Korean Government’s Policy against Population Aging

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First of all, I’d like to express sincere gratitude for giving me the floor.

As we know, Korea had a completely different population problem 60 years ago. During the 1956-1971 period, the number of newborn babies had rapidly increased from 820 thousands in 1954 to more than 1 million in 1971. Korean government initiated a strong family planning program in the early 1960s when Korea’s economic development began to step up. In that time, population growth fueled by baby boom prevented economic development working as a basic cause of the vicious cycle of poverty.

In the early stage of demographic transition, the Korean government enforced birth control policy to curb rapid population growth. The government launched nationwide birth-control campaigns as a part of family planning. The primary objectives of the national family planning to achieve the replacement level of fertility in 20 years. The family planning was very successful. The total fertility rate dropped sharply and this provided fundamental basis for economic growth.

However, fertility decline continued even after TFR reaching the population replacement level of 2.1 in 1983. Korea's TFR again declined rapidly below 1.1 in 2000s (especially 1.08 in 2005), the lowest in the world. As such, Korea made a sharp transition from the stage of high fertility at 6.0 to the stage of low fertility at around 1.1 in half a century. The number of children per year was over 1 million during the period from 1960 to 1971 but decreased to below half a million since 2002.

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Korean government started quickly to respond to low fertility and aging population at national level including central and local governments. The government enacted "Basic Law on Low Fertility and Aging Society" in May 2005, established "Presidential Low Fertility, Aging Society Committee" and created a policy implementation team within the Ministry of Health and Welfare.
As a comprehensive policy reaction, in 2006, the Korean government enforced "The First Basic Plan on Low Fertility and Aging Society 2006-2010" in order to ensure the sustainable growth of Korea responding to low fertility and aging population, in 2006. The First Basic Plan presents government's policy directions, and based on those the ministries of the central government and local governments establish the annual action plans to practice.

The government tries to laid the groundwork to address low fertility problems, and established policy foundation for improving the quality of life for senior citizens. In order to raise fertility rate, the government reinforced social responsibility for childbirth and child rearing by expanding the support for childcare and education.

It also tried to create the environment where work and family go hand in hand by introducing certification system for family-friendly corporations. To provide better life for the old, it established the policy framework for income security and medical care for the elderly by introducing Basic Old Age Pension and Long-term Care Insurance for Senior Citizens in July 2008.

Now, the Korean government established "The Second Basic Plan on Low Fertility and Aging Society 2011-2015" developing 'The First Basic Plan.' The Second Basic Plan tries to providing comprehensive multi-faceted countermeasures against low fertility and aging population (instead of concentrating on particular areas) and to raise the effectiveness of the government policies encouraging participation of private sectors.

According to the Second Basic Plan, 231 sub projects with $70 billion will be carried out in the next 5 years meet the goal of gradually restoring the fertility rate and establishing a response system to the aging society. The key four areas include childbirth & childcare-friendly environment, improving the quality of life in the aging society, securing the growth engine and improving policies area by area, and the social atmosphere to resolve low fertility and aging population.

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Unlike the high fertility issue, which can be addressed mainly through financial means, the low fertility problem only can be dealt with through changing people’s value on family. Reversing values is very difficult. However, in order to turn around the trend of deferring marriage, forsaking marriage, having smaller numbers of children, increasing divorces, and increasing premarital childbirths, popular values should first be changed. It will be a truly challenging task and take a long time. Changes in values are closely intertwined with overall socio-economic phenomena surrounding individuals. To put it differently, in order to induce changes in values, efforts should first be made to bring about changes in the overall aspects of economy and society. That is why the state should step forward to improve social institutions and provide support to drive changes in values.