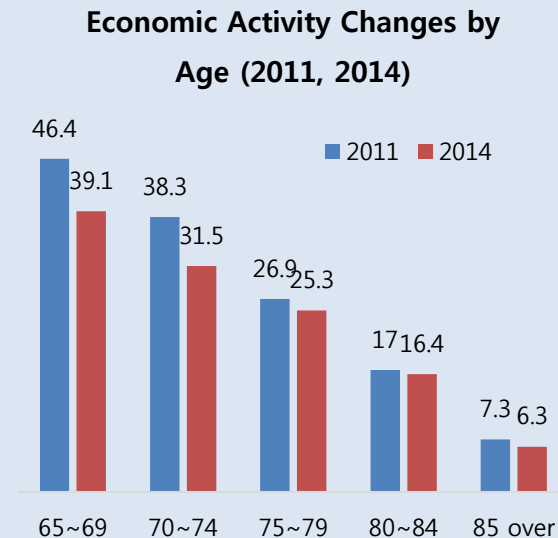
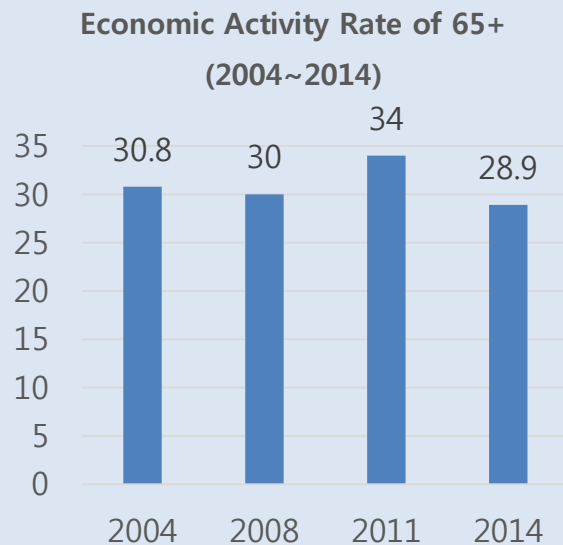
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3. Realities: Economic Activity Participation Rate (NSOK, 2014)



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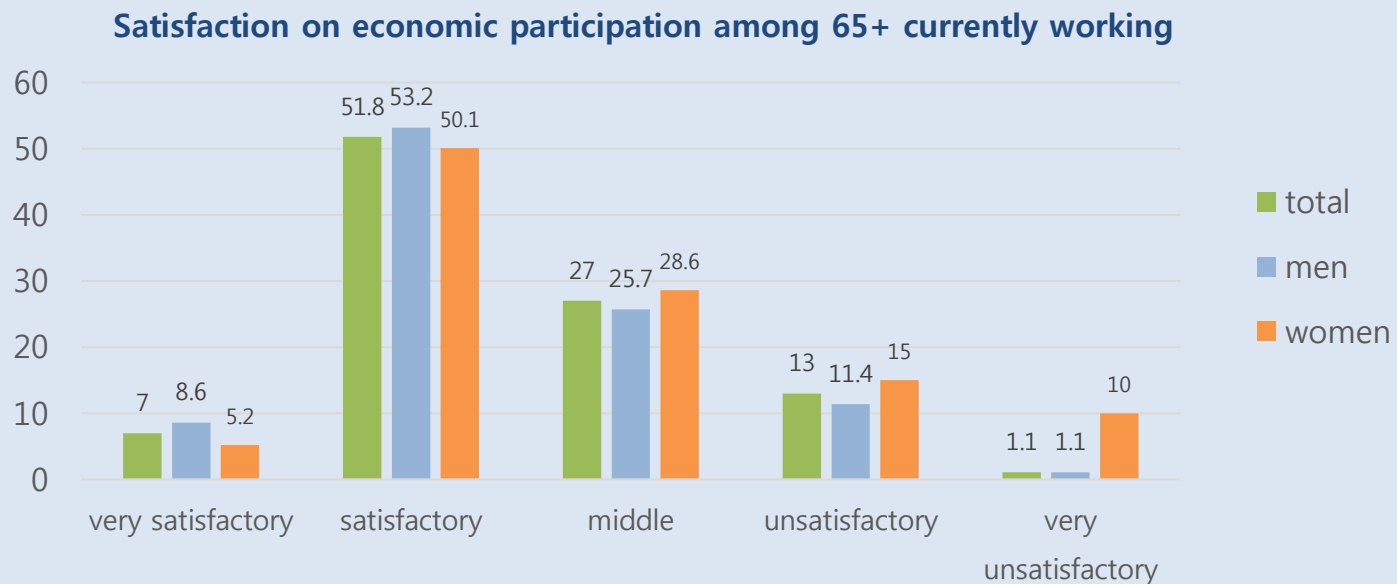
3. Realities: Economic Activity Participation Rate (NSOK, 2014)



- The reasons for the drop in the Economic Activity Rate in 2014 (compared with other years with over 30%) is that seniors over 75 showed lower economic activity (as exhibited in the right side graph)
- Economic Activity Participation Rates in 2014 have dropped across all age groups, compared those in 2011. In particular, seniors between 65 and 69, and between 70 and 74 showed relatively a large size of decrease by 7.3%p and 6.8%p each.

