Prospering While Aging:
New Strategies For Confronting Korea’s Aging Challenge

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Ministry of Health and Welfare
In Republic of Korea
Agenda

I  The Sweep of Korea’s Aging

II  Ripple Effect of Aging in Korea

III  Confronting Korea’s Aging Challenge

IV  Senior Policy Systems to Support the Elderly

V  Future Policy Issues
Korea is the Fastest Aging Society in the World

- Aging Society to Aged Society to World’s Shortest Period to Reach the Super-Aged Society
  - Korea: 26 yrs
  - Japan: 36 yrs
  - U.S.: 88 yrs
  - France: 155 yrs

Aging (7.2%) → Aged (14.3%) → Super-Aged (20.8%) → World’s Most Super-Aged (37.3%)

If the current aging tendency continues, Korea’s senior population rate will be the world’s highest in 2050.
Concerns About National Competitiveness Weakening from Aging

Decline predicted for productive population in 2016, and total population in 2018

Concerns about potential growth rate weakening from increase in average working age and decrease in productive population
Concerns about conflicts rising between generations due to tax increase and social security burden in the younger generation for supporting the senior citizen population.
Inadequate preparation for old age

Only 28.3% of the elderly population have prepared for old age.

Preparation for old age is more inadequate the higher the age and the lower the level of education.

- All: 28.3%
- 65-69 years: 41.0%
- 70-74 years: 26.8%
- 75 years or above: 12.6%
- No education: 24.4%
- Elementary school: 27.8%
- Middle/high school: 46.5%
- Tertiary education or higher: 74.4%

Change in social consciousness:
- Support of old age parents
- Increase in social community responsibility
- Provision of old age living costs
- Reduction in family responsibility consciousness
Welfare Demands Become Diversified with the Growth of Senior Citizen Population

Senior Citizen Population Increases Annually by Over 200,000 People

(Unit: 1 Million People)

Continuous Increase in Senior Citizen Percentage for Over 75 Years of Age

(Over 75 [%])

Various Senior Citizen Policies are Necessary

Income

Education Level

Health
Progress Since 2004

- **2004.2** ‘Committee on Aging and Future Society’ Launched
- **2005.5** Basic Law on Low Fertility and on Aged Society enacted
- **2005.9** ‘Presidential Committee on Aging Society and Population Policy’ Launched
- **2006.7** Conclusion of ‘Social Convention for Solving Low Birthrate and Aging Problems’
- **2006.8** The First ‘Basic Plan for Low Fertility and Aging Society’
  - Participation of 18 Ministries, 242 Tasks, 32 Trillion Won To be Invested
- **2007.1** Central and Local Government Actual Plan for ’06~’07
Conclude Social Convention for Solving Low Birthrate and Aging Problems

- Establish and Execute Comprehensive Measures to Deal with Low Birth Rate and Aging
- Promote Social Agreement

- Form Family and Aging Friendly Corporate Culture
- Launch a Hiring Structure with Gender Equality
- Encourage Communication
- Provide Fair Criticism and Support
- Participation of Religious Groups, Women’s and Seniors’ Association
- Provide Sound Criticism/Restraints and Propose Policy Measures
- Encourage Social Agreement

- Form Family and Aging Friendly Corporate Culture
- Improve Labor Productivity
- Government
- Enterprises
- Media
- Labor
- Civil Society

Pan-Social Convention
VISION 2030

Society that is Capable of Continuous Advancement
Together with All Generations

SEROMAZI PLAN 2010

- Guarantee Stable Income during Elderly Years
- Guarantee Healthy Elderly People’s Life
- Guarantee Safe and Active Elderly People’s Life

Health Investment Strategy

- Strengthen exercise for the elderly and nutrition support program
- Customized health examination for the life turning point at the age of 66
- Expand visitation health services

2 + 5 Strategy

- Promote long-term employment through flexible wages & working system
- Prolong retirement age & relieve age discrimination
- Implement pension incentive system for long-term employees
A Multi-Level Elderly Income Guarantee System

- Level 0: Minimum Living Guarantee
  - (Public Assistance)
- Level 1: Secondary Safety Net
  - (Poverty Line)
- Level 2: Primary Safety Net
  - (Social Insurance)
- Level 3: Additional Guarantee

