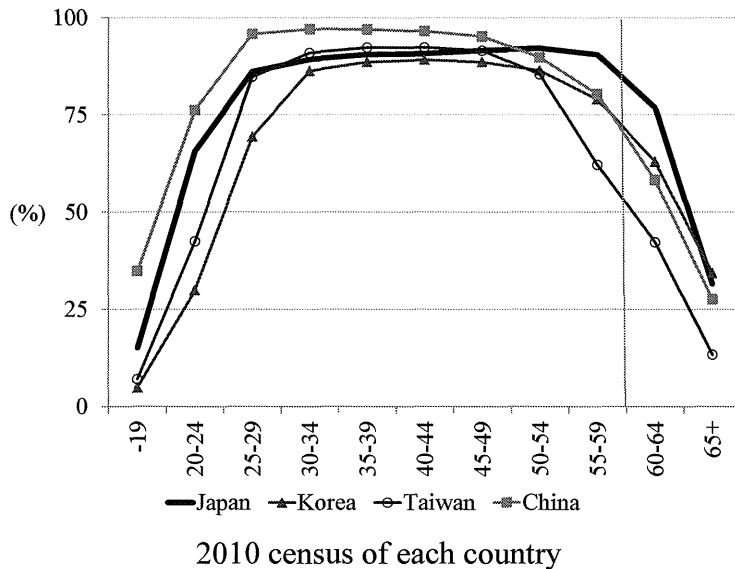


Living Arrangements of the Elderly Aged 65+ (%)

	Japan	Korea	Taiwan	China
Living Alone	16.4	19.7	14.3	12.1
Couple Only	33.7	} 77.7	19.6	11.4
Living with Child	40.7		52.2	} 76.5
Other Private Households	3.5		11.3	
Institution	5.7	2.6	2.6	

2010 census of each country

Male Labor Force Participation



Role of Familial Support for Elderly's Life (National Transfer Account)

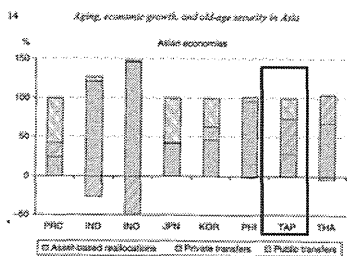


Figure 7.3 Support systems for people aged 65 and older for Asian and non-Asian economies

crises of labor income for those aged 65 and older. Reliance on assets is measured as asset-based reallocations = asset income minus saving = relative to consumption in excess of labor income for those aged 65 and older. The lifecycle deficit = consumption minus labor income = must against net public transfers plus net private transfers plus asset-based reallocations; that is, the three components of the support systems must add up to 100 percent (Masera and Lee, 2011).

There are interesting regional patterns in the support systems. Familial

Lee, Sang-Hyop, et al. "Overview: why does population aging matter so much for Asia? Population aging, economic growth, and economic security in Asia," pp. 1-31 in Park Donghyun, et al. (eds.) *Aging, Economic Growth, and Old-Age Security in Asia*, Edward Elgar, 2012.

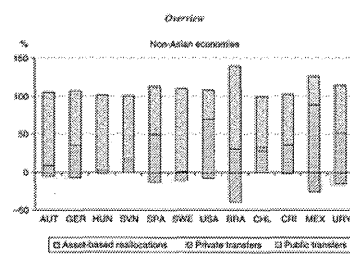


Figure 7.3 (continued)

the Republic of Korea and Taipei, China, net public transfers are funding about 33 percent of the lifecycle deficits of the elderly. Elderly people in the PRC and Japan rely more on public transfers than do the elderly in the US, but less than the elderly in many European welfare states. Assets are an important source of support in all Asian countries except

New Mechanisms of Elder Poverty and
Inequality in South Korea:
Family Change and Stratified Labor-Welfare System

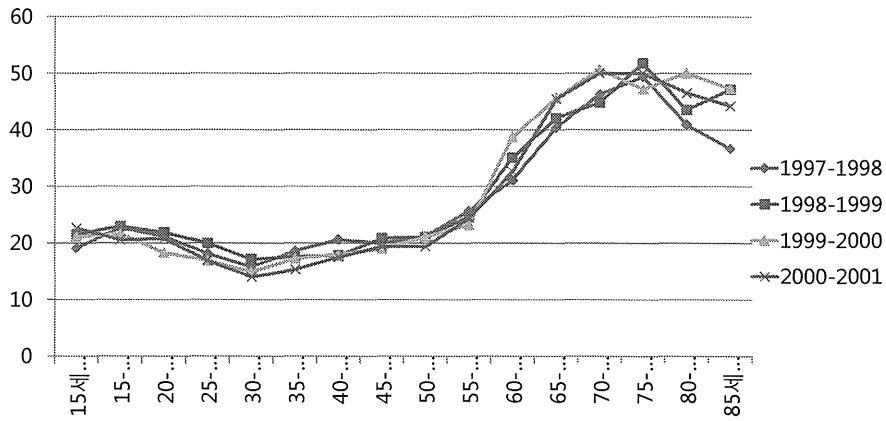
PARK, Keong-Suk
Seoul National University