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3. Realities: Satisfaction on Economic Participation (NSOK, 2014)



As shown above, satisfaction on economic participation is high: Not because of self-enrichment or leisure purpose, economic participation itself for making money is likely to be the reasons for the satisfaction (Kang, 2015) Especially, part-time employed seniors show the higher tendency, excluding those of the full-time employed and employers

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3. Realities: Intention of Work in Future (NSOK, 2014)

Types of working intended in future for the aged 65+

	Paid work	Self-employed	Social contribution-type work	Leisure – type work	others	Total(person)
Total	65.5	4.3	14.3	15.2	0.7	100.0 (1,128)
Gender						
Men	70.4	6.3	10.9	12.0	0.3	100.0 (632)
Women	59.3	1.6	18.5	19.4	1.2	100.0 (496)

- Out of seniors who intend to work in future, 65.5% hope for wage labor, followed by approx. 15% for public good and leisure purpose jobs
- (Not in the table) preferred labor hour is 20~30 hrs(27.3%) for the highest, and over 40hrs(27.1%). The expected averaged monthly income is below \$1,000 taking up the highest.

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4. Gaps identified & policy suggestions For employment

1) Part-time jobs in the labor market for 65+

- 28.9% is currently in economic activity and the average age is 71.5 yrs old
- Simple work and part-time job have increased for seniors. Agriculture/fish has decreased, but still takes up the highest proportion in seniors' jobs.
- Nevertheless job satisfactions for simple work and part-time job are relatively high.
- In the reality where income security is poor, working seniors tend to show high satisfaction for economic participation itself rather than self-enrichment and leisure purpose activities.

Full-time permanent positions are recommended for comparatively healthy and young seniors, while temporary positioned jobs for less than 1 yr that require less than 30 hrs work hour per week are for older seniors

2) Age-friendly working conditions and environments for the aged in a bridge-job

- Policies are required for age-friendly and decent work supportive environment for seniors to design encore-life social participation, considering that 30% of retirees choose gradual retirement through bridging jobs.
- Preferred jobs by seniors are not full-time employment, but part-time employment. Seniors also prefer jobs in their local community for easy commuting. Therefore, customizing or designing for jobs for their preferences are needed. Furthermore, their physical and social trait changes need to be considered for building their work environment.

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4. Gaps identified & policy suggestions For Employment

3) Government-assisted jobs for seniors over should be maximized

Most of Korean seniors are not prepared in terms of post-retirement income security, which drive them to continue to work. However, demand for seniors in labor market is limited.

According to Ministry of Health and Welfare, seniors participation in government-assisted job program is 4.3%, but those who are willing to work will take up 18.2% out of total seniors.

It will shows widened gap between the actual rate of participation and those with willingness.

➔ Government-assisted jobs for seniors over should be maximized

To increase the number of government-assisted jobs for seniors in a short-term planning

To unify various government-assisted job programs operated various ministries into one integrated program

To renew the goal of government-assisted job programs: welfare? or employment?

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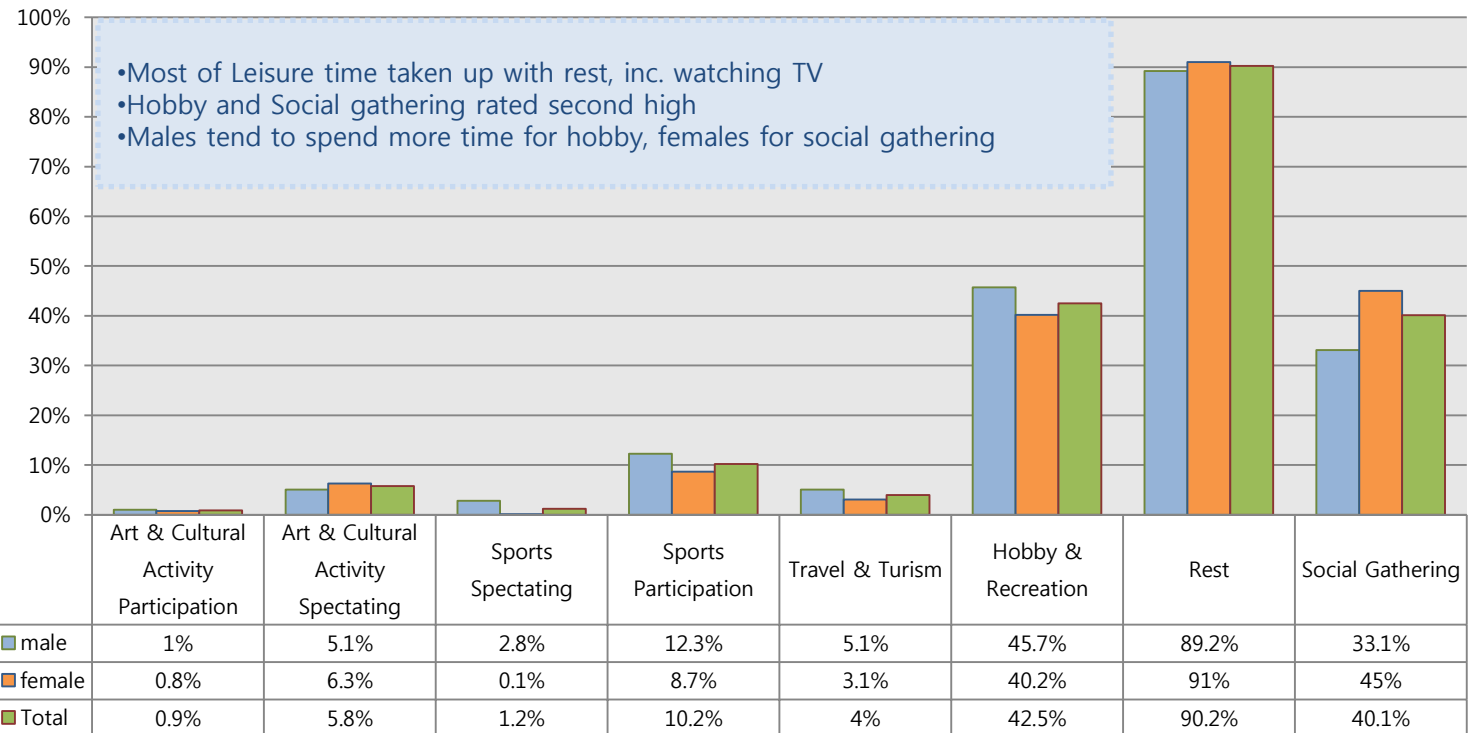
3. Realities: Older Koreans' Social Participation (NOSK, 2014)

