

Korea's poverty among the older persons; Current problems and challenges ahead

Introduction

Economic security is often regarded as the foundation for stable and happy life. It becomes even more important when it's hard to find jobs and your physical abilities are deteriorating, or both which is the case of the aged.

Probably because of these reasons, protecting income security for older persons has been an agenda for various International Human Rights Instruments such as the article 22 of Universal Declaration of Human Rights, the article 9 of International Convention on Economic, Social and Cultural Rights, section of 'Independence' of United Nations Principles on Older Persons, and article 25 to 30 of International Labor Organization's Convention No.102 'Social Security (Minimum Standards) Convention 1952'.

The current situation for older person in Korea, however, is quite distant from international standards and also what is called a dignified life. Rapid industrialization, late introduction of social security and speedy ageing all became reasons for lack of preparation for life after 65. The poverty rate among elderly is three times the average and social safety net such as pension was absent when the aged were working. Most of the welfare plans for the aged were established quite recently and jobs elderly could find these days are either janitor or cleaner.

Poverty among the aged is what Korea is facing. This presentation will demonstrate the basic facts and figures, how the Korean government is trying to deal with this problem, how NHRCK has been trying to address this problem from human rights perspective and further challenges ahead.

Facts and figures on Older persons in Korea

1. Rapid Ageing in Korea

The rate of persons over the age of 65 has been ever increasing in Korea. In 1980, only 3.8% of the total population was over 65. Thirty years later, in 2010, population over the age of 65 comprised 11% of the total population. Life expectancy is also increasing. OECD average life expectancy is 79 years old yet it is already the age of 79.9 in Korea.

<Life Expectancy (OECD average: 79)>

	2000	2005	2010	2015	2020
Average	76.9	79.0	79.9	80.9	81.8

At the beginning of new millennium, Korea became an ageing society in which 7.8% of the total population became older than 65 years old. It is estimated that in 2018, 14.3% of the total population will be over 65 thus entering the aged society. If this rate keeps up, by 2026, less than fifteen years from now, the aged will consist 20.8% of the population in Korea thus becoming the 'Post-aged society'

<Ratio of people over 65 from 1980 to 2026>

3.8%('80)	5.1%('90)	7.2%('00)	11.0%('10)	20.8%('26)
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< Age Distribution>

(Unit: 1000 People, %)

	1990	2000	2010	2018	2026	2030
Total	42,869	47,008	48,875	49,340	49,039	48,635
0~14	10,974	9,911	7,907	6,286	5,721	5,525
15~64	29,701	33,702	35,611	35,979	33,099	31,299
Over 65	2,195	3,395	5,357	7,075	10,218	11,811
Rate	100.0	100.0	100.0	100.0	100.0	100.0
0~14	25.6	21.1	16.2	12.7	11.7	11.4
15~64	69.3	71.7	72.9	72.9	67.5	64.4
Over 65	5.1	7.2	11.0	14.3	20.8	24.3

Source: National Statistics Office 2006

Compared to USA which is assumed to take about 73 years to become an aged society from aging society and Japan which only took 24 years, Korea is experiencing rather rapid ageing population, taking only 18 years to become an aged society from ageing society.

	Year reached for each phase			Years took to reach the next phase	
	7% (Ageing society)	14% (Aged society)	20% (Post-aged society)	7% →14%	14% →20%
South Korea	2000	2018	2026	18	8
Japan	1970	1994	2006	24	12
USA	1942	2015	2036	73	21

2. Poverty rate among the older persons

According to the latest OECD report on Korean economy, 47% of elderly household does not meet the 50% of median income of Korea. It is the highest among OECD membership countries. The population under the poverty line was 10.9% according to the National statistics of Korea in 2008 where the poverty rate among older person was 31.6%, three times the national average.

3. Reasons for higher poverty rate among the older persons

There are several explanations for higher poverty rate among the aged yet lack of social security and cultural change in supporting the aged is the two theories that are widely accepted.

Korea has experienced a rapid industrialization since 1960s. The society became urbanized and nuclear family spread, though there was no social security net even until the 1980s. The

need of national pension plan has arisen and finally in 1988, the pension plan was applied to every enterprise that has more than 10 employees. The range of subscribers has been expanded and as of 1999, every national of Korea became a part of national pension plan. Given that older persons have never been exposed to national pension plan, they could never become the recipient. As poverty rate among the aged soared, several welfare plans came into practice. The main project was the Old Age Security Pension which was introduced in 2008. However it was introduced relatively late and the amount is about 100 dollars a month which does not compensate for living costs anywhere close.

