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# Living Profiles of Older Persons and Social Policies on Ageing in Korea

Chung Kyunghee

Korea Institute for Health and Social Affairs

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## I . Introduction

Korea has experienced dramatic changes in population aging, along with rapid socioeconomic development. Declining fertility has had a major impact on the structural aging of populations and has also increased life expectancy. In 2004, compared with 3.1 in 1970, the proportion of the total population aged 65 and over is 8.7. Moreover, that proportion is expected to be 14. 4 in 2019 and 20.0 in 2026. These dramatic changes can be called "compressed population aging".

Although the proportion is almost same with the world-wide average and much lower than the proportion of developed countries, the speed of the aging rate in Korea is unprecedentedly fast. It is expected that it will only take 19 years for Korea to move from being an aging society(2000) to an aged society(2019). The speed of aging in Korea is much faster than when compared to other countries.

Table 1-1. *International Comparison of Population Structure*

(Unit: %.)

	2000			2030		
	Population Structure(%)			Population Structure(%)		
	0~14	15~64	65+	0~14	15~64	65+
Total	29.9	63.2	6.9	23.5	64.9	11.6
Developed Countries	18.3	67.4	14.3	15.0	61.8	23.2
Developing Countries	32.9	62.0	5.1	24.9	65.5	9.6

자료: UN, *World Population Prospects, The 2000 Revision, 2001.*

National Statistical Office, *Population Projection, 2001.*

Table 1-2. *Speed of Population Ageing*

(unit: %, year)

Country	Proportion of Population aged 65 and over		Taken Years
	The year reached 7%	The year reached 14%	
Korea	2000	2018	18
Japan	1970	1994	24
Germany	1932	1972	40
UK	1929	1976	47
Sweden	1887	1972	85
France	1864	1979	115

Source: National Statistical Office, *The Future Estimated Population*, November 2001. (Korea) UN, *World Population Ageing 1950~2050*, 2002.

More significantly, the trend in family dynamics is leaning toward more nuclearization. Along with rapid population aging, the fact that a significant and increasing proportion of the Korean elderly are living apart from their children indicates the increasing social need to care for the elderly. The increasing interest in social policy concerning aging is not only a result of population aging but also of the weakening of the care-giving role of the family.

There is an urgent need to establish a social infrastructure that can adequately respond to population aging. The Korean government is subsequently becoming increasingly involved in welfare programmes for older persons. The government is focusing on the increasing dependency needs of older persons and on the preparation of appropriate countermeasures. However, the social security system is not yet fully established because of short history. This concern will be addressed in this paper by examining population aging, characteristics of older persons, and current welfare policies and programs for older persons.

## II. Changes in Population and the Family

### 1. Demographic Changes

#### 1.1 Age Composition of the Population

Due to the rapid decrease in the fertility rate and the sustained increase in life expectancy, the number and proportion of the youth population has decreased while at the same time, the number and proportion of the aged population has substantially increased.

The proportion of the total population aged 65 and over was 3.1% in 1970, compared to 5.1 in 1990. Moreover, the corresponding proportion was 7.2 in 2000 and 14.0 in 2019. Similar trends have been observed and are expected to continue in the old age dependency ratio and index of aging(see Table II-1). According to a recent census, the total number of persons 65 years old and over was 3,371,000 in 2000. This is 3.4 times larger than in 1970, when there were 991,000 persons. It is estimated that there will be 7,314,000 older persons in 2019, which is 2.2 times more than in 2000.

Table II-1. *Age Composition of the Korean Population, 1970 ~ 2018*

(Unit: 1000 persons, %)

		1970	1980	1990	2000	2005	2018
Number	0 ~ 14	13,710	12,951	11,135	9,639	8,986	6,495
	15 ~ 64	17,540	23,717	30,093	32,973	33,690	36,276
	65+	991	1,456	2,162	3,372	4,365	7,162
	Total	32,241	38,124	43,390	45,985	47,041	49,934
Age Composition	0 ~ 14	42.5	34.0	25.7	21.0	19.1	13.0
	15 ~ 64	54.4	62.2	69.4	71.7	71.6	72.6
	65+	3.1	3.8	5.0	7.3	9.3	14.3
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Old Age Dependency Ratio <sup>1)</sup>	65+	5.7	6.1	7.2	10.2	13.0	19.7
Index of Aging		7.2	11.2	19.4	35.0	48.6	110.3

Note: 1) Old Age Dependency Ratio=(Pop. 65 Years Old and over/Pop. from 15 to 64 Years old)×100

2) Index of Aging=(Pop. 65 Years Old and over/Pop. from 1 to 14 Years old)×100

Sources: Economic Planning Board, Population and Housing Census Report, 1970, 1980.

National Statistical Office, Population and Housing Census, 1990, 2000, 2005

\_\_\_\_\_, Population Projection, 2005.

The increase in the proportion of older persons is largely due to the decrease in birth rate and sustained increase in life expectancy following socio-economic development and improvement in public health and medical technology in Korea. The total fertility rate was 4.53 in 1970 but decreased to 1.17 in 2002(see Table II-2). The life expectancy at birth for females increased from 66.1 in 1970 to 80.0 years in 2001, in other words a 13.9 year extension of life in 30 years. The life expectancy of Korean women has now reached the level of life expectancy in advanced countries. In contrast, the increase in male life expectancy at birth has been far less than that of females for the same period. Life expectancy for males at birth increased 13.8 years, from 59.0 to 72.8(see Table II-2).

Considering that women's life expectancy is generally longer than men's, the difference of 7.2 years between males and females is quite large compared to the usual gender differences noted in advanced countries.

Table II-2. *Total Fertility Rate and Life Expectancy at Birth, 1970 ~2022*

	(Unit: years)				
	1970	1980	1990	2000	2005
Total Fertility Rate	4.53	2.83	1.59	1.47	1.08
Life Expectancy					
Total	62.3	66.2	71.7	75.6	77.9
Male	59.0	62.3	67.7	71.7	74.8
Female	66.1	70.5	75.9	79.2	81.5

Sources: National Statistical Office, Annual Report on the Vital Statistics, each year.

\_\_\_\_\_ , Life Table, 2002.

\_\_\_\_\_ , Population Projection, 2005.

## 1.2 Area Differences

The proportion of older persons, compared to the total population, in rural areas is significantly higher than in urban areas. In 2000, 5.5% of elderly persons 65 years old and over lived in urban areas, but 14.7% lived in rural areas. This trend results from the rapid emigration of younger generations from rural to urban

areas(see Table II-3).

Table II-3. *Proportion of Older Persons by Area, 1970 ~ 2000*

	1970	1980	1990	2000	2005
Urban	2.1	2.6	3.6	5.5	7.2
Rural	4.2	5.6	9.0	14.7	18.6

Sources: Economic Planning Board, *Population and Housing Census Report*, 1970, 1980.  
National Statistical Office, *Population and Housing Census Report*, 1990, 2000.

## 2. Changes in the Family

### 2.1 Household and Family Types

The total number of households in Korea has tripled since 1970. In 2000, the number of households reached 14,312,000 which is an increase of 8,736,000 households from 1970 (see Table II-4). Meanwhile, the average number of household members recorded a decline from 5.2 persons in 1970, to 4.5 in 1980, and to 3.1 in 2000. This trend is mainly the result of the decline in average number of births per woman.

In terms of household type, one person households increased from 4.8% of total households in 1978 to 15.5% in 2000. This reflects an increase in the number of one-person households among elderly in rural areas and an increase in the number of young people who live alone in urban areas.

In regards to the number of generations represented in one family, two generation families accounted for 72.9% of all families. One generation families accounted for 17.1%, up from 6.8% in 1970, while three generation families decreased from 23.2% in 1970 to 10.1% in 2000. Furthermore, nuclear families are the most common family type in Korea, accounting for 82.0% of all families in 2000 (see Table II-4).



Table II-4. *Changes in the Family Structure in Korea, 1970 ~ 2000*

	1970	1980	1990	2000
Total Number of Households(1,000 households)	5,576	7,969	11,355	14,312
Household Size:				
Average Number of Household Members(persons)	5.2	4.5	3.7	3.1
One Person Households(%)	-	4.8	9.0	15.5
Number of Generations in the Family(%)				
1 Generation	6.8	8.8	12.0	17.1
2 Generations	70.0	73.1	74.1	72.9
3+	23.2	18.1	14.0	10.1
Types of Families(%)				
Nuclear Families	71.5	72.9	76.0	82.0
Extended Families	21.9	14.1	12.5	7.9
Others	6.6	13.0	11.5	10.1

Sources: National Statistical Office, Population and Housing Census, Various Years.