- 1) Leisure & Cultural Activities
- 2) Lifelong Learning
- 3) Social Gathering
- 4) Volunteering
- 5) Computer & Internet Use
- 6) Use of Leisure & Welfare Centers for the elderly :
senior citizen hall(Kyung-no-dang), community senior center, etc.

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3. Realities: Social Participation (NOSK, 2014)

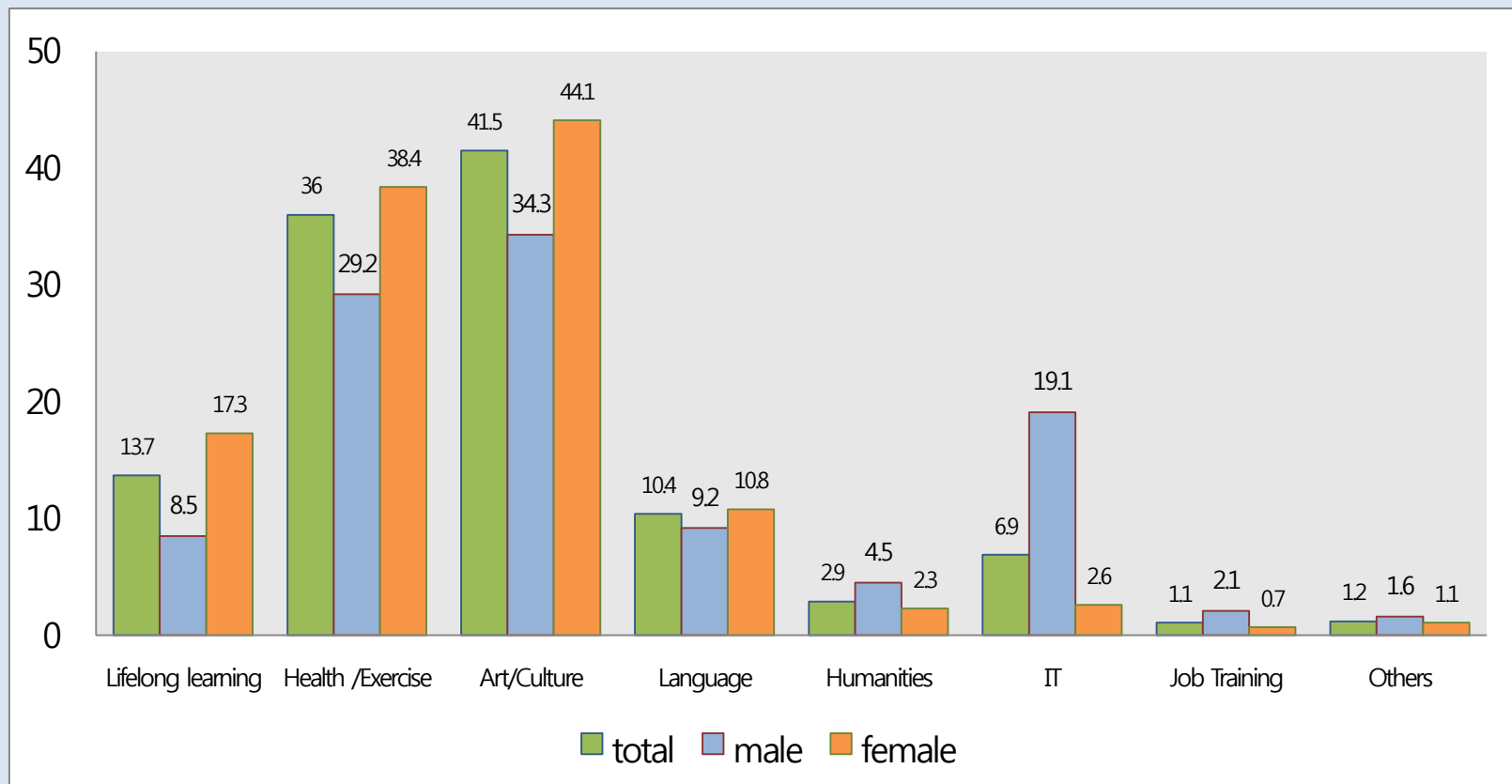
1) Leisure & Cultural Activities



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3. Realities: Social Participation