This study was supported by Korea National Research Foundation (NRF-2013S1A3A2043309) and presented in the session of social stratification and Inequality in South Korea, ISA Yokohama, July 17, 2014

Contents

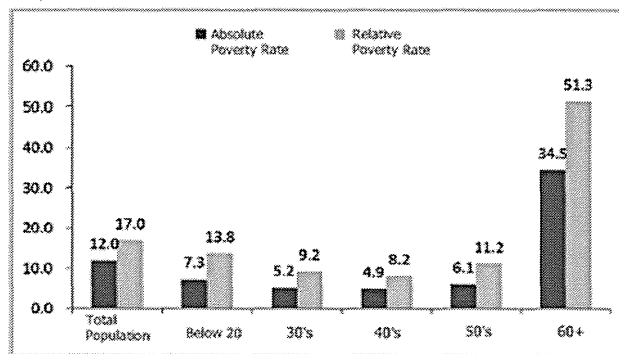
- Situation of Poverty and Inequality in Later Life, South Korea
- New Mechanisms for Poverty and Inequality
- Influences of Family Change
- Influences of Stratified Labor-Welfare Systems
- Discussion

Poverty Rate by Age Group, South Korea



Data: KLIPS, 1998-2001
 Ref: poverty rate was measured by the level of minimum livelihood by household size

Poverty Rate by Age group, Korea, 2011



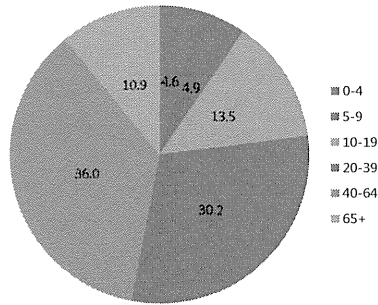
Absolute Poverty: when people do not have enough money to meet the basic threshold that is needed for survival. People fall below this line and do not have enough money to buy food, shelter, clothing etc. that is needed for survival.

Relative Poverty: when people are poor when compared to others around them, but may still have enough money to survive. It is based on the cultural environment around them, not on a basic amount necessary for all humans to survive.

Source: Statistics Korea

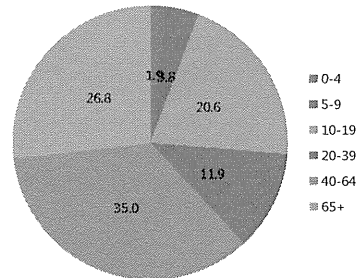
Poverty Risk by Age Group, 2010, South Korea