## 2.2 Changes in the Family Life Cycle

A decline in fertility, marriage at a later age, and a longer life expectancy have brought about changes in the life cycle of women. Although the total duration of the family life cycle has extended, the family extension stage has shortened. The duration from the birth of the first child to the birth of the last has decreased from 10.90 years (~1959 marriage cohort) to 2.35 years (1990~2000 marriage cohort). Although the total number of years of childbearing and rearing has decreased, the years devoted to rearing one child has increased. The burden of child rearing has therefore, not been notably alleviated despite the decline in fertility(see Table II-5).

The shortened family extension stage allows for more active labor force participation by women. Moreover, the centrality of child rearing has decreased, and the quality of the conjugal relationship has become more important.

The duration of the empty-nest period has also increased. Therefore, the economic, psychological, and emotional issues of middle-aged or elderly couples have recently gained more importance.

Table II-5. *Changes in the Family Life Cycle in Korea*

(Unit: years)

Phases of Family Life Cycle	Marriage Cohort of Women				
	~ 1959	1960~ 1969	1970~ 1979	1980~ 1989	1990~ 2000
Formation (Marriage~Birth of 1st Child)	2.37	1.71	1.44	1.33	1.22
Extension (Birth of 1st Child~Last Child)	10.90	6.80	3.95	3.21	2.35
Completed Extension (Birth of Last Child~Marriage of 1st Child)	14.80	19.60	23.75	24.49	25.35
Contraction (Marriage of 1st Child~to Last Child)	10.90	6.80	3.95	3.21	2.35
Completed Contraction (Marriage of the Last Child~Death of the Husband)	9.51	10.49	13.56	14.78	19.33
Dissolution (Death of the Husband~Death of the Wife)	8.56	12.46	12.31	12.81	12.24
Whole Duration (Marriage~Death of the Wife)	57.04	57.86	58.96	59.83	62.84

Sources: Kim, Sungkun et al., 2000 *Fertility and Family Health Survey*, KIHASA.

### 2.3 Labor Force Participation of Women

Korean women have become more involved in economic activities. The labor force participation rate among women showed an increase from 40.0% in 1980 to 48.3% in 2000. The age pattern regarding the percent of women in the labor force shows a bi modal distribution similar to the pattern in industrialized countries in the 1960s and 1970s(see Table II-6). This pattern reflects the fact that women actively hold jobs before marriage(20~24 years old), then leave the labor market to give birth and raise their children(25~34 years old), and later reenter the labor market(35 years old and over). In particular, the labor force participation rate of females 40~59 years old and over, who are usually care-givers for older persons, is relatively high (50~60 %).

A number of factors are believed to be responsible for this increase among married women. First, increased living standards and larger educational expenses for

children have prompted housewives to earn money to supplement their husbands' incomes. According to the Social Statistics Survey conducted by the National Statistical Office in 1995, the most common reason women gave for working was "to help with family finances." Second, women have a stronger desire to take part in economic activities and are able to adapt themselves to careers more readily than their predecessors. According to the same survey, the proportion of women who classify their role as full-time homemaker or who were employed before marriage is less than one-fourth. The younger the respondents, the higher the proportion of women with favourable attitudes toward female employment.

Table II-6. *Female Labor Force Participation Rate*

(Unit: %)

	15~19	20~24	25~29	30~34	35~39	40~44	45~49	50~54	55~59	60+	Total
1970	43.7	47.3	34.7	38.4	42.7	46.9	46.6	41.1	37.1	14.9	39.3
1975	40.5	47.3	29.5	37.0	48.0	51.6	50.9	50.8	44.8	17.1	40.4
1980	34.4	53.5	32.0	40.7	53.0	57.0	57.3	54.0	46.2	17.0	42.8
1985	21.1	55.0	35.8	43.6	52.8	58.3	59.3	52.4	47.2	19.2	41.9
1990	18.6	64.5	42.8	49.6	58.0	60.5	63.9	60.0	54.4	26.5	47.0
1995	14.6	66.1	47.8	47.5	59.2	66.0	61.1	58.3	54.2	28.9	48.3
2000	12.5	60.8	55.9	48.5	50.1	63.4	64.5	55.2	50.8	29.8	48.3
2005											50.1

Source: National Statistical Office, *Annual Report on the Economically Active Population Survey*, various years.

Table II-7. *Opinions of Woman Employment, 2002*

Age	Homemaker	Employment before marriage	Employment before have the first child	Employment after maturity of children	Both before marriage & after maturity of children	Under any conditions	Others
15~19	3.9	5.5	7.7	5.6	17.0	50.6	9.7
20~29	3.6	4.5	9.5	7.5	25.3	44.7	4.9
30~39	7.2	3.5	5.6	18.8	30.0	31.3	3.7
40~49	7.9	4.6	4.3	18.5	29.3	31.9	3.4
50~59	9.7	6.9	7.6	14.5	24.8	32.6	3.8
60 <sup>+</sup>	16.7	8.2	7.2	12.5	18.8	27.7	8.9

Source: National Statistical Office, *Social Statistics Survey, 2002*.

### III. Characteristics of Older Persons in Korea

#### 1. Background Characteristics

According to the 2004 Survey of Long-term Care Service Needs of Older Persons in Korea. Of the respondents, 63.0 percent lived in urban areas and 37.0 percent in rural areas. 36.9 percent were male and 63.1 percent were female. In terms of age, 38.1 percent were ages 65~69, 29.2 percent were ages 70~74, and 32.7 percent were ages 75 and over. The educational attainment of older persons was very low; 29.2 percent were illiterate, 23.7 percent could read but had not received formal education, and 29.6 percent were primary school graduates. Only 13.4 percent were middle school graduates and 4.1 percent were college school graduates and over.

49.2 percent of the respondents were married, 50.8 percent were unmarried and the average number of living children was 4.6. Almost half of the respondents(36.0 percent) did not have any religious affiliation, 33.5 percent were Buddhists, 20.5 percent were Protestants, and 7.4 percent were Catholics(see Table III-1).

Table III-1. *Characteristics of Older Persons by Area*

(Unit: %)

Characteristics	Total	Urban	Rural
<b>Gender</b>			
Male	36.9	35.5	39.1
Female	63.1	64.5	60.9
<b>Age</b>			
65 ~69	38.1	39.5	35.5
70 ~74	29.2	29.4	29.0
75+	32.7	31.1	35.5
Mean(Year)	72.6	72.4	72.9
<b>Educational Attainment</b>			
Illiterate	29.2	25.2	36.1
No Formal Education but Literate	23.7	19.9	30.2
Primary School Graduate	29.6	31.7	25.9
Middle School Graduate	7.3	9.2	4.1
High School Graduate	6.1	8.2	2.5
College Graduate and Over	4.1	5.8	1.2
<b>Marital Status</b>			
Married	49.2	46.9	53.1
Unmarried	50.8	53.1	46.9
<b>Religion</b>			
None	36.0	31.5	43.7
Buddhism	33.5	33.7	33.2
Protestantism	20.5	23.2	15.9
Catholicism	7.4	9.5	3.8
Others	2.6	2.1	3.4
Total	100.0	100.0	100.0
(Persons)	(2,372)	(1,494)	(878)

Source: Chung, Kyunghye et al., *Living Profiles and Welfare Service Needs of Older Persons in Korea*, 2004, KIHASA.

## 2. Living Arrangements

Out of the 9,355 households interviewed, 20.9 percent were households with older persons and 79.1 percent were households without(see Table III-2). When comparing the distribution of households with older persons, we find that the rate in rural areas(35.3 percent) is higher than in urban areas(18.3 percent).

Table III-2. *Proportion of Households with Older Persons*

(Unit: %, Households)

	Whole	Urban	Rural
Households with Older Persons	1,958( 20.9)	1,253( 17.0)	705( 35.3)
Households without Older Persons	7,397( 79.1)	6,103( 83.0)	1,294( 64.7)
Total	9,355(100.0)	7,356(100.0)	1,999(100.0)

Source: Chung, Kyunghye et al., *Living Profiles and Welfare Service Needs of Older Persons in Korea*, 2004, KIHASA.