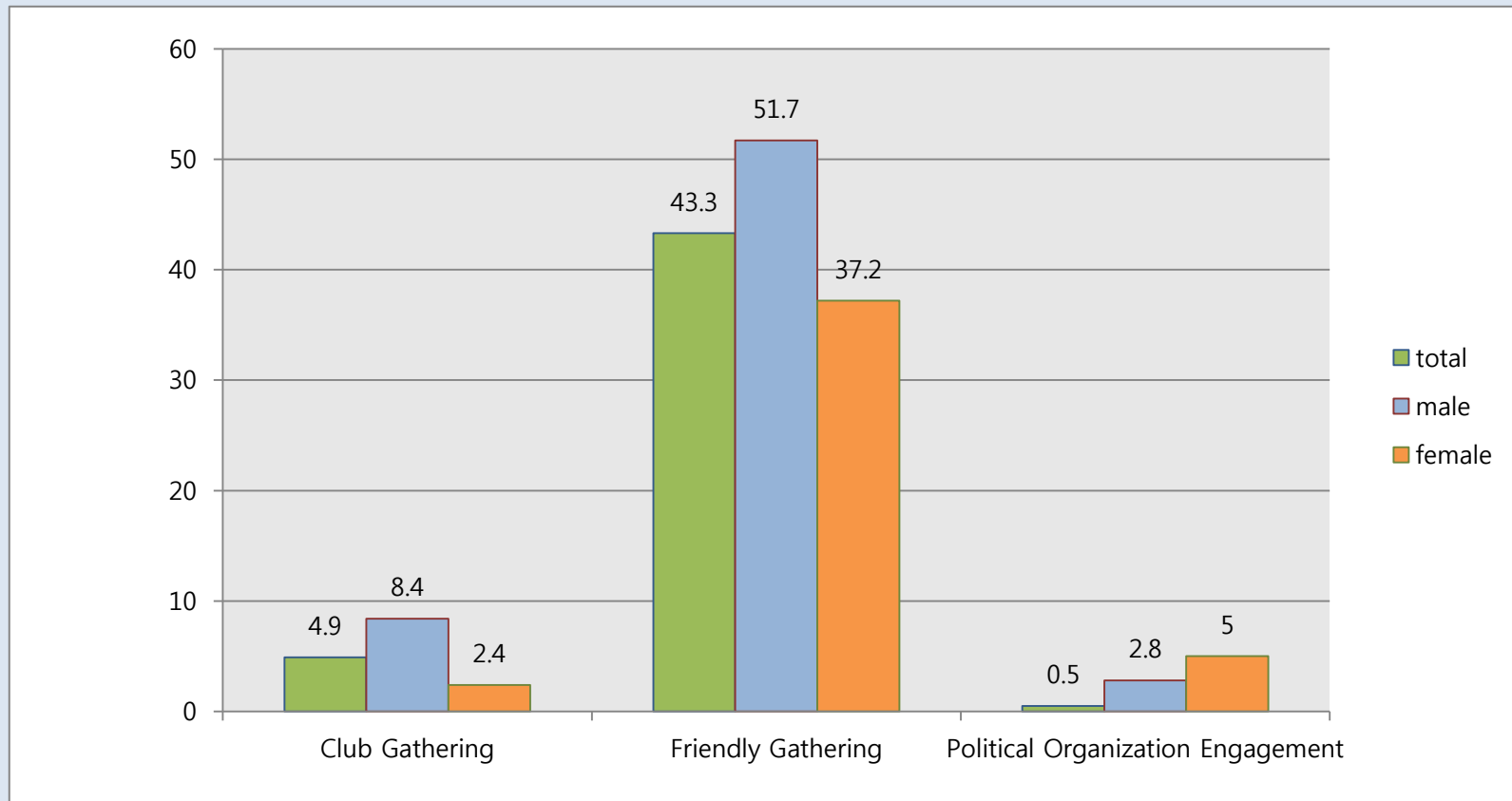
2) Lifelong Learning



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3. Realities: Social Participation