Absent welfare system for the aged should not take all the blame for the high poverty rate. The cultural notion that considers supporting the old as a domestic matter played a role in creating the loophole when in fact the extended family was falling apart. Even now, there are 'support obligator' clauses that come between the aged household that needs support but do not get any given that they have a family member that has regular income thus automatically considered being supported. The aged that is living under minimum living costs are 19.6% of the total aged population. Nonetheless only 7.1% is receiving Basic Security Funds. Since the other 12.5% is considered being supported without any verification.

Korean government's policy on older persons poverty

Korean government's approach to secure the income of elderly is two fronts. One is to build a social security net and the other is to create employment opportunities. Former is the job of Ministry of Health and Welfare (MW) and later is of Ministry of Employment and Labor (MOEL).

The MW has been distributing Old Age Security Pension for the older persons whose total property comes under the 70% of total older person income. The amount of money is about \$100, and if you are a husband and a wife \$150 in 2012. Besides the Old Age Security Pension, almost 5 million elderly which comprise of 7.1% of the population is supported with basic living costs. Universal Long Term Care Insurance has been introduced from 2008 and there are also public services for elderly who experience difficulties in their daily life or if they are single households. Regular visits, aids for household duties, link to other welfare services are provided.

Even with these public services from the MW, there are needs for more income from the aged thus MOEL focus on employment opportunities such as extending the retirement age or opening job fairs to place elders for job available. Moreover MOEL creates jobs only for the aged. In 2004, 35,175 jobs were created, however, currently 200,000 job are created for the aged.

<Jobs created by MOEL>

Type		Characteristic	Example
Public Sector	Volunteer	Contributing to the local community	Street cleaning, Kitchen helper
	Education	Sharing expertise	Cultural heritage presenter
	Welfare	Job for the indigence	Child care, Care worker
Private Sector	Market	Manufacturing, Sales	Delivery service, Food sales
	Staffing	Dispatching staff	Proctor, Gas station attendant

<Providing Job Opportunities for Elders>

Year	Total	Volunteer	Education	Welfare	Market	Staffing
2004	35,127	28,373	3,800	-	1,748	1,206
2005	47,309	31,101	7,063	4,581	3,633	931
2006	83,038	47,195	8,708	17,809	7,459	1,867
2007	115,644	57,015	13,240	33,160	9,628	2,601
2008	126,370	61,372	14,493	34,164	11,530	4,451
2009	222,616	134,976	16,523	44,299	17,757(616)	9,061
2010	216,289	126,894	17,476	47,299	15,984(611)	8,636

Source: Korea Labor Force Development institution for the aged, 2012

MOEL also established 'Korea Labor Force Development institution for the aged' last march.

NHRCK's human rights approach for older persons issue

NHRCK has been interested approaching the older persons issue from the human rights perspective. Study research, awareness raising by the elderly and discussing the challenges in the language of human rights are what NHRCK is focusing on.

“Guardian of the rights of Elderly” is a group of elderly who monitors the issue of older people's rights in four major cities to pave ways for the elderly to play a central role in the project and to promote human rights of the elderly. Since its formation in 2009, the Guardians have monitored long-term care insurance service, older people's employment system, and welfare facilities. This year the Guardians focus their monitoring on discrimination against elderly in areas such as employment, education, and service sector.

In 2009, NHRCK conducted a study research on older persons human rights. It was the first in the field since older persons issue has been seen as a problem of welfare rather than human rights. Based on the United Nations Principles on Older Persons, the study applied human rights perspective to how to deal with the older persons issue.

In 2012, NHRCK has formed a group of experts on elderly issues and social rights to discuss what are the matters and what is the role of National Commission to deal with the problem. With the monitoring results collected from the Guardians and also based on the 2009 Older person study research the group met twice a month based on each issue and by the end of June the report will come out.

Challenges ahead

Korea is at the beginning stage of dealing with the problems of the aged. For the aged to live a dignified life there should be more effort to be put in to the matter. First of all, welfare efforts should be reinforced; Old Age Security Funds should be expanded, and while every elderly should be a subject of government policy there should be more endeavor to realize individual needs. From the labor perspective, various employment opportunities should be discovered and issue such as extending retirement needs to be addressed. However creating public jobs can be a burden for the budget in a whole thus linkage to private sector is crucial.

Government has to be more responsible for the situation of the elderly rather than leaving it to the individual. As such 'support obligor' should be reconsidered. Finally, besides providing welfare and labor opportunities which could solve poverty but does not directly lead to dignified life, human rights perspective should be applied every step of the way and how to do it will be the challenge of NHRCK.