In terms of living arrangement of older persons, 17.3% lived alone, 30.7% lived only with their spouses, 46.4% of households with older persons lived with their children, and 5.5% lived with others. We can observe that there is a big difference between rural and urban areas. The rates of single-member households and couple-only households for rural older persons were 21.5% and 38.8% respectively, while those for urban areas were 14.5% and 25.4% respectively. We can also find a big difference between male and female older people. The rates of single-member households and couple-only households for female older persons were 24.3% and 19.2% respectively, while those for male older persons were 5.9% and 49.8% respectively(see Table III-3).

Table III-3. *Living Arrangement of Older Persons by Region and Gender, 2001*

(Unit: %)

	Household with Older Persons				Total (Persons)
	Older Person Living Alone	Older Person Living with Spouse Only <sup>1)</sup>	Older Person Living with Children	Others	
Whole	17.3	30.7	46.4	5.5	100.0 (5,058)
Region					
Urban	14.5	25.4	54.3	5.8	100.0 (3,033)
Rural	21.5	38.8	34.6	5.1	100.0 (2,025)
Gender					
Male	5.9	49.8	39.0	5.3	100.0 (1,911)
Female	24.3	19.2	50.9	5.6	100.0 (3,147)

Footnote: 1) includes households where both the husband and wife or where just one person in the couple is 65 years old or over

Source: Chung, Kyunghye et al., *Living Profiles and Welfare Service Needs of Older Persons in Korea*, 2004, KIHASA.

## IV. Economic Security

### 1. Employment

The labor force participation rate of older persons is 29.0 percent. The labor force participation rate of male elderly(39.8 percent) is much higher than that of female elderly(22.6 percent). We can also find from Table 2-6 that there is a big difference between rural and urban areas. In urban areas, the rate is 49.1 percent, while the rate in rural areas is 17.1 percent. Also, the rate decreases as age increases(65~69 years of age: 40.2 percent, 70~74 years of age: 28.5 percent, 75 years of age and over: 16.3 percent).

The kinds of jobs in which older persons work are shown in Table 3-6. Of older persons who work, 60.4 percent work in agriculture, forestry, and fishing. The next group is elementary occupations(21.5 percent), then white collar occupations including legislators, senior officials & managers(2.0 percent), professionals(1.9 percent), technicians & associate professionals(1.1 percent), and clerks(1.2 percent). This indicates that the elderly who do work are engaged in non-salary receiving jobs including self-employment or family businesses. The rate of older persons working in agriculture, forestry, and fishing is higher in rural areas(83.4 percent) than in urban areas(21.6 percent). In addition, as the age of the person increases so does the rate of older persons working in agriculture, forestry, and fishing.

Among the reasons for working, the most highly ranked one is 'to earn money'(66.1 percent). The next most frequent answers are they 'enjoy working'(8.2 percent), 'to keep healthy'(7.2 percent), 'due to the lack of labor force(6.9 percent)'.



Table IV-1. *Labor Force Participation Rates and Occupations by Area, Gender, and Age*

(Unit: %)

Employment Status & Occupations	Total	Area		Gender		Age		
		Urban	Rural	Male	Female	65~69	70~74	75+
Employment Status								
Employed	29.0	17.1	49.1	39.8	22.6	40.2	28.5	16.3
Unemployed	71.0	82.9	50.9	60.2	77.4	59.8	71.5	83.7
Occupation								
Legislators, Senior Officials & Managers	( 2.0)	(4.9)	(0.2)	( 3.5)	( 0.4)	(2.9)	(0.7)	(1.2)
Professionals	( 1.9)	(4.7)	(0.3)	( 2.9)	( 0.9)	(1.9)	(0.6)	(3.8)
Technicians & Associate Professionals	( 1.1)	(2.6)	(0.1)	( 1.9)	( 0.2)	(0.8)	(2.2)	(0.0)
Clerks	( 1.2)	(2.9)	(0.2)	( 2.3)	( 0.0)	(1.6)	(0.7)	(0.5)
Service & Sales Workers	( 8.8)	(17.5)	(3.6)	( 7.8)	( 9.9)	(9.8)	(10.0)	(4.0)
Skilled Agricultural & Fishery Workers	(60.4)	(21.6)	(83.4)	(62.5)	(58.3)	(55.4)	(65.6)	(66.8)
Craft	( 2.7)	(6.4)	(0.6)	( 3.4)	( 2.1)	(3.4)	(2.3)	(1.6)
Machine Operators & Assemblers	( 0.4)	(1.2)	(0.0)	( 0.9)	( 0.0)	(0.8)	(0.0)	(0.0)
Elementary Occupations	(21.5)	(38.3)	(11.6)	(14.9)	(28.3)	(23.2)	(17.9)	(22.2)
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
(Person)	(2,371)	(1,493)	(878)	(874)	(1,497)	(901)	(693)	(776)

Among older persons who are currently not working, 44.9 percent answered that they do not work because of their health. The next groups are 'no desire to work'(20.2 percent), 'no jobs available'(14.0 percent), and 'too old to work'(9.5 percent). We have to pay attention to the fact that in urban areas 16.8 percent of older persons who are not working currently do not work because there are no jobs available(see Table IV-2).

Table IV-2. *Reasons for Working*

(Unit: %)

Reasons	Total	Area		Gender		Age		
		Urban	Rural	Male	Female	65~ 69	70~ 74	75+
Enjoy Working	8.2	6.5	9.3	11.4	5.0	7.1	9.9	9.1
Earn Money	66.1	65.3	66.5	62.7	69.5	70.9	60.7	60.3
Keep Healthy	7.2	10.5	5.2	9.5	4.9	6.1	10.3	5.7
Keep Social Relationships	0.7	1.5	0.3	1.1	0.4	1.4	0.0	0.0
Spend Time	5.9	5.5	6.1	4.1	7.7	3.9	6.1	11.4
Feel Active	4.2	8.3	1.7	6.5	1.9	4.8	4.8	1.7
Keep Prestige	0.2	0.5	0.0	0.4	0.0	0.3	0.0	0.0
Due to the Lack of Work Force	6.9	0.5	10.7	3.9	9.8	5.6	7.6	9.4
Others	0.6	1.5	0.1	0.4	0.9	0.0	0.6	2.5
Total (Person)	100.0 (673)	100.0 (253)	100.0 (420)	100.0 (339)	100.0 (334)	100.0 (358)	100.0 (193)	100.0 (122)

Table IV-3. *Reasons for Not Working*

(Unit: %)

Reasons	Total	Area		Gender		Age		
		Urban	Rural	Male	Female	65~69	70~74	75+
No Desire to Work	20.2	21.9	15.2	19.5	20.5	16.0	19.6	24.7
No Need to Work	5.5	5.5	5.5	4.7	5.9	4.7	6.4	5.5
No Jobs Available	14.0	16.8	6.0	24.9	9.1	21.0	13.4	7.9
Bad Health	44.9	41.1	55.8	39.3	47.4	45.3	48.6	41.2
Family Responsibilities	4.7	5.6	1.8	0.7	6.5	8.2	4.2	1.6
Objection of Children	1.1	0.8	1.9	1.3	1.1	0.8	1.2	1.3
Too Old	9.5	8.1	13.5	9.4	9.5	3.7	6.3	17.7
Others	0.2	0.1	0.3	0.3	0.1	0.3	0.2	0.1
Total (Person)	100.0 (1,541)	100.0 (1,149)	100.0 (392)	100.0 (481)	100.0 (1,060)	100.0 (522)	100.0 (473)	100.0 (546)

## 2. Sources of Income

66.3 percent of older persons receive financial support from children and/or spouses of children that are non-coresident. Considering the fact that 23.3 percent of older persons receive financial support from their coresident children, we can see that the most important sources of income are their children.

33.7 percent of older persons have income from their own and/or their spouses' employment. Other groups receive income from real estate or renting(12.0 percent), and public assistance(8.5 percent). Only a small portion of older persons have income from a pension, retirement annuity, and private pension; 2.8 percent, 0.9 percent, and 0.2 percent, respectively.