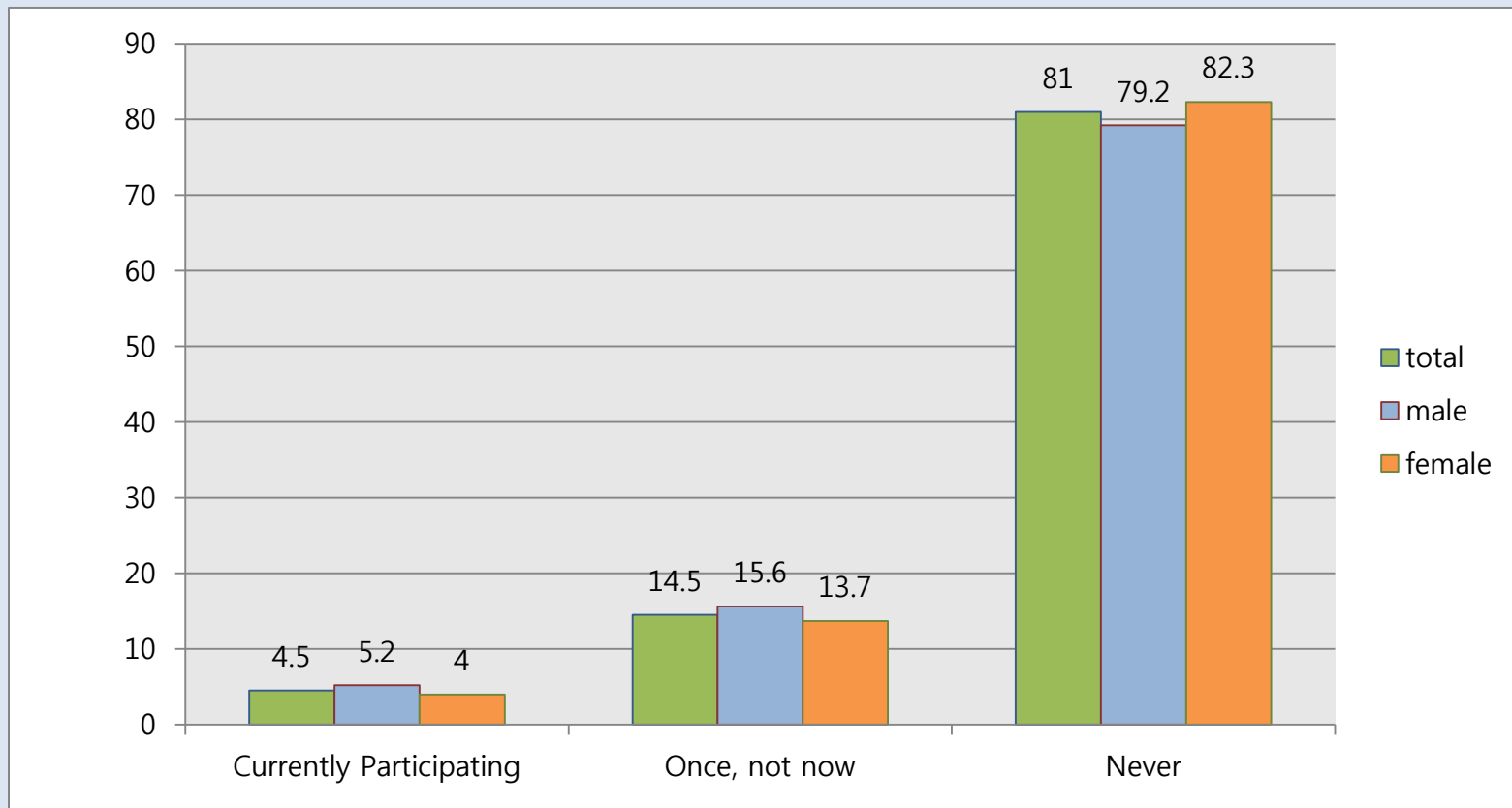
3) Social Gathering



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3. Realities: Social Participation

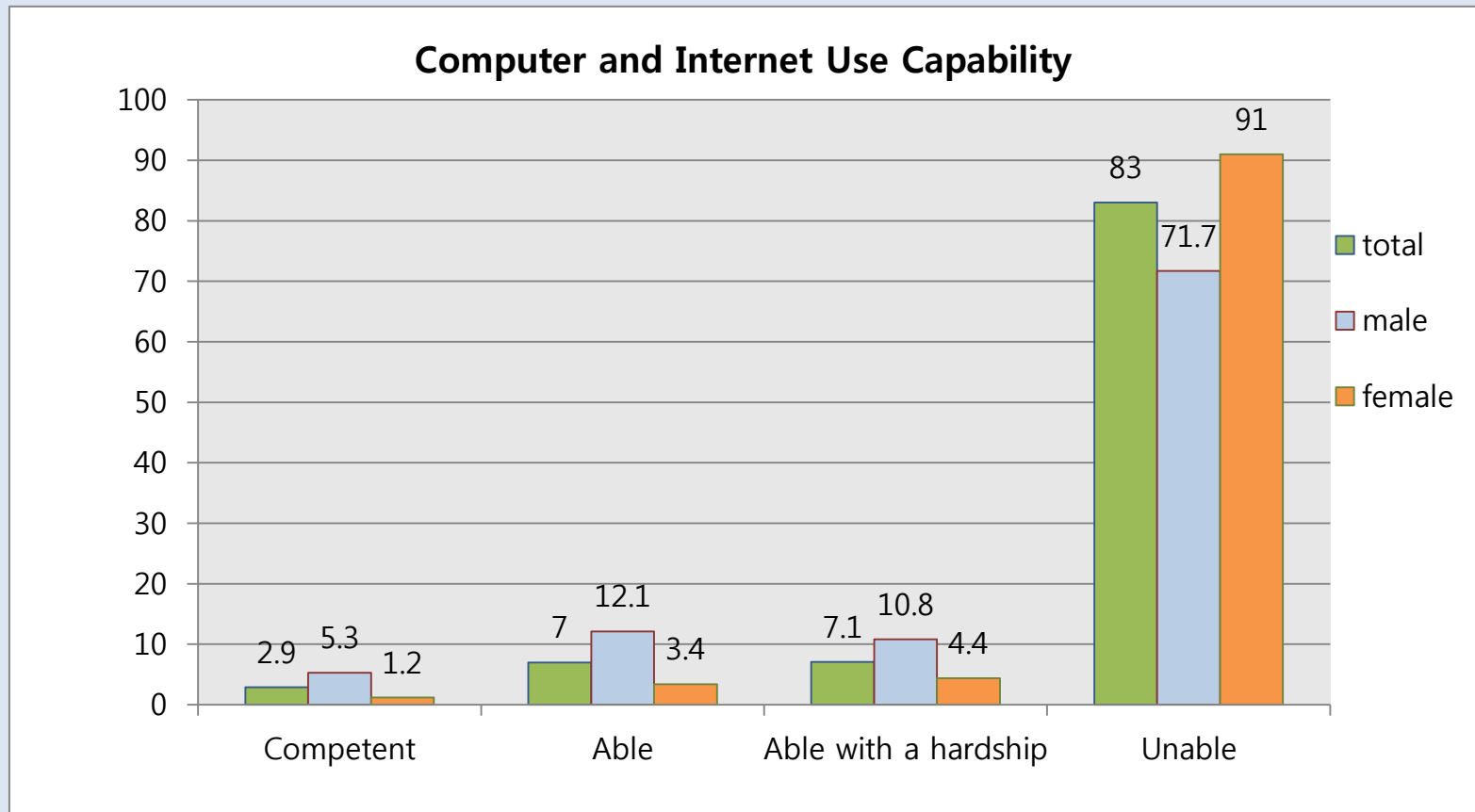
4) Volunteering



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3. Realities: Social Participation