- Personal Pension
  - Retirement Pension
  - Retirement Grants
  - Retirement Allowance/Pension
- National Pension
  - Government Employees Pension
  - Teacher's Pension
  - Military Pension
- Private Income
  - Minimum Old Age Pension System
  - Minimum Living Guarantee
Guarantee Stable Income during Elderly Years

- Reform National Pension System
  - Adequate Level of Burden and Proper Wages

- Introduction of Minimum Old Age Pension System
  - Make up for Blind Corner of Pension System

- Implement Retirement Pension, Reverse Mortgage System

The Rate of Elderly Beneficiaries receiving Public Pension

※In case Minimum Old Age Pension Provided in 2008

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>2002</td>
<td>26.3</td>
</tr>
<tr>
<td>2005</td>
<td>30.8</td>
</tr>
<tr>
<td>2008</td>
<td>78.2%</td>
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</table>
Guarantee Stable Income during Elderly Years

Minimum Old Age Pension

- Minimum Old Age Pension Law Under Deliberation in the Nat’l Assembly
- 3 Million seniors (App. 60% of all)

Reverse Mortgage System

- Revision of House Financing Corporation Law (Dec 2006)
- Implementation of Reverse Mortgage System For seniors over 65 years (Maximum Limit: 300million)
(1) Expand employment support for seniors

### Employing Over a Fixed Rate of Elderly People
- Business with over 300 Full Time Employees
- Manufacturing 2%, Transportation/Real Estate /Leasing Service 6%, Others 3%
- Elderly People Employment Promotion Act Amendments (2007)
  - Prohibition of Age Discrimination

### Extension of Retirement Age and Improvement of Work Environment
- Recommendation to Extend Retirement Age in Business with Over 300 Employees
- Offer Subsidy for Employing Elderly People
- New Establishment of Subsidy for Retirement Age Extension (2007)
- Finance Loan for Improving to Aged Friendly Work Environment

### Long-term Employment
- Introduction of Allowance for Preserving Wage Peak System
- Support Consulting Cost for Redesigning Duties
- Encourage Major Corporations and Public Sector to Adopt the System

### Expansion of Employment Opportunity for Elderly People
- Maintain a Talent Bank of Elderly People
- Host Silver Job Fair
- Strengthen Job Training of Elderly People
(2) More Opportunities to Get a Job and Work

Public Sector

- Reduction of Public Good Type
  - (’06)60 → (’07)45%
- Expansion of Education/Welfare Types
  - (’06)25 → (’07)40%

Private Sector

- Creation of New Jobs (2007)
  - 2,000 Test Supervisors
  - 1,000 Gas Station Workers etc.

(Unit: 1 = 1,000)
Increasing Employment in Social Service Sector

**Workers in Senior Welfare Center**
- '03: 1.7 Thousand
- '05: 2.1 Thousand
- '07: 2.3 Thousand

**Workers In Care Service Facilities**
- Home Care Welfare Facilities
  - ('03) 21 → ('07) 5.6 Thousand
- Carers for Senior
  - 5 Thousand
- Care Workers
  - 3.7 Thousand

**Seniors’ Job Provider**
- 240 People
- 120, 180, 46 Locations
- 20, 30 Facilities

**Talent Bank of Elderly People**
- 43, 45, 50 Locations
- '03, '05, '07

**The Korean Senior Citizens Association**
- (Finance Support) 57.8
- 6.12 billion Won
- '03, '05, '07

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- Elderly People 30
- 46 Locations
- 20, 30 Facilities
- Talent Bank of Elderly People
- '03, '05, '07
- People 46
- Locations 20
- Facilities 30
- Job Provider 240
- People 120
- Locations 180
- Facilities 46
### More Opportunities Available to Seniors

#### Lifelong Study, Culture and Art Activities
- **Diversification of Lifelong Study Programs**
  - 2005) 35 → 2007) 45 programs
- **Hangul Learning Program Participants**
  - 2006) 10,986 → 2007) 13,500 persons
- **Silver Culture Program Participants**
  - 2005) 364 → 2007) 2,000 persons