Table IV-4. *Sources of Income by Area, Gender, and Age*

(Unit: %)

Sources of Income	Total	Area		Gender		Age		
		Urban	Rural	Male	Female	65~69	70~74	75+
Employment	33.7	23.1	52.0	48.2	25.2	46.5	32.3	18.0
Real Estate/Rental	12.0	13.2	9.8	13.6	11.0	12.8	13.4	9.4
Savings	5.7	6.8	3.7	8.1	4.3	6.7	4.3	5.8
Social Pension	2.8	4.0	0.9	5.1	1.5	3.8	4.2	0.2
Retirement Annuities	0.9	1.0	0.7	1.7	0.4	1.6	0.5	0.3
Private Pension	0.2	0.3	0.2	0.2	0.3	0.3	0.4	0.0
Support from Non-coresident Children	66.3	64.0	70.3	62.4	68.6	62.5	68.3	69.2
Support from Coresident Children	23.3	24.8	20.8	16.3	27.5	20.2	22.7	28.3
Support from Other Relatives	1.2	1.8	0.2	0.7	1.5	1.1	0.9	1.6
Public Assistance	8.5	8.6	8.3	6.8	9.5	6.5	10.0	9.7
Support from Organizations	0.7	0.8	0.3	0.6	0.7	0.4	1.0	0.6

Footnote: 1) Multiple choices

## 3. Self-perception of Economic Status

Table IV-5 shows that almost half of older persons percept their economic situation to be lower than that of their peer group, and that only 11.2 percent of older persons percept their status to be higher or somewhat higher than their peer groups. 28.4 and 21.5 percent feel that their economic status is somewhat lower and

very lower, respectively. Compared to male elderly(15.5 percent), more female elderly(25.0 percent) feel their economic status to be lower than peer elderly. We can also observe that self-perception of economic status becomes more positive with higher educational attainment.

Table IV-5. *Self-perception of Economic Condition by Characteristics of Older Persons*

(Unit: %)

Characteristics	Much Higher	Somewhat Higher	Average	Somewhat Lower	Much Lower	Total	(Person)
Total	1.7	9.5	38.9	28.4	21.5	100.0	(2,219)
Area							
Urban	2.1	8.8	38.2	27.7	23.3	100.0	(1,406)
Rural	1.0	10.9	39.9	29.7	18.5	100.0	( 814)
Age							
65~69	1.4	9.4	39.9	29.7	19.6	100.0	( 884)
70~74	2.1	9.1	36.5	28.3	24.0	100.0	( 669)
75+	1.7	10.2	39.9	26.8	21.5	100.0	( 666)
Gender							
Male	2.3	11.4	41.5	29.3	15.5	100.0	( 822)
Female	1.3	8.4	37.3	27.9	25.0	100.0	(1,397)
Marital Status							
Married	2.2	9.8	41.3	29.1	17.7	100.0	(1,117)
Unmarried	1.2	9.3	36.4	27.8	25.4	100.0	(1,103)
Educational Attainment							
Illiterate	0.5	5.9	32.9	31.2	29.6	100.0	( 617)
No Formal Education but Literate	0.7	10.5	36.6	29.8	22.4	100.0	( 527)
Primary School Graduates	1.6	9.9	34.4	30.1	19.0	100.0	( 673)
Middle & High School Graduates	3.5	12.4	48.4	22.2	13.5	100.0	( 307)
College School Graduates and over	10.0	15.4	55.8	11.2	7.7	100.0	( 95)

## V. Health Status and Care-giving for Older Persons in Korea

### 1. Self-rated Health Status

The majority (76.6%) of older Koreans rated their health as either 'fair', 'poor' or 'very poor', and only about a quarter (23.4%) of elderly Koreans reported their health as either 'good' or 'very good', according to the 2001 Survey of Long-term Care Service Needs of Older Persons in Korea by KIHASA(see Table V-1).

This pattern, however, is not constant throughout different age groups in the elderly population. Those reported their health as either 'poor' or 'very poor' in the 65~69 age group occupied 51.0%, while 60.7% of the 70~74 age group and 59.4% of 75 years old and over age group made the same responses.

Overall, it was revealed that the self-rated health status for men was higher than that for women.

Table V-1. *Self-rated Health Status by Sex and Age, 2001*

(unit: %, person)

Category	Very good	Good	Fair	Poor	Very poor	Total(N)
Sex						
Males	5.6	24.1	24.4	24.9	21.0	1,789
Female	2.8	15.8	17.8	33.9	28.7	2,933
Age Group						
65~69	5.4	21.7	21.9	30.5	20.5	1,935
70~74	3.2	16.6	19.5	33.1	27.6	1,297
75+	2.4	19.3	18.9	28.3	31.1	1,490
Average	3.9	19.5	20.3	30.5	25.8	4,722

Source: Sunwoo, D., et als., *2001 Survey of Long-term Care Service Needs of Older Persons in Korea*, KIHASA.

## 2. Prevalence of Chronic Diseases

According to the 1998 National Health & Nutrition Survey co-conducted by MOHW & KIHASA, 81.6% of elderly people aged 65 and over and living in private households reported that they had at least one chronic disease (see Table V-2).

Table V-2. *Prevalence of Chronic Diseases at Age 65 and over, 1998*

(unit: %)

Age Group	Total	Acute and chronic diseases	Chronic disease only	Acute disease only
0~ 6	60.5	10.6	10.1	39.8
7~18	43.1	7.6	17.2	18.2
19~44	47.0	8.7	27.4	10.9
45~64	70.1	14.8	48.7	6.5
65+	84.4	15.6	66.1	2.8

Source: MOHW & KIHASA, *The 1998 survey data of National Health & Nutrition*, 1999.12.

Also, the 1998 Survey of Living Profile & Welfare Needs of Older Persons conducted by KIHASA revealed that the major self-reported chronic diseases with the highest number of new cases were arthritis/rheumatism (43.4%), non-arthritic back problems (29.2%) and hypertensive diseases (23.5%). Women, in comparison with men, reported higher prevalence rates of these diseases. Some 9% of elderly Koreans aged 65 and over reported having diabetes that had been diagnosed by a health professional. There were no substantial differences in the prevalence of diabetes between both sexes (see Table V-3).

Table V-3. *Prevalence of Chronic Diseases at Age 65 and over, by Type, 1998*  
(unit: %)

Category	Prevalence			Restriction in Daily Livings		
	Average	Males	Females	Average	Males	Females
Malignant neoplasms	0.9	1.7	0.5	70.3	64.8	81.4
Arthritis	43.4	26.6	53.3	84.4	76.1	86.8
Lame back	29.2	15.9	37.1	88.2	83.8	89.3
Disk	5.4	4.9	5.6	87.0	76.0	92.7
Gastric ulcer	15.9	11.7	18.3	63.5	58.0	65.5
Hepatitis, Liver cirrhosis	1.6	3.3	0.7	65.7	60.7	80.4
Diabetes mellitus	9.0	8.6	9.2	62.9	50.6	69.7
Thyroid	1.3	0.6	1.6	64.4	73.4	62.5
Hypertensive diseases	23.5	17.5	27.0	55.7	45.3	59.6
Stroke	4.4	4.5	4.3	82.9	81.8	83.6
Angina pectoris	5.1	4.7	5.3	74.9	66.7	79.1
Tuberculosis	0.5	1.1	0.1	58.0	49.3	100.0
Chronic Bronchitis	6.3	9.1	4.7	66.2	58.6	74.9
Asthma	5.1	6.2	4.5	72.4	66.4	77.2
Cataracts	10.6	6.0	13.4	74.3	61.3	77.7
Chronic otitis media	1.0	1.3	0.8	83.5	94.6	73.7
Chronic kidney diseases	1.1	0.4	1.5	88.6	35.0	96.4
Sequela of bone fracture	5.4	6.6	4.7	89.6	92.5	87.3
(Average)	(86.7)	(77.4)	(92.2)			

Source: Chung, Kyunghye et al., *Living Profiles and Welfare Service Needs of Older Persons in Korea*, 1998, KIHASA.

Arthritis/rheumatism and non-arthritic back problems were cited as main causes of restricted daily living. Nearly 90% of elderly people reported having these diseases. While prevalence rates of stroke, chronic otitis media and chronic kidney disease were low, the level of restricted daily living owing to the those chronic diseases was revealed high.

Despite the high prevalence of chronic diseases among elderly Koreans, the national chronic disease management system is far from reaching full development.