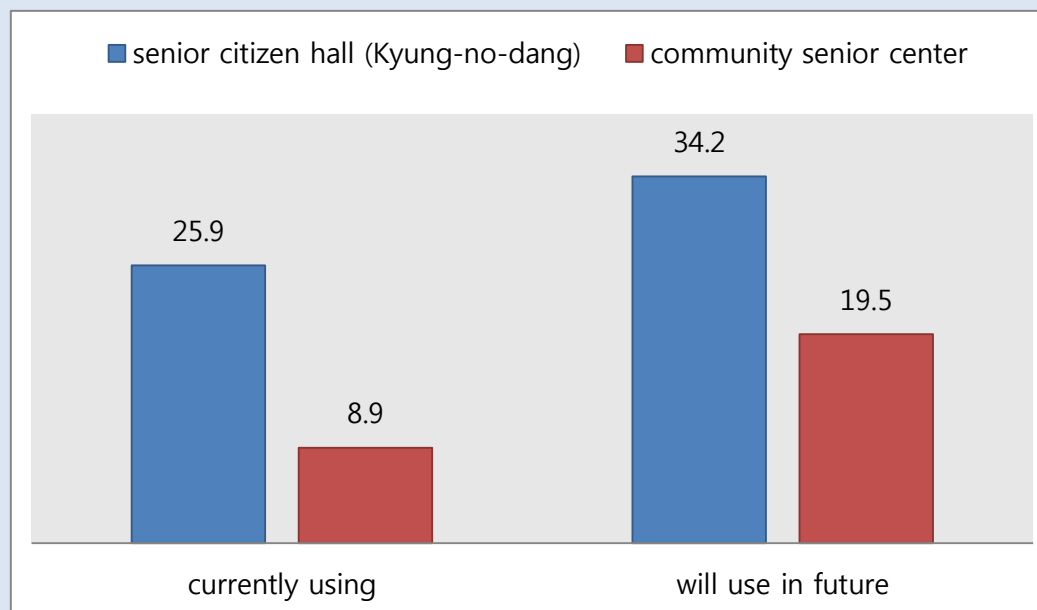
5) Computer & Internet Use



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3. Realities: Social Participation

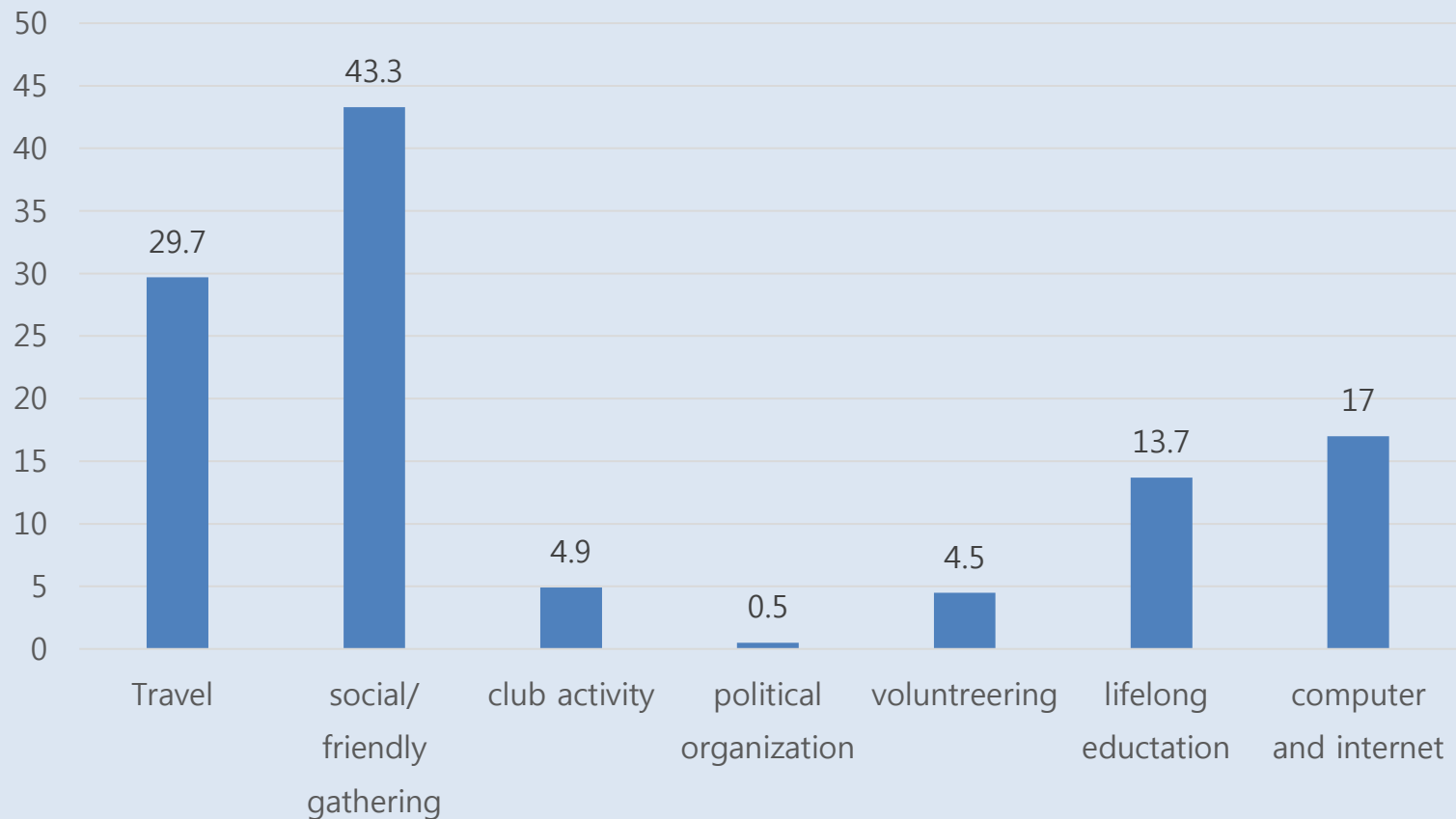
6) Use of Leisure & Welfare Centers for the elderly : Senior citizen hall(Kyung-no-dang), Community senior center