Population of Korea, 2010



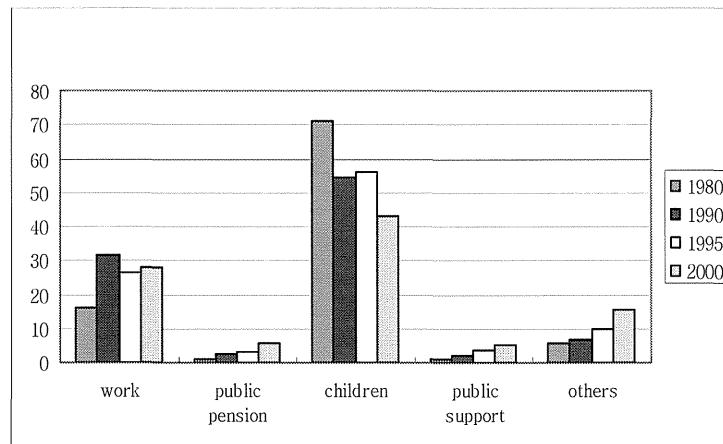
Source: KOSIS

Population under Minimum Livelihood, 2010

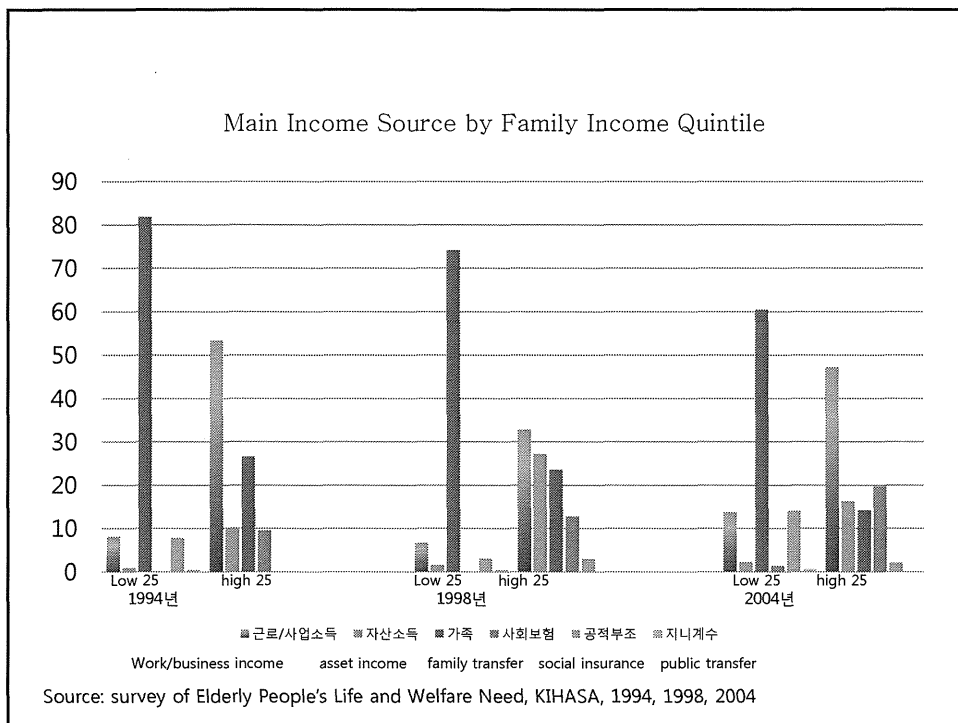


Source: Basic Livelihood Support Statistics, 2011, MOW

Main Income Source of the Aged 65 and Over, Korea



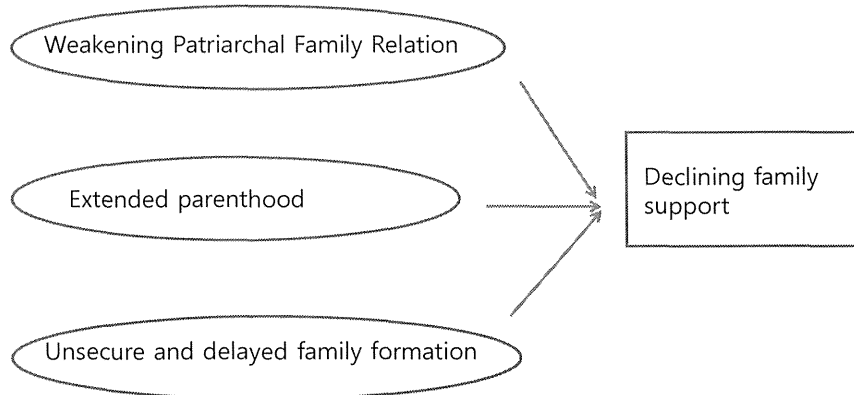
Source: Japan Cabinet Office. 2002. p. 177



New Mechanisms of Poverty and Inequality in Later Life, South Korea

- Changing Causes of Poverty in Later Life
- Strong Relation between Poverty and Inequality
- Family Changes and its Influences on Income Support for the Elderly
- Segmented Labor –Welfare Systems and Cumulated Inequality in Life Course

Family Changes and Declining Family Support



9

Patriarchal construct of modern family in Korea

- Confucian and patriarchal family
- Hojuge, 戶主制 in the colonialized Korea
- Modern family law, 1958, mix up of Confucian family ideas, family head system in the colonized period, and nuclear family ideas
- Intergenerational strategy for economic development

Patriarchal prescription on old age support

- Patrilinear coresidence
- Filial piety
- Parents' authority
- Son's preference
- Perseverance of daughter in law

Declining patriarchal prescription on old age support

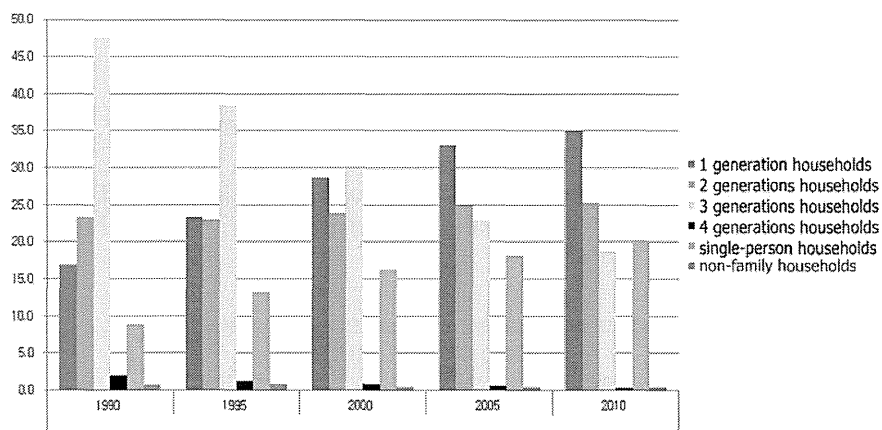
- the elderly parent's status within family significantly declined, and support from children also became regarded to be burdensome to both parents and children
- Change in functions of extended family –from support for parental well being to support for children's family
- Children's complex feelings of guilt over not taking care of the elderly and burden over taking care of the elderly and wishing to be freed from doing so.
- Parents' fearing to be treated as burdensome, seeking independence, or accepting their subjugation.