### 3. Prevalence of Dementia

Dementia is known to be characterized initially by the development of difficulties with everyday tasks of daily living, by changes in personality and by a later progression to the loss of the capacity to act independently.

The prevalence rate for dementia among persons aged 65 and over is 22.3%. The prevalence of dementia gradually increases as persons get older, with the highest rate of 39.7% being for those aged 75 and over. Overall, the prevalence of dementia is higher for women than for men.

Table V-4. *Prevalence Rate of Dementia*

(Unit: %)

	Total	Gender		age group		
		Male	Female	65~69	70~74	75A+
not in Dementia	77.7	90.1	70.0	87.5	81.2	60.3
suspected Demintia	14.7	7.5	19.2	8.8	13.8	24.0
Dementia	7.6	2.4	10.8	3.6	5.0	15.7
Total	100.0	100.0	100.0	100.0	100.0	100.0
(N)	(4,285)	(1,637)	(2,648)	(1,823)	(1,196)	(1,264)

Source: Sunwoo, D., et als. 2001 *Survey of Long-term Care Service Needs of Older Persons in Korea*, KIHASA.

Against the backdrop of these bleak statistics, the Government implemented the first 10 Year Plan for Senile Dementia, which consists of construction of dementia-specific nursing homes and geriatric hospitals, and pilot projects on remote clinics. The Government is also operating dementia-specific counselling centers established in public health centers since 1993. However, there still remain series of problems to be tackled, including the shortage of specialized counselling nurses and of other services linked with counselling.

#### 4. Activities of Daily Living

As for daily living activities, 10.5% of older persons have at least one difficulty in activities of daily living and 1.3% have difficulties in all 6 items (see Table V-5 and Table V-6). 70~90% of respondents answered, by each item, that they were able to maintain their daily lives without assistance.

There are substantial gender differences in difficulties of Activities of Daily



Living. 12.5% of female elderly have at least one difficulty in ADL. Among male elderly, 10.5% have at least one difficulty in ADL.

Table V-5. *Activities of Daily Living by Gender and Age*

(Unit: %)

	Total	Gender		Age Group		
		Male	Female	65~69	70~74	75+
<u>Dressing</u>						
No Assistance Needed	95.8	95.0	96.3	97.3	97.1	92.8
Sometimes Need Assistance	2.4	3.1	2.0	1.6	1.6	4.1
Always Need Assistance	1.8	1.9	1.7	1.1	1.2	3.1
<u>Washing</u>						
No Assistance Needed	95.0	94.8	95.1	97.1	97.1	90.6
Little Difficulty	3.1	3.0	3.1	1.8	1.8	5.7
Always Need Assistance	1.9	2.1	1.8	1.1	1.1	3.7
<u>Bathing</u>						
No Assistance Needed	90.5	91.3	90.0	95.4	93.3	82.1
Little Difficulty	5.9	4.8	6.6	2.7	4.8	11.0
Always Need Assistance	3.6	3.9	3.4	2.0	2.0	6.9
<u>Eating</u>						
No Assistance Needed	96.8	96.5	97.0	98.0	98.0	94.3
Little Difficulty	2.4	2.8	2.1	1.5	1.8	4.0
Always Need Assistance	0.8	0.6	0.9	0.5	0.2	1.6
<u>Moving</u>						
No Assistance Needed	97.7	98.0	97.5	98.8	98.5	95.6
Little Difficulty	1.0	0.8	1.1	0.5	0.7	2.0
Always Need Assistance	1.3	1.2	1.3	0.6	0.8	2.4
<u>Toilet Use</u>						
No Assistance Needed	96.9	96.8	96.9	98.2	98.1	94.2
Little Difficulty	1.5	1.8	1.4	1.0	0.9	2.7
Always Need Assistance	1.6	1.4	1.7	0.8	0.9	3.1
<u>Bladder Function</u>						
Continence	94.6	95.1	94.3	96.9	96.1	90.5
Occasional incontinence	4.2	3.7	4.4	2.7	3.1	6.9
Complete incontinence	1.2	1.2	1.2	0.4	0.7	2.6
Total	100.0	100.0	100.0	100.0	100.0	100.0
(N)	(5,058)	(1,911)	(3,147)	(2,049)	(1,368)	(1,641)

Source: Sunwoo, D., et als. 2001 *Survey of Long-term Care Service Needs of Older Persons in Korea*, KIHASA.

## 5. Instrumental Activities of Daily Living

Table V-6 shows dependency ratio by 10 items of instrumental daily living activities. Among those 10 items, the highest proportion of older persons have difficulty in financial management(35.8%). The second highest proportion is in telephone use and public transportation(23.3% and 21.4% respectively).

Table V-6. *Instrumental Activities of Daily Living by Gender and Age*

(Unit; %)

	Total	Gender		Age-group		
		Male	Female	65~69	70~74	75+
<u>Grooming</u>						
No Assistance Needed	93.1	94.1	92.4	96.5	95.5	86.8
Sometimes Need Assistance	4.1	3.1	4.8	1.8	2.8	8.1
Always Need Assistance	2.8	2.8	2.8	1.7	1.8	5.1
<u>Housework</u>						
No Assistance Needed	90.1	89.8	90.2	95.0	93.1	81.4
Sometimes Need Assistance	5.1	5.1	5.1	2.4	4.2	9.1
Always Need Assistance	4.8	5.0	4.7	2.6	2.7	9.5
<u>Food Preparing</u>						
No Assistance Needed	87.6	86.3	88.4	94.3	91.8	75.7
Sometimes Need Assistance	6.5	7.3	6.0	2.9	4.5	12.6
Always Need Assistance	5.9	6.4	5.6	2.8	3.7	11.7
<u>Cleaning and Laundry</u>						
No Assistance Needed	87.9	87.1	88.3	94.5	92.3	75.9
Sometimes Need Assistance	6.2	5.8	6.5	2.4	4.5	12.5
Always Need Assistance	5.9	7.2	5.1	3.1	3.3	11.6
<u>Walking outside</u>						
No Assistance Needed	89.0	92.1	87.1	95.3	93.2	77.6
Sometimes Need Assistance	8.1	5.3	9.8	3.3	5.1	16.5
Always Need Assistance	2.9	2.6	3.1	1.4	1.7	5.9
<u>Use of Public Transportation</u>						
No Assistance Needed	78.6	87.1	73.4	89.4	84.9	59.8
Assistance Needed in using public transportation	13.0	6.8	16.7	7.0	9.9	23.1
Assistance Needed in using private transportation	6.6	4.9	7.7	2.9	4.2	13.3
Always Need Assistance	1.8	1.2	2.2	0.7	1.0	3.8
Total	100.0	100.0	100.0	100.0	100.0	100.0
(N)	(5,058)	(1,911)	(3,147)	(2,049)	(1,369)	(1,640)

	Total	Gender		Age group		
		Male	Female	65~69	70~74	75+
<b>Buying Living Goods</b>						
No Assistance Needed	89.6	92.1	88.0	95.7	93.7	78.4
No Assistance Needed in buying some items possible with Assistance	4.8	3.2	5.8	1.8	3.8	9.5
Impossible	2.1	1.6	2.4	0.9	0.9	4.7
	3.5	3.1	3.7	1.6	1.5	7.4
<b>Financial Management</b>						
No Assistance Needed	64.2	82.9	52.8	77.6	66.5	45.5
Sometimes Need Assistance	30.6	12.7	41.5	20.2	30.9	43.4
Always Need Assistance	5.2	4.4	5.7	2.1	2.6	11.2
<b>Telephone use</b>						
No Assistance Needed	76.7	89.0	69.3	88.8	81.7	57.3
Can make specific phone calls	8.4	3.3	11.5	5.9	9.5	10.8
Can answer the phone but cannot make a phone call	10.6	3.9	14.7	3.8	7.1	22.1
Always Need Assistance	4.3	3.8	4.5	1.5	1.8	9.8
<b>Medication Use</b>						
No Assistance Needed	94.0	94.3	93.8	97.4	96.6	87.6
Sometimes Need Assistance	3.0	2.6	3.3	1.1	1.9	6.3
Always Need Assistance	3.0	3.1	2.9	1.5	1.5	6.1
Total	100.0	100.0	100.0	100.0	100.0	100.0
(N)	(5,058)	(1,911)	(3,147)	(2,049)	(1,369)	(1,640)

Source: Sunwoo, D., et als. 2001 *Survey of Long-term Care Service Needs of Older Persons in Korea*, KIHASA.