	Average days of use a week	Leisure	Voluntary activities	Job related services	Health services	Meals	Social gathering	others
Kyung-no-dang	4.2 days	4.4 %	1.9	0.5	0.5	6.6	85.5	0.6
Community senior Center	2.6 days	53.2 %	3.9	4.8	3.8	17.6	14.9	1.8

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Older Koreans' Social Participation : Summary



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Older Koreans' Social Participation : Summary

unit: percent

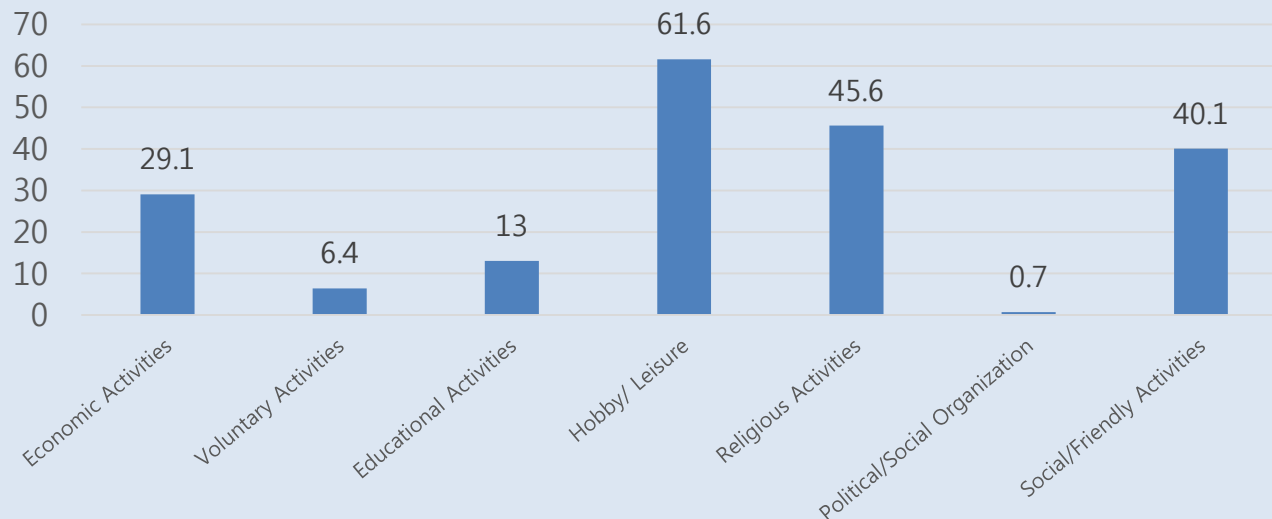
	1994	2004	2014
Social gathering	21.6	33.5	43.3
Political organization	0.8	2.1	0.5
Club(culture activity)	-	0.9	4.9
Lifelong education	-	4.8	13.7
Volunteering	-	4.0	4.5
Computer/internet use	-	5.4	17.0

Volunteering Participation: 4.0% (2004) → 4.5% (2014)

Lifelong Education Participation: 4.8% (2004) → 13.7% (2014)

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Future intention to participate in various activities (NSOK, 2014)