Family becoming contested terrain between generations and gender

- ▶ *The Chosun Daily*, May 15, 1980. "In Spite of Children's Filial Piety, Elderly Parent's Alienation Because of the Loss of Their Autonomy to Govern the Family"
- ▶ Jan 13, 1983. "Younger Women Dislike Serving the Elderly"
- ▶ July 31, 1983. "Divulging Children Who Threw Their Parents in an Institution"
- ▶ Aug 11, 1983. "New Goryojang" (old Korean burial custom whereby an old person was left to die in an open tomb)
- ▶ April 19, 1983. "There Are Many Virtues to Revise in Traditional Ideals of the Daughter in law"
- ▶ *The Joong Ang Daily* March. 17, 1984. "Mother in law and Daughter in law, What is the Problem?"
- ▶ Aug 21, 1984. "The Elderly Also Don't Want to Live with Their Children"
- ▶ May 20, 1984. "Family in Collapse"
- ▶ Nov 19, 1984. "Death of One Elderly Person amidst the Confusion of Nuclearization"
- ▶ July 5, 1985. "The Victim of the Conflict between Mother in law and Daughter in law is the Mother in law"
- ▶ ..
- ▶ Mar 8, 1992. "A Succession of Suicides among the Lonely Elderly"
- ▶ Sept 10, 1994. "Pathology of Matricide"
- ▶ Sept 6, 1995. "Society Abandoning the Elderly"
- ▶ Oct 29, 1995. "Two Old Men Taking Their Own Lives, Depressed about Physical Suffering"
- ▶ Dec 9, 1996. "Rapid Increase in Elderly People Living Alone"
- ▶ Feb 4, 1997. "Elderly People 53% Living Apart from Their Children"
- ▶ May 7, 2002. "Suffering from Children's Harsh Words"
- ▶ April 16, 2004. "You Don't Know What I Feel"