## Social Activities

Participation in religious activities is highest at 52.7 percent, followed by social activities(28.8 percent). These are the highest among religious activities, social activities, cultural activities, sports activities, volunteering, attending elderly college, and others. Generally speaking, social activities of older persons are limited because they do not have the resources or opportunities to enjoy social and leisure activities.

Both the participation rates of religious activities and social activities are higher in urban areas. The participation rate of religious activities is higher for female elderly(62.6 percent) than for male elderly but is lower for social activities(20.2 percent).

Although the participation rate of religious activities is stable by age, the

participation rate of social activities rapidly decreases as the respondents become older. Also, the participation rate of social activities is sensitive to household income and that of religious activities is not.

Table V-7. *Social Activity Participation of Older Persons*

(Unit: %)

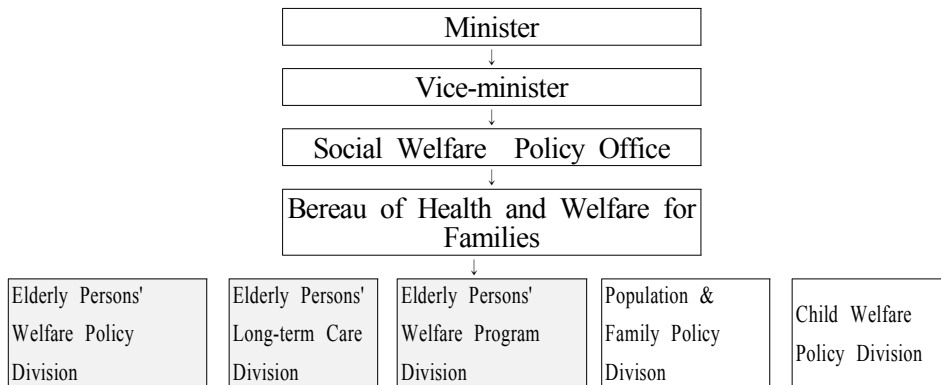
Characteristics	Religious Activities	Social Activities	Cultural Activities	Sports Activities	Volunteer Activities	Elderly College	Others
Total	52.7	28.8	0.7	2.9	0.7	1.0	3.4
Area							
Urban	56.4	30.4	1.0	3.6	0.7	1.2	3.1
Rural	46.5	26.0	0.2	1.8	0.5	0.6	3.8
Gender							
Male	36.0	43.5	0.8	7.2	1.2	0.6	4.4
Female	62.6	20.2	0.7	0.4	0.4	1.2	2.7
Age							
65~69	54.0	40.2	0.7	4.1	1.2	0.7	3.6
70~74	53.5	28.2	0.7	2.7	0.2	1.1	3.6
75+	50.3	14.3	0.8	1.5	0.4	1.1	2.8
Household Income (Monthly Average)							
Under 40 Million Won	52.5	16.2	0.3	1.2	-	1.5	4.0
40~79 Million	48.8	29.5	0.9	1.9	0.5	0.6	3.6
80~149 Million	54.1	37.0	1.4	4.6	1.0	0.8	1.9
150~249 Million	59.0	36.4	-	5.2	1.4	0.2	2.9
250 Million <sup>+</sup>	51.6	47.6	1.4	6.0	2.2	3.0	7.0

## VI. Framework of Policies on Older Persons

### 1. Legal and Administrative Foundation

The Welfare Law for Older Persons was enacted June 5, 1981 to establish the legal ground for the improvement of welfare for older persons. The law was amended several times. In respect to administration, Elderly Persons' Welfare Policy Division in the Ministry of Health and Social Affairs was established in November 1990. And Elderly Persons' Long-term Care Division(formerly Elderly Health Care division) was established in May 1999 and Elderly Persons' Welfare Program Division in December 2003 to address the increasing policy needs.

Figure VI-1. *Organization of the Ministry of Health and Welfare*



### 2. Budget for Older Persons

The Korean government has put a great deal of effort into developing elderly welfare policies to prevent social problems caused by the ageing of society, to improve the social status of older persons and to guarantee livelihood security of

older persons in an ageing society. The welfare expenditure on older persons as a percentage of Ministry of Health and Welfare expenditures has increased from 3.3 in 1990 to 4.9% in 2003. In addition, local governments across the country have been providing older persons with transportation expenses since 1994; in 2003, the total amount is 461 billion won. Also, all local government have been financing their own elderly welfare funds since 1993, the total amounting to 59,257,000,000 Won in 2000.

Table VI-1. *Budget of Korea, 1990 ~ 2003*

(Unit: 100,000,000 won)

	1990	1995	2003
National Budget (A)	332,960	518,811	1,114,831
Ministry of Health and Welfare Expenditures (B)	11,518	19,839	83,511
(Division of Elderly Welfare + Division of Elderly Health) (C)	379	612	4,078
Ministry of Health and Welfare Expenditures / National Budget (B/A)	3.5	3.8	7.5
(Division of Elderly Welfare + Division of Elderly Health) / Ministry of Health and Welfare Expenditures (C/B)	3.3	3.1	4.9
(Division of Elderly Welfare + Division of Elderly Health) / National Budget (C/A)	0.11	0.12	0.37

Sources: Economic Planning Board, *Budget for Fiscal Year, 1990 ~ 2003*.

## VII. Current Programs Related to Older Persons

Social welfare policies for older Koreans in the 1960s and 1970s were focused on giving livelihood protection benefits mainly to indigent people under Livelihood Protection Act. In particular, with the momentum of the 1981 Older Persons Welfare Act, asylums for the aged began to be differentiated from nursing homes and, with the whole amendment to the Act, various facilities were implemented to provide quality services to the elderly.

### 1. Policies for Economic Security

#### 1.1. Income Maintenance System

Public Pension programs, public assistance based on National Livelihood Security Law, and Old-age Allowance are the three main components of the public policy aimed at enhancing the income security of older persons in Korea. Currently 6.6% of older persons are covered by Public Pension programs and 9.5% are receiving National Livelihood Security benefits.

To be eligible for Old-age Allowance, one must be a recipient of National Livelihood Security benefits (non-public pension recipient) aged 65 years or over living below the government-announced minimum income and asset levels.

For National Livelihood Security recipients, Old-age Allowance benefit amounts to 50 thousand Won for a person aged 80 or over, 45 thousand Won for an individual aged between 65 and 80. In the case of a low-income older person, 35 thousand Won is provided. For married couples, each spouse is entitled to a benefit reduced by 25%.

Since introduced in 1991 the Old-age Allowance scheme had been restricted to Livelihood Protection Recipients aged 70 and over until 1998. After 1998, however, it was extended to cover low wage earners as well as Livelihood Protection

Recipients aged 65 and over, providing the former with a monthly assistance of 30 thousand won per person and the latter with 50 thousand won per person. The total number of recipients of the Old-age Allowance scheme was 715 thousand (21.2% of the total elderly group) in 2000. The Old-age Allowance scheme provides its 'non-contributory old-age pension benefits' to the low income elderly who are excluded from the National Pension Scheme, functioning as a complementary mechanism to the public pension scheme.

As of 2001, Old Age Pension provided benefits to a total of 585,000 recipients (16.4% of total older persons over the age of 65), among whom 246,000 were National Livelihood Security recipients. Currently, the Korean government is planning to expand the coverage and raise the benefit level of Old Age Pension.

Table VII-1. *Old-age allowance Recipients*

	1999	2000	2001	2002	2003
Recipients (thousand)	660	715	924	891	859
Amounts (thousand won)					
Livelihood Protection Recipients	40~50	50	50	50	50
The low income persons	20	30	40	50	50

Source: Ministry of Health and Welfare(1999 Livelihood Protection Data, 2000).

### 1-2. Policies for Enhancing Employment Opportunities

There are three job placement programs that provide older persons with opportunities to earn money by making use of their free time. These are Elderly Job Placement Center, Elderly Workplace and Elderly Employment Promotion (based on the Employment Promotion Law).

The Elderly Job Placement Center (formerly the Elderly Job Bank) was established in 1981 to provide older persons with opportunities to earn money. In 2001, 70 centers were being operated by local branch offices of the National Association of Senior Citizens. The government provides each of these centers with 500,000 monthly to support their operational expenses. And Community Senior Clubs



Programs started from 2001 to encourage older persons to commence a community-based small business. In addition to these programs, January 2004 Elderly Employment center was established as a branch of National Pension Corporation.