#### Expansion of Information Education Opportunity for Elderly People
- **Information Education for 100,000 Elderly People (2007)**
- **40 Active IT Volunteer Teams made of Senior Citizens**
  - [Rate of Senior Citizen's Internet Use](#)

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<thead>
<tr>
<th>Year</th>
<th>'03</th>
<th>'05</th>
<th>'07</th>
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<tbody>
<tr>
<td>Rate</td>
<td>13</td>
<td>23</td>
<td>34%</td>
</tr>
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</table>

#### Enrichment of Senior Leisure Infrastructure
- **Social Participation**
- **Revitalization of Senior Volunteer Service**
  - **Train Leaders of Senior Volunteer Service**
  - **Develop Senior Volunteer Service Programs**
  - **Senior Volunteer Service Festival**
  - **Operate a Volunteer Service Group for Gold Tone Lifelong Education**

<table>
<thead>
<tr>
<th>Year</th>
<th>Senior Welfare Center</th>
<th>Senior Hall</th>
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<tbody>
<tr>
<td>2003</td>
<td>145</td>
<td>46</td>
</tr>
<tr>
<td>2007</td>
<td>195</td>
<td>58,000</td>
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Guarantee Healthy Elderly People’s Life

Expansion of Preventive Health Investment
- Medical Examination for Senior Citizens 66 Years of Age from April 2007
- High Blood Pressure, Diabetes, Osteoporosis, etc.

Expansion of Healthy Sports Activity Participation
- Operate Senior Health University
- Senior Health Festival
- Health Physical Exercise Facility Expansion
- Offer Life Physical Exercise Favored by Senior Citizens

Health and Medical Care Service Expansion for Underprivileged Class
- Free Meal and Nutrition Education
- Offer Customized Home Visit Health Care Service
- Exemption of Health Insurance Dues
- Expansion of Denture Supplement Support
Introduction of Senior Long-Term Care Insurance System

**Beneficiaries**
- Senior citizens over 65 years of age who are incapable of performing daily activities
- Senior citizens less than 65 years of age but suffering from senile diseases such as Alzheimer’s disease

**Service Details**
- Facility Allowance
- Home Care Allowance
- Special Cash Allowance
- Welfare Supply Lending

**Average Cost Burden Rate**
- Care Insurance Dues: 62.1%
- Government Responsibility: 25.4%
- Personal Responsibility: 12.5%

**Period of Enforcement**
- 2nd Pilot Project: 8 Regions (Apr 2006~Apr 2007)

*Senior Long-Term Care Law Under Deliberation in the National Assembly*
Expansion of Senior Care Infrastructure

Care Facilities
- 2003: 13 Thousand People, 171 Locations
- 2005: 30 Thousand People, 543 Locations
- 2007: 50 Thousand People, 1,176 Locations

Home Care Welfare Facilities
- 2003: 18 Thousand People, 368 Locations
- 2005: 40 Thousand People, 848 Locations
- 2007: 67 Thousand People, 1,185 Locations
Provision of Preventive Care and Professional Treatment for Alzheimer’s Disease

Consultation
- Mandatory Assignment of Expert Staff for Alzheimer’s Disease Consultation
- Nationwide Public Health Centers

Early Detection
- 72 Thousand People
- 23 Examination Service Users in 2006, 72 in 2007

Public Hospitals
- 36 Locations in 2006, 48 Locations in 2007
Improvements Underway for Elderly People’s Residential Conditions

**Affordable Government Senior Housing**

- ’05: 855 households
- ’06: 1,130 households
- ’07: 2,230 households

※To Increase by 800 households every year from 2007

**Countryside Villages**

- ’05: 30 districts
- ’06: 55 districts
- ’07: 70 districts

**First Priority to Public Housing Given to Homeless Households Supporting Elderly Parents**

- 10% of Public Construction
- Enforced in Nov 2005, Priority Given to 1,093 Households in 2006

**Preparation of Residence Standard for Elderly People**

- Introduction of Barrier-free Concept
  - Senior Residence Improvement Standard Notice (2005)

**Safe Elderly Life**
Development of Elderly Friendly Goods

Support and Rearing for Elderly Friendly Goods
- Enactment of Elderly Friendly Industry Promotion Act (2006)
- Enactment of Enforcement Ordinance/Enforcement Regulations (2007)