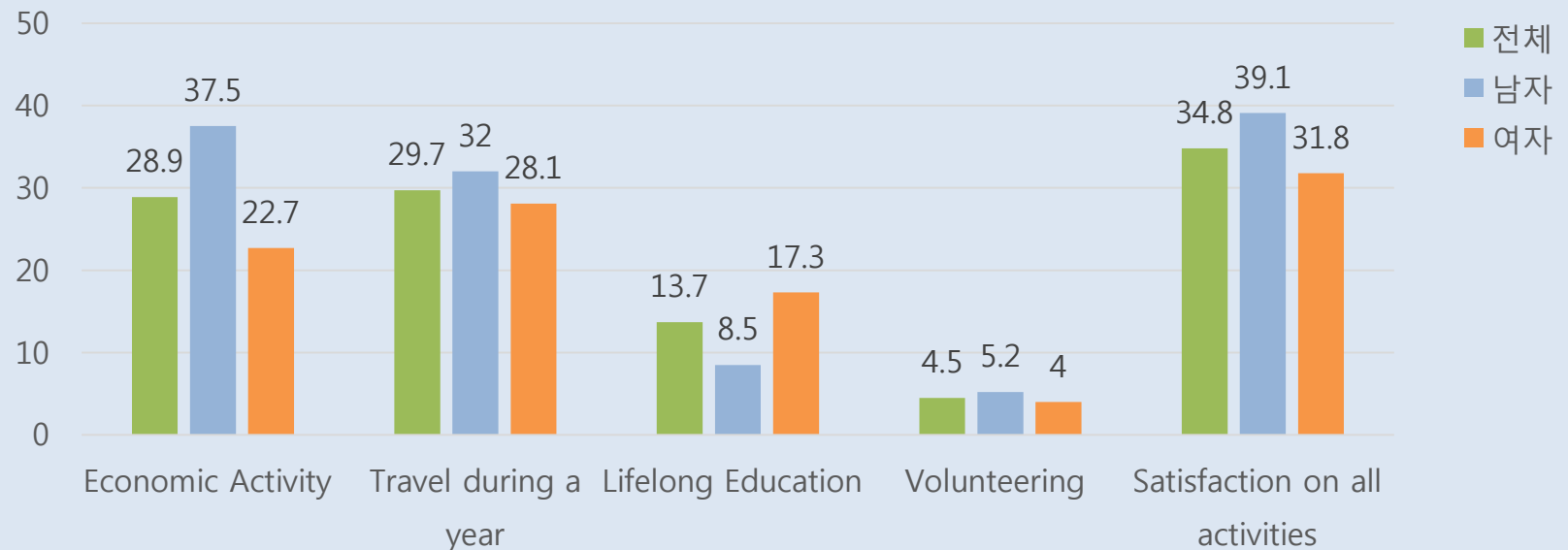


Reality: Hobby and Leisure (61.6%) > Religion (45.6%) > Friendly gathering (40.1%) > Economic Activity (29.1%) > Learning (13.0%) > Volunteering (6.4%) > Political and Social Organization (1.3%)
- Very lower intention to participate in volunteering and political/social organizations

Policy suggestions: Firstly, leisure and social engagement activities should be encouraged. Secondly, social infrastructure and community culture need to be facilitated that respect seniors' accumulated experiences, wisdom and social benefits, so that these are returned to community or a large society.

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Gender Differences in Active Ageing (NSOK, 2014)



Participation in Economic Activity: Men (37.5 %) > Women (22.7%)

Leisure(Travel Experience in a year) : Men > Women

Lifelong Education : Men < Women

Volunteering : Men > Women, but not a big difference

Satisfaction on all kinds of participation : Men > Women

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4. **"Gaps" identified & policy suggestions** For social participation

Policies & Programs :

Korea has the policy direction for employment and social participation for the elderly, including 'enhancing the productivity of seniors through the lifelong education enlargement ' and 'activation of leisure and volunteering activities '. These policies has high priorities among the Master Plan for the ageing society of ROK.

Realities: According to National Survey of 2014, however, most of Korean seniors spend their most time doing passive activities, such as watching TV and taking nap. Participation in friendly gathering is only 43.3%, in life-long learning and volunteering is only each 13.7% and 4.5%. Compared with 2011, rate of volunteering shows smaller gap than that of life-long learning. Recently a slight increase has observed in self-enrichment activities, but seniors' interest has not been attracted a lot to public good related activities, such as volunteering

Policy Suggestions:

Professional or para-professional volunteering programs need to be developed: Therefore, more proactive awareness raising for and various channels to direct senior resources to volunteering are needed. The current volunteering focuses on simple labor. Considering the changed traits of seniors, para-professional or professional fields of volunteering, such as education, social services, culture and sports need to be developed.

Cooperation with private sectors is needed in life-long learning area: Currently senior life-long learning has been carried out mainly in public places, including community senior welfare center, community public halls, community senior halls. Comparatively, universities or private culture centers do not provide or develop programs for seniors. Cooperation with private sectors are necessary in order to enhance the quality and broaden the programs for seniors.

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4. Summary on the “gaps” identified & policy suggestions

For social participation

Realities: Senior in rural areas show lower rate of social participation than those in urban. Education and level of household income are crucial indicators for leisure and social participation rate and the level of involvement.

Policy suggestions: Customized policy for senior social participation is needed. In detail, policies and programs for those who have low education and income levels need to be initiated, while for those who have relatively high education and income level, policy intervention to promote their talent donation and social contribution activities are required to further developed.

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4. Summary on the “gaps” identified & policy suggestions

For social participation

Realities: Current programs of government and public sector are insufficient **for growing senior population and their demands. Their education are higher and varied than that of older seniors.** 24.4%(one of four) of seniors received higher than high school education. Since 90% of seniors are literate, they are expected be better at learning and absorbing new information and resources through printed hand-outs. This is applied to future seniors, baby boomers who show even higher education, health, income level and various social participating demands than current seniors.

The most widely utilized public center by Korean seniors for leisure purpose is community senior halls, called **Kyung-no-dang. Its utilizing rate has dropped by 8.3%p, from 2011 to 2014 (34.2%→25.9%), and its expected utilizing rate in future has dropped too by 13.6%pt (47.8%→34.2%).** The rate is negatively correlated with level of income, whereas the utilizing rate of community senior welfare centers are positively correlated with level of income.

Policy suggestions

- For a short-term policy, **community senior welfare centers** that are more appropriate and preferred for friendly gathering by seniors need to be funded and expanded.
- For a medium or long-term policy, **leisure industry** can be activated by private companies for future seniors, named baby boomers (those in 50s) in order to meet their leisure demands.
- Physical space such as centers or halls and **functional space to gather for leisure, for examples, clubs or circles facilitated by social network service should be expanded together, particularly for baby-boomers as new elders.**

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4. Summary on the “gaps” identified & policy suggestions



Economic activity assistance for the aged should be comprehensively **designed based on their life-cycles of younger and older seniors**. The above picture shows the life spectrum of senior retired from their main jobs in their lives reaching their 50s.

Right after retirement, assistance programs should focus on economic activities for a livelihood because they tend to be partially responsible for child rearing and post-retirement living. In this case, their labor hour and income level need to remain similar in their pre-retirement. **In early or middle 60s, social participation typed or community contribution typed activities are recommended.** Social participation typed need to be part-time work within a community. Extra hours gained from decreased work can be spent for various leisure. **Care services and leisure are recommended for those in mid-70 or above.**

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Thank You for Listening !