

# Koreas aging society



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What is the most critical problem that the Korean society faces today?

Certainly, there are issues such as the North-South relationship, the nuclear leak in Japan, and the overabundant rainfall. However, one of the most widely discussed topics in the modern Korean society is the decreasing birth rate and the increasing percentage of the older age groups. This phenomenon of the older age groups taking a bigger portion of the overall population is called the "aging society." This occurrence has become one of the great challenges for which the Korean government has yet to find the appropriate solutions.

This specific phenomenon, although it may seem very trivial at first, can cause various abnormalities and disadvantages to our society. To further explain the situation, the average birth rate in 2006 was around 1.16 births per woman aged 15 to 49, and it continues to decrease. The low birth rate could result in a decrease of the younger population, and such decrease was identified in the article by the Hankyoreh Media Company ("Korea expected to become 'aged society' in 2013," 2006). With the boomer generation reaching the older generation and the life expectancy increasing, the problem only deepens.

Such a drastic increase in the proportion of older age groups potentially causes several hardships in the society. Because the older age groups are almost entirely dependent on government funding for pensions and other expenses, the government expenditure increases. However, since they cannot support the active workforce to increase gross domestic product, they hinder government revenue. Therefore, with the increasing older age

groups, the government suffers the ordeal of spending money and not receiving back.

If this cycle continues, it is inevitable that the government loses power and competitiveness in the global context (Kang, "The challenges of Korea's low birthrate and aging society," 2010). From examining this problem, one simple question emerges: what can the government do in order to stop this social ailment? Because Korea is not the only community facing this problem, countless suggested solutions from other countries can be found. However, most of them are different ways to change government funding and policies, and due to their extreme specificity, these options are hard to be implemented in foreign countries.

Therefore, the Korean government must either attempt to find an answer similarly, by carefully redesigning funding and policies, or seek ways to solve the core of the problem. The two most prominent irregularities of this phenomenon are the high percentage of older age groups and the decreasing birth rate. In this paper, two simple methods will be presented to overcome these two challenges: decrease the "older age groups," and increase the birth rate. The first solution to the aging society is derived from the simple idea of decreasing the "older age groups.

At first, the statement of decreasing the amount of a certain group of people may sound horrendous, but the act of decreasing does not refer to a genocide. On the broader side of story, the primary concern that the aging society gives is the idea of losing government revenue. The loss is caused by a decrease in the work force and an increase in the number of elders. After

retirement, elders are given government pension and other additional support from the rest of the society, and they no longer participate in increasing gross domestic product.

Therefore, it is important to decrease the amount of “ older age groups,” and the government can achieve this by raising the retirement age. With higher retirement age, people older than 65 would not be considered old anymore; they would still be considered a part of the contributing work force (hence the quotation marks), and less government expenditure would have to be made to accommodate for these people (“ Britain’s ageing population,” 2011). This solution may sound a bit cruel to the elders.

For those people who were desperately waiting for retirement, either due to physically incapability or desire to rest, the extra years added onto retirement age may sound like a torture. It may even cause people of young age groups to immigrate to different parts of the world to avoid the extensive working years in their country. Also, elders are less efficient in producing goods or providing services because of the natural health deterioration. Therefore, even if the citizens accepted the decision of increasing the retirement age, the elders may not be able to produce an expected amount of gross domestic product.

However, the decrease in the number of retired people itself helps with government revenue. Although the elders may not be able to produce a sufficient amount of product to support the even older group of people, the exclusion of the “ moderately old” people from government pension and other government expenditures helps sustain a healthy cycle in government

revue. However, in order to successfully execute this plan, the Korean government would need a very strong leader that is able to convince its citizens to trust the government's decision because the increase in retirement age may enrage the general public.

All in all, this simple solution can be an option to consider. Another solution that may be used to solve this problem is increasing the birth rate in Korea. As discussed earlier, one of the two main factors that cause the aging of the society is the decrease in birth rate. Less birth rate correlates to less young people available in the future, and consequently a smaller active work force in the country. As a result, the work those young people do and the taxes they pay may not be enough to support the growing number of elders.

One factor that contributes to the decrease in birth rate in Korea is the economic instability of married couples. Because of unemployment problems and costly housing prices, people are becoming less willing to have marriages and produce children (Jung, 2010). Also, people are becoming more concerned about the giving their children proper education, leading them to dedicate a large portion of their savings to their children's educational opportunities. Thus, people are becoming reluctant to have multiple children, resulting in a birth deficit.

After examining this problem, the government is trying to provide some financial aid for those who have multiple babies to help reduce the burden (Kang, " Kindergarten children to get more financial aid," 2010). Also, the government is trying to give emotional incentives through media, as can be observed nowadays in several TV commercials. These commercials display

several scenes where mothers are treated with care and respect in many different parts of our society, and they try to convince women that being mothers is more than being investors for their children.

Although it is unclear whether these actions have been successfully increasing the birth rate, if they are successful, they may solve the core of the problem. This solution is definitely not as simple as the previous possible solution. It is not a direct decision of the government, but rather, a process that requires the transformation of the general public's mindset. This nature of the solution makes it inherently more difficult to execute than other solutions, and that is also why most societies choose to modify their government policies to solve this problem.

Despite the difficulties, this solution possesses much potential to solve the problem without disputes. Although amending government policies may be a more practical solution than increasing the birth rate, changing government policies most likely creates a disadvantageous situation for a certain group of people. Because government policies can only redistribute the amount of money that the government possesses, it requires the government to collect more money from its citizens (taxes) or reduce the amount of money spent on other fields to increase the expenditures on the elders.

Therefore, it is bound to create discrepancies in different groups of people's opinions. On the other hand, increasing the birth rate would naturally increase the work force and government revenue. With successful execution of this solution, the aging society would simply no longer be an aging society. The problem of the aging society in Korea is pretty significant. The

overabundance of the older age groups in relation to the rest of the population may cause various hardships for the society, and the country may lose its power due to excessive financial expenditure on elders.

Therefore, solving this problem is crucial for the continuous development of the country's economy and national power. Among the numerous proposed solutions, two possible solutions were introduced in this paper: to raise the retirement age and to increase the birth rate. Raising the retirement age decreases the amount of governmental expenditure on elders, and increasing the birth rate increases the active work force and government revenue. Both solutions possess advantages and disadvantages, and there are also many other options that deal with the problem using different methods.

However, according to two researchers Steuerle and Van de Water, the most effective solution is derived from "increasing the supply of labor" (Altman & Shactman, 2002). Therefore, the two solutions suggested in this paper may be some of the most effective methods to alleviate the effects of aging society. Although there is no guarantee that these solutions will stop the aging of the society permanently, they provide an insight to how we can approach the problem and possibly discover the ideal solution.

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