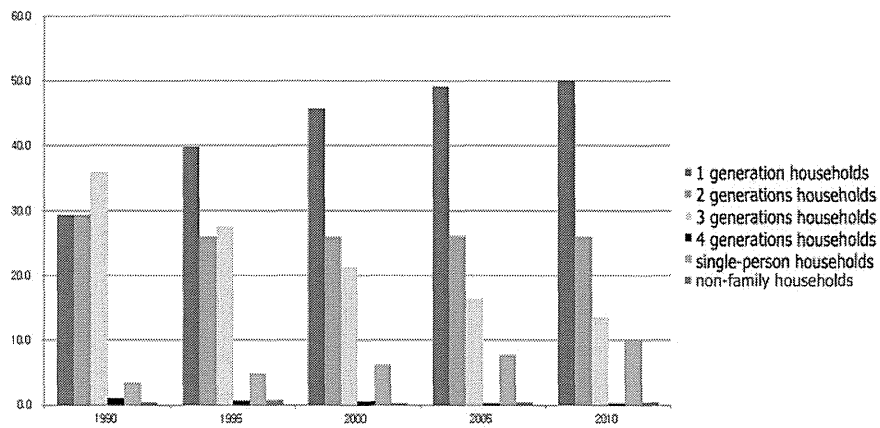
13

Types of Households with Population of 65+, Korea, 1990-2010



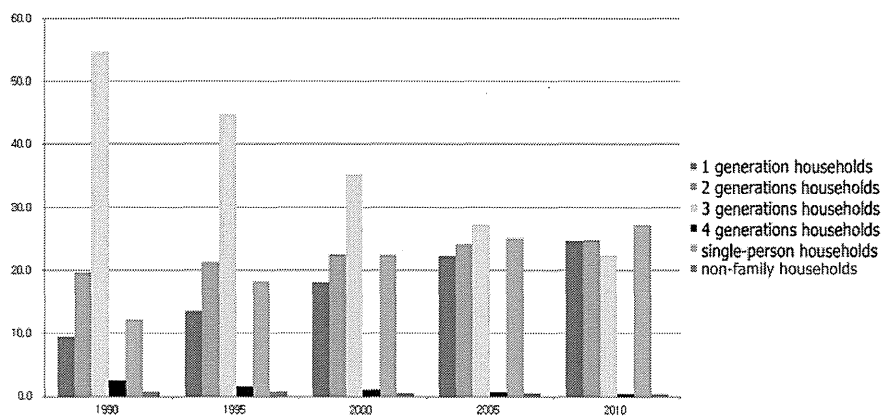
Source: Population and Housing Census

Households with Population of 65+ (male), Korea, 1990-2010



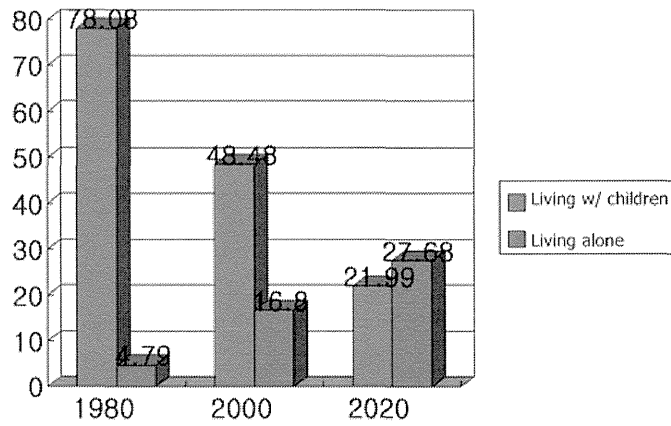
Source: Population and Housing Census

Households with Population of 65+ (female), Korea, 1990-2010



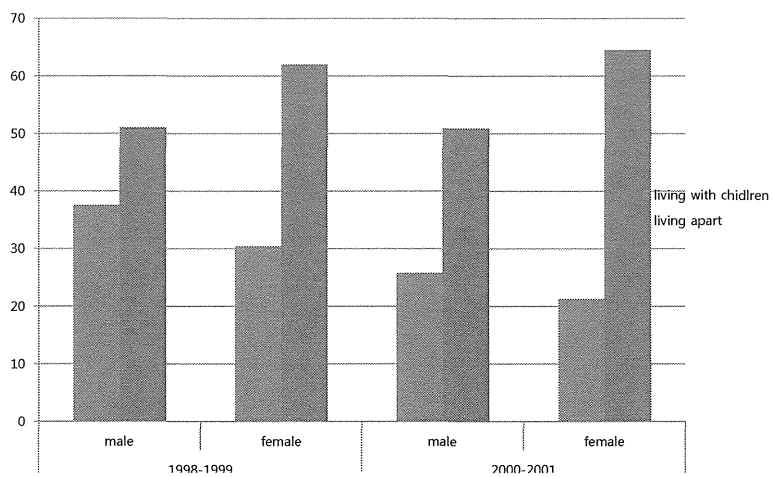
Source: Population and Housing Census

Living Arrangements for People 65+, Korea, 1980-2020



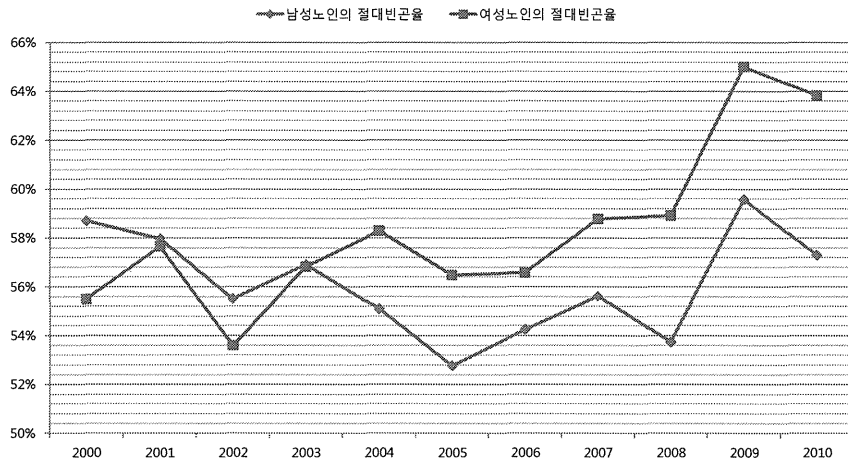
Source: Population and Housing Census

Poverty Rate by Coresidence with Children



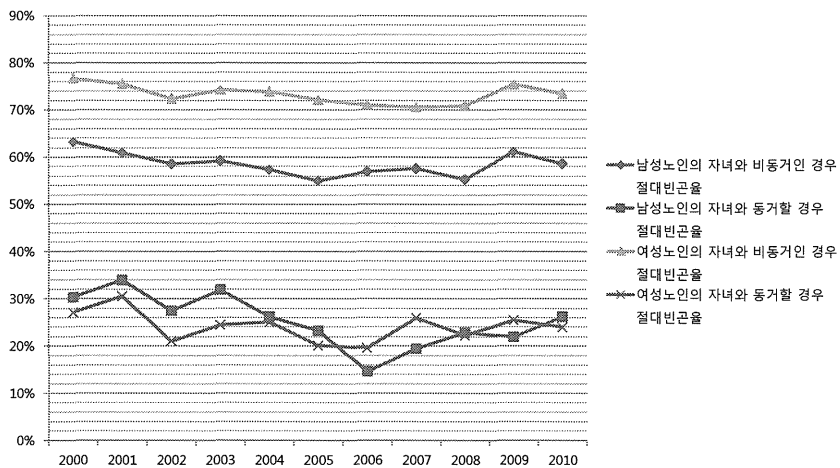
source: KIIPS, 1998-2001

Poverty Rate of the Aged 65 and over, South Korea



자료: 한국노동패널 3~13차 자료
 주: 소득은 시장소득을 기준으로 하며, 각년도 가구원수 별 최저생계비를 절대 빈곤의 기준으로 함

Poverty rate by living arrangement among the elderly aged 65 and over



자료: 한국노동패널 3~13차 자료
 주: 소득은 시장소득을 기준으로 하며, 각년도 가구원수 별 최저생계비를 절대 빈곤의 기준으로 함

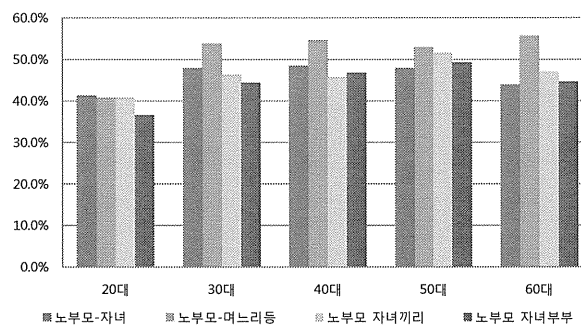
Poverty rate by living arrangement among the elderly aged 65 and over