The Employment Promotion Law, enacted in 1991, induces business firms to hire older persons aged 55 or over at least 3% of their employee pool. In addition, this law stipulates that 160 occupation categories (attending parking lots and public parks, translator, etc.) should be preferentially allocated to older persons.

## 2. Policies for Healthy Life

### 2-1. Health Insurance

At present all Koreans are covered by health insurance or medical assistance programs. As of 2000, 89.1% of those aged 65 and over were covered under health insurance and the rest (10.9%) under medical assistance. Despite the wide coverage of health insurance, the increasing medical expenditures due to the ageing population have become a major concern for Koreans. Older persons comprise 7.2% of the population covered by health insurance, but as much as 17.4% of the health insurance spending was used for older persons in 2000.

Table VII-2. *Health Insurance Spending by Age Groups)*

	0~64		65+		75+	
	Population (%)	Medical Insurance Spending(%)	Population (%)	Medical Insurance Spending(%)	Population (%)	Medical Insurance Spending(%)
USA	87.3	62.8	12.7	37.2	5.4	20.7
Japan	86.5	57.1	13.5	42.9	8.7	33.1
Germany	84.9	67.7	15.1	32.3	6.5	16.5
France	80.4	58.6	19.6	41.4	-	-
Sweden	82.5	62.2	17.5	37.8	8.1	21.4
Korea	92.7	82.6	7.3	17.4	-	-

Source: OECD(1996), *Aging in OECD countries: a critical public challenge*, p.54.

Currently, benefits for medical examinations, drugs, surgery, nursing, ambulances, and check-ups are provided. Generally speaking, health insurance coverage is focused more on curative than preventive health care.

Also, patients have to pay 20% of hospitalization fees, and certain rates of outpatient fees (30% for clinic, 40% for hospital, 50% for general hospital). These high out-of-pocket payment rates have been imposing heavy burdens on patients, especially older persons and the poor.

## **2.2. Free Health Examinations for Older Persons**

To prevent and diagnose geriatric diseases at an early stage, health check-up services are provided for older persons covered by health insurance. Also, free Health Examinations are provided to older persons under National Livelihood Security. Free health examinations, began in 1983, were extended to cover various geriatric diseases including diabetes and cataracts in 1992. There was further expansion of the coverage in 1996 to include special diseases such as cancer, depending on the demand of older persons. As a result, health examinations have become more effective.

The budget for free health examinations is 468 million Won in 2003, covering about 33,000 older persons.

## **2.3. Community Visiting Nurse Services**

There are two types of community visiting nurse (CVN) services for older persons in Korea. One is CVN services that are provided under the Community Health Care Act by nurses working at public health centers. These public health centers are being operated by corresponding local governments—Si (cities), Gun (counties), Gu (districts)—scattered throughout the country. There were 242 public health centers and 1,267 public health clinics as of December 2001. Medical services provided on a free of charge basis by these public facilities are mainly targeted at low income groups.

The role of community visiting nurses at public health centers had been largely confined to providing simple or routine health care services such as bathing/dressing patients and providing health checks. But recently, more sophisticated medical care services, including ulcer treatments, are being delivered.

The other type of CVN services are services delivered under the Medical Care Act by home visiting nurses working at hospitals. As of 2000, 45 hospitals were providing these services. The target group consists of early discharged patients, those who have experienced inpatient (or outpatient or emergent patient) treatments and needs re-admission to hospital, patients with chronic diseases or cerebrovascular diseases, women who are delivering a child, new born babies, etc. Costs of those services are paid through health insurance and co-payment by patients.

### 3. Policies for Social Welfare Service

The public provision of long-term care in Korea is still in its early stage. Therefore, the main policy concern at present is not qualitative aspects such as autonomy, privacy, and consumer rights of older persons, but how to respond to the increasing demand for long-term care.

As the elderly population increases, the number of frail or disabled elderly Koreans who need assistance with day to day tasks also increases. In Korea, the physical care needs of older persons have traditionally been mostly provided by family caregivers. The concept of family care for older persons is still prevalent, but the role of the family in supporting older persons is no longer taken for granted. It is also becoming more difficult to take care of frail older persons within the family. This may be due to several factors such as the changing values of family life, the nuclearization of the family, the decrease in family size, and women's increasing participation in the workplace and social activities. Based on these changes, the government has recently begun devoting attention to providing public long-term care services for older persons.

### 3.1. Institutional Care Services

There are 7 types of welfare facilities for older persons in Korea. In 2003, 20,439 people (0.51% of those aged 65 and over) were cared for in 357 facilities. As of December 31, 2003, there were elderly homes—part charge, or full charge—for the aged. The number of nursing homes will increase in line with a deliberate plan to cover more older persons with profound disabilities living in private dwellings.

The low rate of institutionalization, compared to the industrialized OECD countries, may be stemming from a combination of shortage of long-term care facilities and the pervasive cultural mores against the idea of putting older parents into, or letting them be admitted to, such facilities.

Table VII-3. *Rate of Institutionalization*

(Unit:%)

Countries	Year	Rate of Institutionalization
France	1990	5.0
Germany	1992	5.4
Japan	1993	6.2
Sweden	1990	5.3
UK	1990	5.1
USA	1990	5.2
Korea	2001	0.60

Table VII-4. *Welfare Facilities for Older Persons, 2003*

(Unit: facilities, persons)

	Total	No Charge Facility			Part Charge Facility		Full Charge Facility			
		Elderly Home	Nursing Home	Skilled Nursing Nome	Elderly Home	Nursing Home	Elderly Home	Nursing Home	Skilled Nursing Nome	Welfare Housing
Number of Facilities	288	85	113	68	5	19	29	19	13	6
Number of Residents	16,625	4,169	7,069	4,898	156	840	1,571	448	499	798

Source: Ministry of Health and Welfare, 2004 Guidelines on Government Funding Services for the Health and Welfare of Older Persons

### 3.2. Home Care Services

In recognition of the difficulty of caring for frail older persons in the family, the Government has begun to devote attention to home care services for older persons. 228 home help service centers, 211 day care centers for older persons and 66 short-term care centers are in operation at present. Around two thirds of these centers are receiving financial support from central government. The program will receive major budgetary support, and thus is expected to increase rapidly in the coming years.

Home help services, day care centers for older persons, and short-term care centers are available free of charge to elderly recipients of National Livelihood Security, at reduced rate to poor older persons. Others are responsible to pay regular rates.

Table VII-5. *Contents of Home Care Services by Facility*

Type	Contents
Home-help service center	Domestic support service: preparing meals, dish-washing, shopping, cleaning etc. Personal care service: assistance in feeding, bathing, walking, toilet using etc. Social service: giving phone calls and visits, writing letters on behalf of the elderly Counselling and education service Facilities: 228
Adult day care center	Rehabilitative services Food services and bathing services Leisure activities Education for the families with the disabled elderly Facilities: 211
Short stay care center	Food services Rehabilitative services others Facilities: 66

## 4. Policies for a Meaningful and Comfortable Life

### 4.1. Vitalization of Community Senior Centers

The community senior center (Kyungrodang), a representative type of leisure facilities for older persons in Korea, is supported with 44,000 Won a month in operational expenses and 250,000 Won a year for heating expenses, both of which come from the state government budget. There are 48,800 community senior centers now. Moreover, to vitalize the activity of these centers, various programs are being developed and distributed. Also, assistance in daily living such as cleaning services and meal delivery services will be provided in cooperation of women's associations and the young in the community.

### 4.2. Establishment of Multi-purpose Senior Centers

To offer comprehensive welfare services like health counselling, culture, and

recreation to older persons, 145 multi-purpose senior centers are currently in operation and more will be established focusing on metropolitan areas.

*Table VII-6. Leisure Facilities for Older Persons, 2003*

	Community Senior Center	Elderly School	Resort Center for Older Persons	Multi-purpose Senior Center
Facilities	48,800	684	4	145

Source: Ministry of Health and Welfare, 2004 Guidelines on Government Funding Services for the Health and Welfare of Older Persons

### **4.3. Expansion of Opportunities for Volunteer and Social Activities**

The rate of volunteer activity participation among older persons in Korea is very low due to the country's social environment, although some do participate in voluntary activities such as environmental protection and traffic-regulation. Volunteer activity can boost both the physical and mental health of older persons and make their life more productive and meaningful. In this regard, there is a plan in train to induce more elderly people to participate in volunteer activities by increasing community volunteer jobs and providing commute expenses.