Preparation of Standards for Elderly Friendly Goods
- Implementation of Superior Product Designation/Indication System
- Introduction of Universal Design Concept
- Expansion of Universality and Convenience

Increasing Convenience
- Promote Levels of Technological Development for Elderly Friendly Goods
- Union of New Technologies such as IT, BT, NT
- Operate Cooperative System among Industry, Academic and Research

Expansion of R&D for Elderly Friendly Goods
- Senior Friendly Goods Experience & Simple Health Check Up
- Information Gathering and Exchange among Elderly Friendly Industries
- Support Domestic Companies
- Open Two Locations in 2008

Establishment of Comprehensive Experience Hall for Elderly Friendly Goods
Support of Elderly Living Alone

Various Services

- Delivery of Lunch Box
- Housekeeping & Nursing
- Provision of Wireless Paging

Increasing Welfare Service Benefit

Moving Elderly Health Welfare Center

- Including Private Sector Portion

Introduction of Daily Living Guide for Senior Living Alone

- Check up Safety and Linking necessary service

150 Thousand Beneficiaries (2007)
Future Policy Issues

Increasing Nat’l Pension Beneficiaries over 65 Years

- Reform National Pension System for Secured Finances

The rate of elderly beneficiaries receiving public pension

- In case Minimum Old Age Pension Provided in 2008
- Secured Elderly Life

The rate of businesses introduced retirement pension system

- Business with over 5 employees
- Introduced in Dec 2005
Future Policy Issues

Increasing Employment Opportunities for Seniors

Employment Rate of Seniors

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
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<tbody>
<tr>
<td>2003</td>
<td>57.8</td>
</tr>
<tr>
<td>2005</td>
<td>58.7</td>
</tr>
<tr>
<td>2008</td>
<td>60.8%</td>
</tr>
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</table>

※ Rate of Employee Between Ages of 55~64

Jobs for Senior Citizens

- Public Sector
  - (Unit: 1,000 people)
  - 2004: 35
  - 2005: 47
  - 2008: 140

※ Rate of Employee Between Ages of 55~64
Future Policy Issues

Increasing Opportunities of Social Participation

Number of Senior Welfare Centers

- '02: 123
- '05: 163
- '08: 208

Rate of Senior Citizen’s Internet Use

- No(老)tizen: 28%
- Expanding Gray Power

※ Rate of 50 Years or above among Internet Users
Future Policy Issues

Improvement in Elderly Care Services

Rate of Provision of Senior Care Facilities

- '02: 21
- '05: 48
- '08: 100%

Beneficiaries of Senior Long-Term Care Insurance

- '02: 22
- '05: 29
- '08: 158

(Unit: 1=1,000 people)
Improvement in old age quality of life

Proposal & proliferation of model old-age friendly regions

Cultivation of old-age friendly industries & construction of combined experience halls

Comprehensive provision of health, welfare, life, and culture services

Establishment of the Law on old-age friendly industries promotion (2006)

Provision of customized Employment & expansion of social participation

Infrastructure for old-age friendly housing, traffic, and medical attention

Implementation of superior product designation/indication system

Infrastructure for old-age friendly housing, traffic, and medical attention
Future Policy Issues

Demanding

Future Policy

Elderly Living Alone

- Increase elderly recipients of customized life instruction service (safety checks etc.)
  - '07) 150 → '11) 300 Thousand People

- Increase moving elderly health welfare centers & elderly users
  - '07) 137 Vehicles
  - '11) 260 Vehicles
  - 94 Thousand → 180 Thousand
Develop Policy Partnership to Promote Seniors’ Two-Crop Life

Second Chance of Life Planning

Government
- Policy Making for Aging Society
- Draw Funding

Consumer Welfare-Beneficiary
- Economic Activities
- Volunteer Activities
- Leisure Activities

Prosumer Welfare- Contributor

Enterprises
- Senior Friendly Management
- Aged Friendly Industries

Civil Society
- Improvement of Citizen Awareness
- International Cooperation
Healthy Senior Citizen
Secured Elderly Years
Lively Elderly Age

Thank You