	male	male	male	female	Female	female
	Living with spouse or alone	Living with children	total	Living with spouse or alone	Living with children	total
2000	63.26%	30.30%	58.70%	76.66%	27.06%	55.49%
2001	60.93%	33.96%	57.97%	75.51%	30.58%	57.65%
2002	58.58%	27.45%	55.51%	72.37%	21.03%	53.59%
2003	59.22%	31.91%	56.91%	74.28%	24.50%	56.82%
2004	57.36%	26.19%	55.09%	73.86%	25.09%	58.29%
2005	54.99%	23.26%	52.77%	72.16%	20.14%	56.49%
2006	56.93%	14.63%	54.25%	71.05%	19.64%	56.58%
2007	57.60%	19.44%	55.62%	70.60%	25.91%	58.78%
2008	55.29%	22.86%	53.74%	70.90%	22.26%	58.92%
2009	61.12%	21.95%	59.58%	75.45%	25.48%	65.00%
2010	58.62%	26.19%	57.30%	73.44%	24.05%	63.84%

자료: 한국노동패널 3~13차 자료

주: 소득은 시장소득을 기준으로 하며, 각 년도 가구원수 별 최저생계비를 절대 빈곤의 기준으로 함

Experiencing some conflicts about elderly parents' support



between parent & children, between parent & children in law, among children, between parents

Source: Survey on Generational Conflict and Communication, 2012 (Park et als. 2013)

Generational Relationship in Later Life, 1998

Coefficients (Conditional Probability) for Three Classes of Intergenerational Relationship
among the Elderly (65 and over), 1998

		Latent Classes		
		Traditional	Reciprocal	Weak
		I	II	III
Geographic proximity	Living together	.68	.48	.08
	Separately	.33	.52	.92
Instrumental	Reciprocal	.00	.71	.01
/economic support	One-sided	.95	.29	.24
	No exchange	.05	.00	.75
Emotional support	Reciprocal	.23	.25	.14
	One-sided	.42	.37	.27
	No exchange	.35	.38	.59
Norm of Family	Normative	.44	.30	.25
	circumstantial	.56	.70	.75
Probability of Latent Class		.50	.20	.31

Park, 2003

23

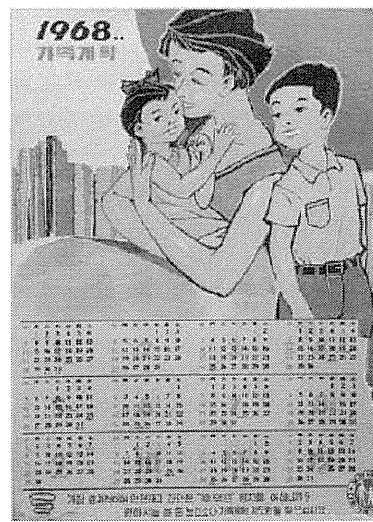
Generational exchange of economic support

Respondent	20s		30s		40s		50s		60s	
	Give	receive	give	receive	give	receive	give	receive	give	receive
Parents	27.2%	67.9%	31.2%	27.9%	20.8%	17.5%	14.1%	10.8%	7.2%	1.2%
Children	2.4%	0.4%	37.5%	1.8%	62.5%	2.4%	64.0%	21.8%	50.3%	54.5%
Parents in law	0.6%	0.4%	6.9%	8.4%	8.3%	5.8%	4.1%	0.4%	0.6%	0.0%
No support	69.8%	31.3%	24.4%	62.0%	8.4%	74.3%	17.7%	67.1%	41.8%	44.3%

Source: Survey on Generational Conflict and Communication, 2012 (Park et al. 2013)

