

Socioeconomic Change in Korea and the Future Outlook : How Has It Fared Statistically?



Oh, Jong Nam
Commissioner

Korea National Statistical Office

What Is This Presentation About?



Examine socioeconomic change of Korea during the last 5 decades, employing various statistical indicators in the areas of

1

Population

2

Education

3

Health and Welfare

4

Quality of Living

5

Informatization

6

Economy



☰ **This exercise aims to**

- **Understand what has happened to Korea so far**
- **Assess what is going to happen in the future**
- **Think about what needs to be done for better adaptation to future changes**



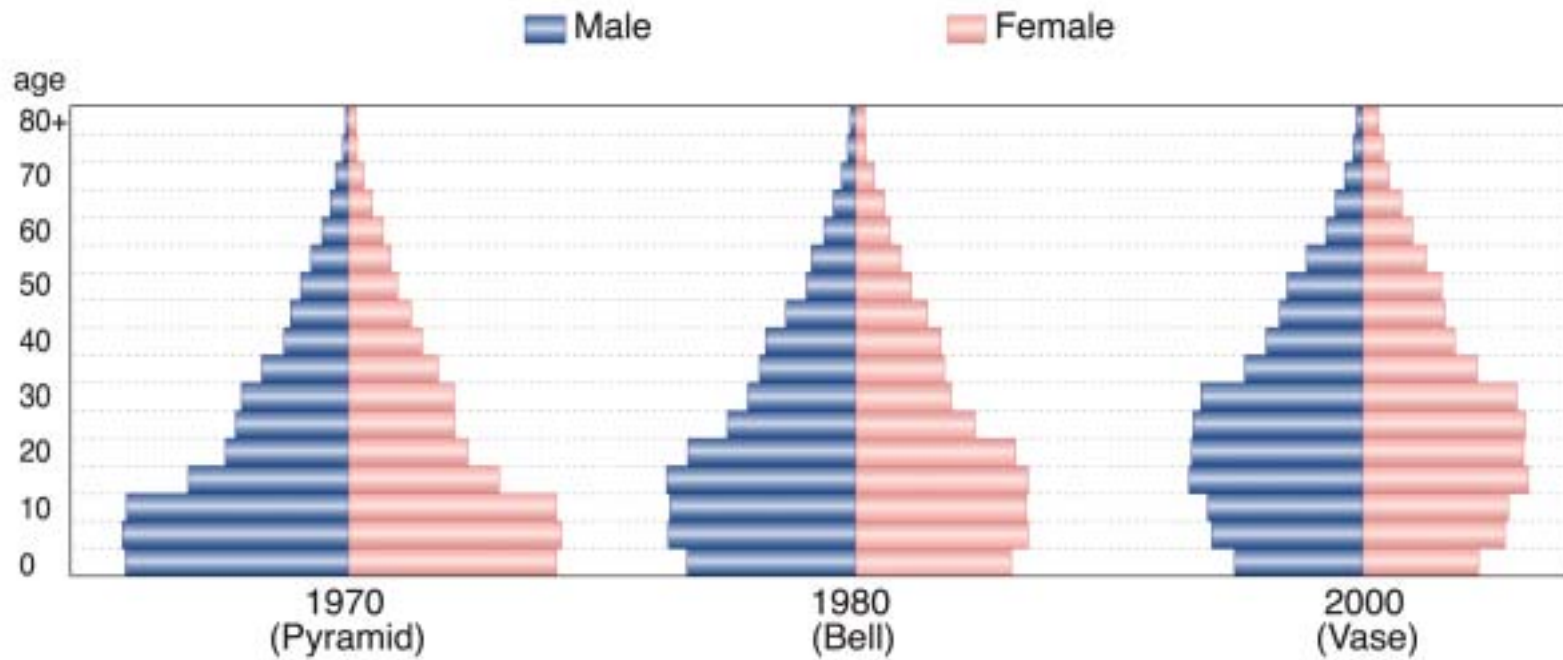
Life Expectancy

Year	Both	Male	Female
1960	52.4	51.1	53.7
1975	63.8	60.2	67.9
1985	68.4	64.5	72.8
1995	73.5	69.6	77.4
2001	76.5	72.8	80.0
2010	78.8	75.5	82.2
2020	80.7	77.5	84.1

Source: Korea National Statistical Office.