## **5. Cultivating Respect for Older Persons**

### **5.1. Celebration of Elderly Month and Day of the Elderly**

Since 1997, the government has been celebrating "Elderly Month (October)" and "Day of the Elderly" on October 2 with special activities held regionally and at workplaces to cultivate the spirit of respect for older persons. In addition, the government selects and gives rewards to family members who have shown exemplary filial conducts and citizens who have contributed to the welfare of older persons. The government also organizes sports events for older persons and seminars on ageing.

## **5.2. Expansion of Senior Concession Program**

Senior concession program, designed based on the recognition of the contribution senior citizens have made for the good of the society, applied to older persons aged 65 and over in a number of items including second-class train fare (50%), first-class train fare (30%), ship fare (20%), and air fare (10%). Apart from these, they are exempted from paying subway fares and admission fees for public parks and museums. To further ease the financial on older persons, this program will be expanded to cover more services through inter-ministry efforts.



## VIII. Conclusion

### *Population Aging as a National Agender*

As population aging has a significant impact on the future of our society, the Government founded The Presidential Committee on Ageing and Future Society in February 2004 in order to build a peaceful, prosperous society that provides people with healthy and high quality life, and to raise the national competitiveness by developing human resources.

The mission of the committee is to formulate various mid and long-term policies. These include mid and long-term analysis of population structure, measures and plans for future society such as the prediction of social and economic changes, a policy on senior citizens' income, health, welfare, and cultural activities, encouragement of senior citizens, and women's economic activities, a human resource policy, policies on population, family, women, and child care concerning low birthrate, and many others.

Followings are the main directions of policies and major strategies to build a peaceful and prosperous future society in spite of rapid population ageing ([www.cafs.go.kr](http://www.cafs.go.kr)).

### 1. Main Directions of Policies

#### 1-1. Quality of Life and National Competitiveness

As a preparation for any economic, social and cultural changes which may occur due to low birth rate and ageing, the Committee will initiate new policies on industry and employment, and insure a social safety net to enhance the quality of people's lives. The Committee also looks forward to reinforcing growth power and

raising national competitiveness via the expansion and efficient management of human resources.

### **1-2. Long-term and Comprehensive policies**

To cope with problems arising from low fertility rate and ageing requires long-term and comprehensive policies rather than attempting to fix them quickly. From a mid and long-term standpoint, the Committee, with the overall picture in mind, will take each step carefully in seeking for the right direction, while accordingly focusing on devising short-term measures.

### **1-3. Participation of People and Comprehensive Government Policy**

With participation of the people, the Committee will develop policies in various areas such as population, economy, employment, education, women, nurture, health, welfare, leisure, and culture. The committee will lead government policies to be in line with both the direction of the Participatory Government's policy and the preparation for future society.

## **2. Major Strategies**

### **2-1. Restoration of birth-rate and strengthening child support**

The Committee will strengthen social policies in the areas of child care, gender equality and child care infra-structure; all of which would enable women to participate more freely in an economic activity. The Committee will encourage closer cooperation among people to share the same amount of responsibility, regardless of their gender or the type of social groups (family, society, government) they are in.

### **2-2. Enhancing economic participation of women and senior citizens**

In order to increase economic participation of women and senior citizens, the Committee will try to reform the existing wage and employment systems and also

will enhance lifelong learning and training. The Committee will maximize potentials of human resources so that the gain by the increase in the real supply of labor could exceed the loss by the quantitative decrease in population.

### **2-3. Establishing a lifetime health care system for all people**

Through comprehensive management on the disease and accident, the Committee will promote health, and thereby enable anyone to be able to work actively up to the age of 75. With this, the Committee will build a foundation for the preparation of an ageing society and will be able to lower medical costs and loss of human resources.

### **2-4. Extending welfare services and managing welfare costs efficiently**

The Committee will continue to expand welfare service and its infrastructure to improve people's quality of lives. The Committee will minimize the burden of people by making a positive cycle of an economy so that welfare investment could contribute to the economic development, while at the same time by managing welfare service more efficiently.

### **2-5. Management of economy and industry corresponding to a new population structure**

The Committee will aim at an economy, industry, and employment structure which can accommodate any social changes including a new population structure. By developing new industrial models that are friendly to women and senior citizens, the Committee will create various new job opportunities from those which will be new growth industries of the future.

## ***Further Considerations for Developing Health and Social Services for Older Persons***

The process of population aging Korea is facing, impelled by the decline of

total fertility rate, is faster than any aging process any country has experienced in the past. This will inevitably increase the welfare needs and requires Korea to get prepared for protecting, in particular, frail older persons. The following policies need to be developed and implemented in a manner consistent with the basic policy directions mentioned earlier.

## **1. Establishment of active aging and independent aging strategies**

Health and social services in respect of maintenance and promotion of health should be developed and provided to healthy older persons who, irrespective of existence of chronic disease, have no limitations in conducting activities of daily living, and this is what active aging strategy is about. To this end, it would be necessary to expand and activate senior leisure welfare facilities, including community senior welfare centers, multi-purpose senior centers, elderly schools, to rural areas. In addition to expanding these facilities, a variety of programs need to be developed and activated to encourage social participation involving community volunteering activities and job-seeking efforts.

On the other hand, health and social services with respect to recovery and maintenance of physical functions should be developed and provided on the basis of independent aging strategy to frail older persons who, irrespective of existence of chronic diseases, have limitations in conducting activities of daily living. To achieve this would require efforts to expand and activate facilities supporting home/community care and long-term care including home-help services, adult day care, short-stay services and institutional care. In addition, specialized manpower must be fostered to ensure the effective delivery of these services.

## **2. Substantiality of public income security and developing employment promotion policy**

It is likely that the number of older persons in Korea will be increasing at a

rate faster than anticipated, but benefit levels of the national pension and old-age allowance system are unlikely to rise to ensure old age security. What is needed, then, is an indirect support system that would help people stabilize their old age life. Creation of SOHOs and re-employment, especially for older persons who have experiences in professional or technician jobs is one of efforts that can be made within the framework of such a system. Also, it would be necessary to establish professional senior manpower banks to provide the elderly with job/business information and more jobs.

### 3. Foundation of long-term care service system

Long-term care service system should be grounded on a comprehensive set of plans concerning the following components: accurate estimation of the current and future needs of older persons in the area of long-term care; decisions over the right combination and scope of long-term health and social services; adequate facilities and manpower to deliver these services; and prudent steps to increase long-term care expenditure. As long-term care policies in developed countries are placing emphasis on de-institutionalization, it seems increasingly appropriate for Korea to consider a policy direction that underscores the importance of home/community care.

### 4. Integrating health and social services for efficient home/community care

There has been frequent criticism that health and social services are delivered in a highly uncoordinated way. This often results in inefficient duplication of services delivered by a diverse range of providers including public health centers, community senior welfare centers, and long-term care hospitals. Therefore, a model of integrated health/social service system should be developed with a view to strengthen consumer-oriented services.

Service needs of older persons are various in kind and complex in nature, but

administrative inefficiencies in the current health and social service system leave elderly individuals no choice other than to visit a diverse range of facilities, including public health centers, hospitals, adult day care centers, short-stay care centers, home-help service centers or community senior welfare centers, each kind of which in many cases delivering fragmented services that usually do not meet the needs effectively. Therefore, services should be delivered under a more unified and coordinated administrative system to eliminate unnecessary duplication of services with a view to saving cost and time.

## 5. Developing service support system for middle and upper income class older persons

Up until now health and social services for older Koreans have been provided exclusively to the low-income groups. This is why government budgets invested in elderly welfare sectors have been seriously limited. This in turn greatly discouraged private investments, which left service programmes for middle and upper income groups largely underdeveloped.

It would be too far-fetched to expect that government budgets alone would make it possible to deliver health and social services to all elderly individuals, including those in middle and upper income groups. Indirect support policies, therefore, should be implemented to allow private sectors enter elderly market and participate in a variety of projects including construction of cheaper social welfare facilities for older persons with a view to reducing the financial burden on middle and upper income groups when they are hospitalized into medical care facilities.