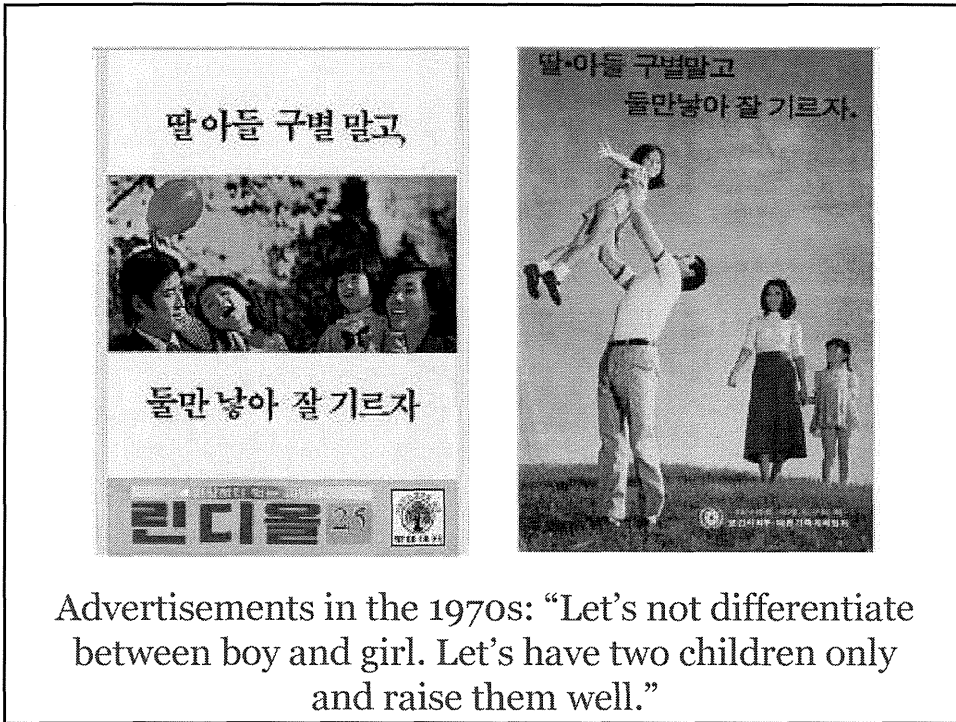
Extended parenthood

- People's anxiety for nation construction and happy family
- Learning and embodying development-centered Perspectives
- Diffusion of the Idea of Nuclear Family
- Women's Identity as Housewife and Education Mother
- Parents' Anxiety for Children's Education
- Delayed Reliance of the Youth on Parents' Resources

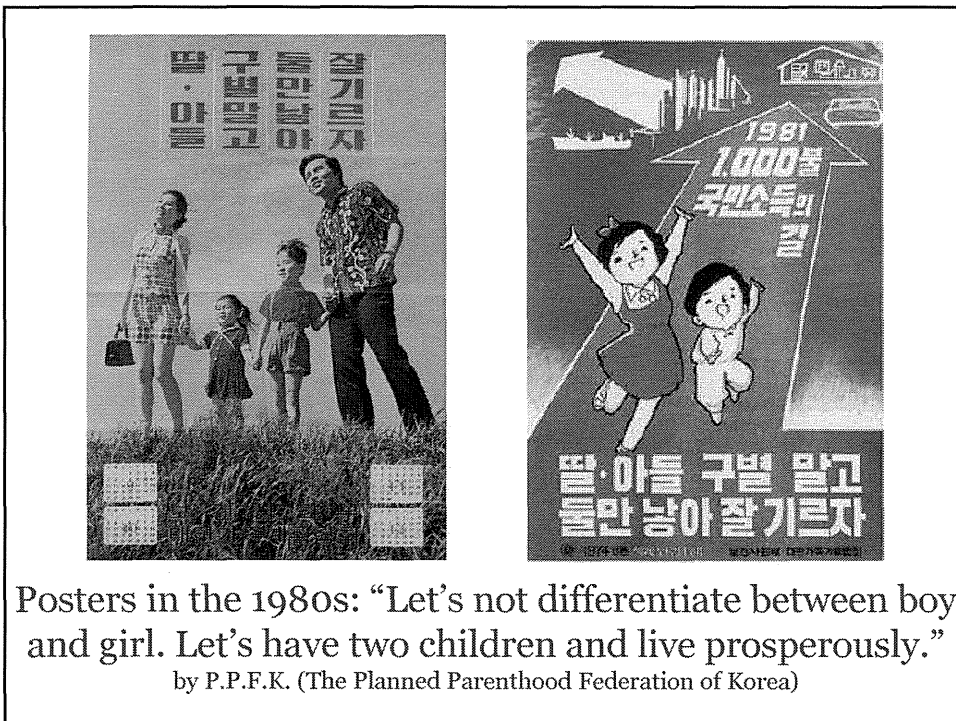


Poster in the 1960s: “Let’s have an adequate number of children and raise them well”

by P.P.F.K. (The Planned Parenthood Federation of Korea) and KIHASA (Korea Institute of Health and Social Affairs)

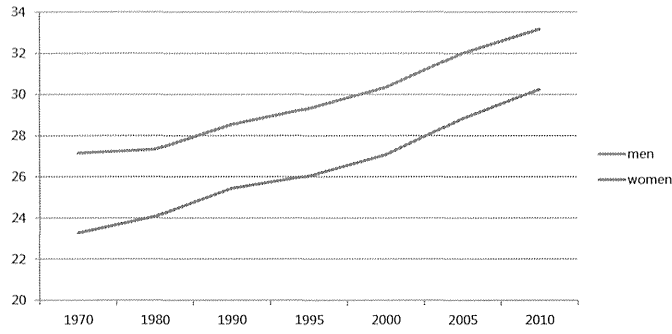


Advertisements in the 1970s: “Let’s not differentiate between boy and girl. Let’s have two children only and raise them well.”



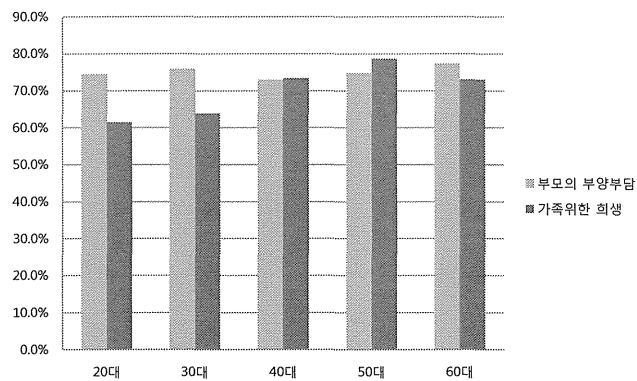
Posters in the 1980s: “Let’s not differentiate between boy and girl. Let’s have two children and live prosperously.”
by P.P.F.K. (The Planned Parenthood Federation of Korea)

Singulate Mean Age at Marriage



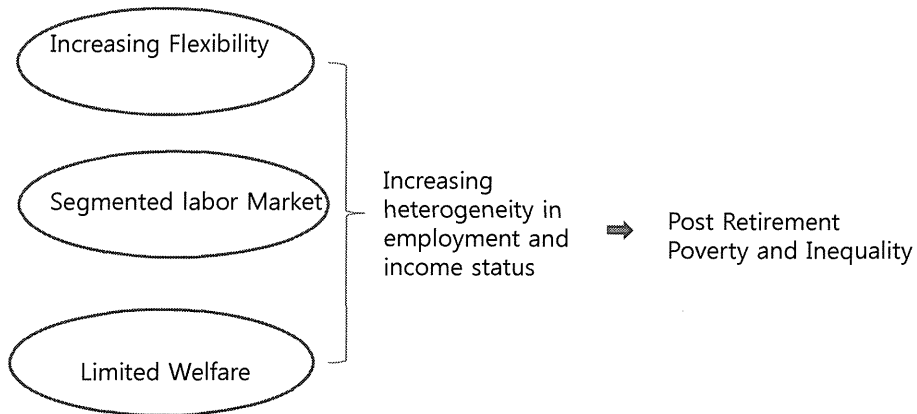
Source: Census of Population, KOSIS

Burdened feeling about parenthood, Willingness to sacrifice for family



Source: Survey on Generational Conflict and Communication, 2012 (Park et als. 2013)

Mechanism of Stratified Labor –Welfare in Increasing Poverty Risk and Inequality



Increasing flexibility since 1990s

- Legalization of layoff and detached work in 1997
- Remarkable change in employment status among employees, irregular workers 50 percent of the total employees in 2000
- Increasing gap between large and small company in productivity and employment status

Labour market and tenure system

- Very frequent job changes and short term of tenure in Korea
- partly due to relatively short history of industrialization
- partly due to segmentation of labor market, labor in periphery sectors less likely to develop tenure
- segmentations by education and gender are strong
- segmentations by sectors such as company, and employment status become stronger

Density of Labor Exit

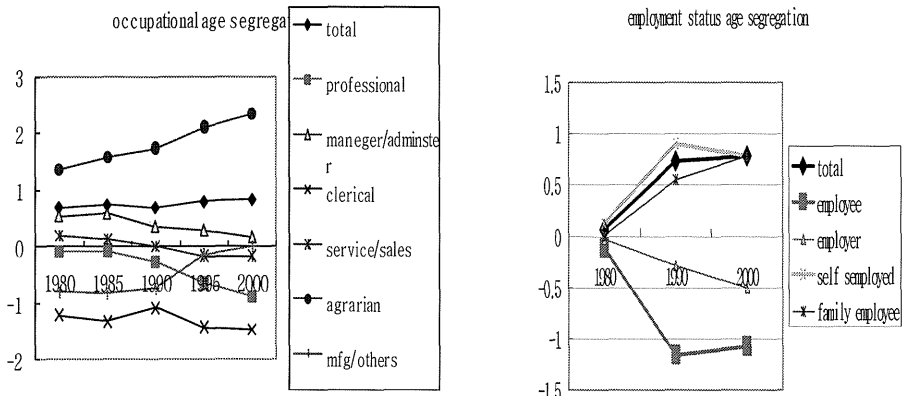
Density and Rate of Labor Exit among Workers aged 55 and over

		RRR (Cox model)	RRR (Logit model)
occupation	Professional/administrative	<i>0.68</i>	0.68
	Clerical	0.89	1.68
	Sales/service	1.24	1.33
	Agrarian <i>(ref: manufacturing/other laborers)</i>	<i>0.29</i>	<i>0.26</i>
Employment status	Temporary	1.19	<i>1.89</i>
	Self employed	<i>0.54</i>	0.36
	Family employee <i>(ref: regular employee)</i>	<i>0.45</i>	0.53
Size of company	Less than five workers <i>(ref: five and more workers)</i>	<i>0.52</i>	<i>0.54</i>
Entitlement of national pension	Entitled <i>(ref: no entitlement)</i>	1.07	<i>2.79</i>

Note: estimates in italics are statistically significant at the significant level below 0.05

Source: Park, 2003

Age segregation in occupation and employment status



Source: Park, 2003

Hybrid of Early Exit and Delayed Exit

- **early exit without compensation, delayed exit of the poor,**
- Early retirement –regular employee workers in primary labor market, the main reason for retirement is employment restructuring, honorable retirement, lay offs
- Delayed exit –the proportion of the elderly working as agrarian, self employed and marginal employees has increased since the 1980s. The main reason for work derives from economic need for subsistence