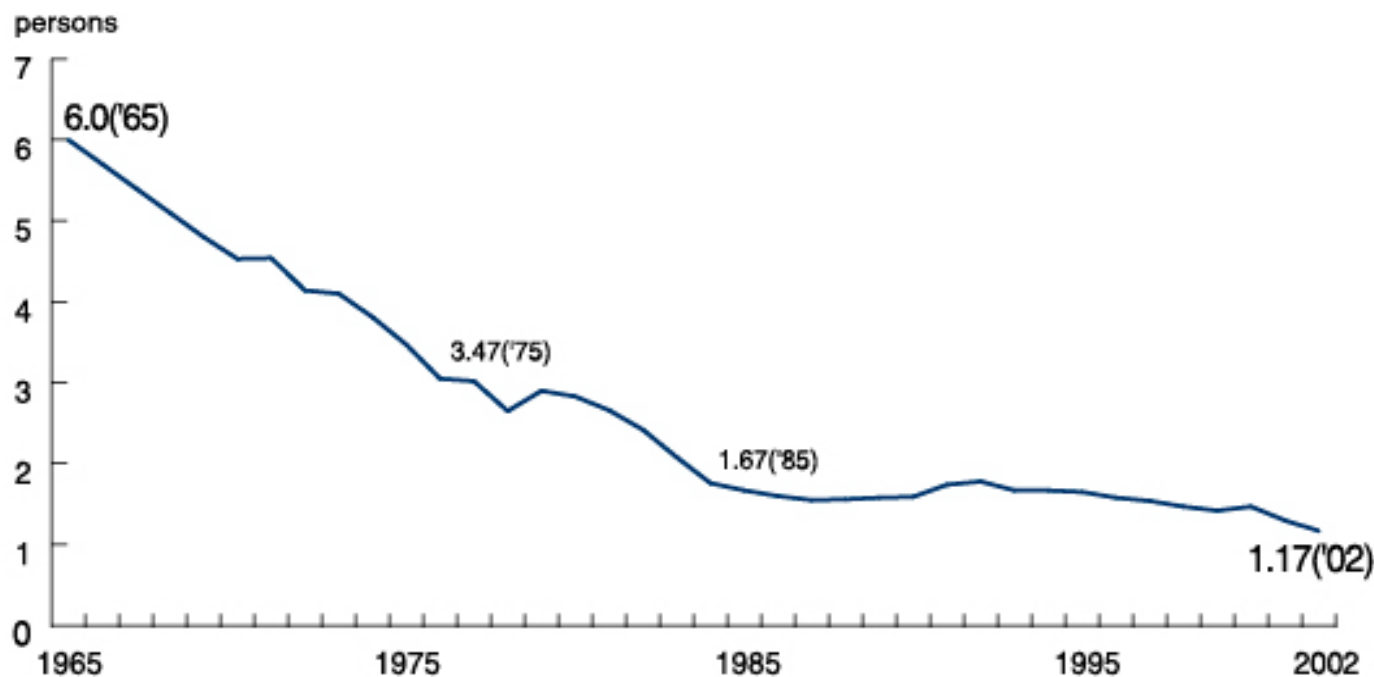
Population Pyramids of Korea



• Source: Korea National Statistical Office.



Total Fertility Rate



Source: Korea National Statistical Office.

➤ **TFR : Average number of children born to a woman between the age of 15 and 49**

Source : Korea National Statistical Office



Speed of Population Aging

Country	Year when the elderly population reach each level			Number of years taken for transition	
	7% (Aging)	14% (Aged)	20% (Super-aged)	7% 14%	14% 20%
Japan	1970	1994	2006	24	12
France	1864	1979	2020	115	41
Germany	1932	1972	2012	40	40
UK	1929	1976	2021	47	45
Italy	1927	1988	2007	61	19
USA	1942	2013	2028	71	15
Korea	2000	2019	2026	19	7

Source : Korea National Statistical Office



Marriage Rate and Divorce Rate

Year	Crude marriage rate	Crude divorce rate
1970	9.2	0.4
1980	10.6	0.6
1990	9.3	1.1
2000	7.0	2.5
2001	6.7	2.8
2002	6.4	3.0

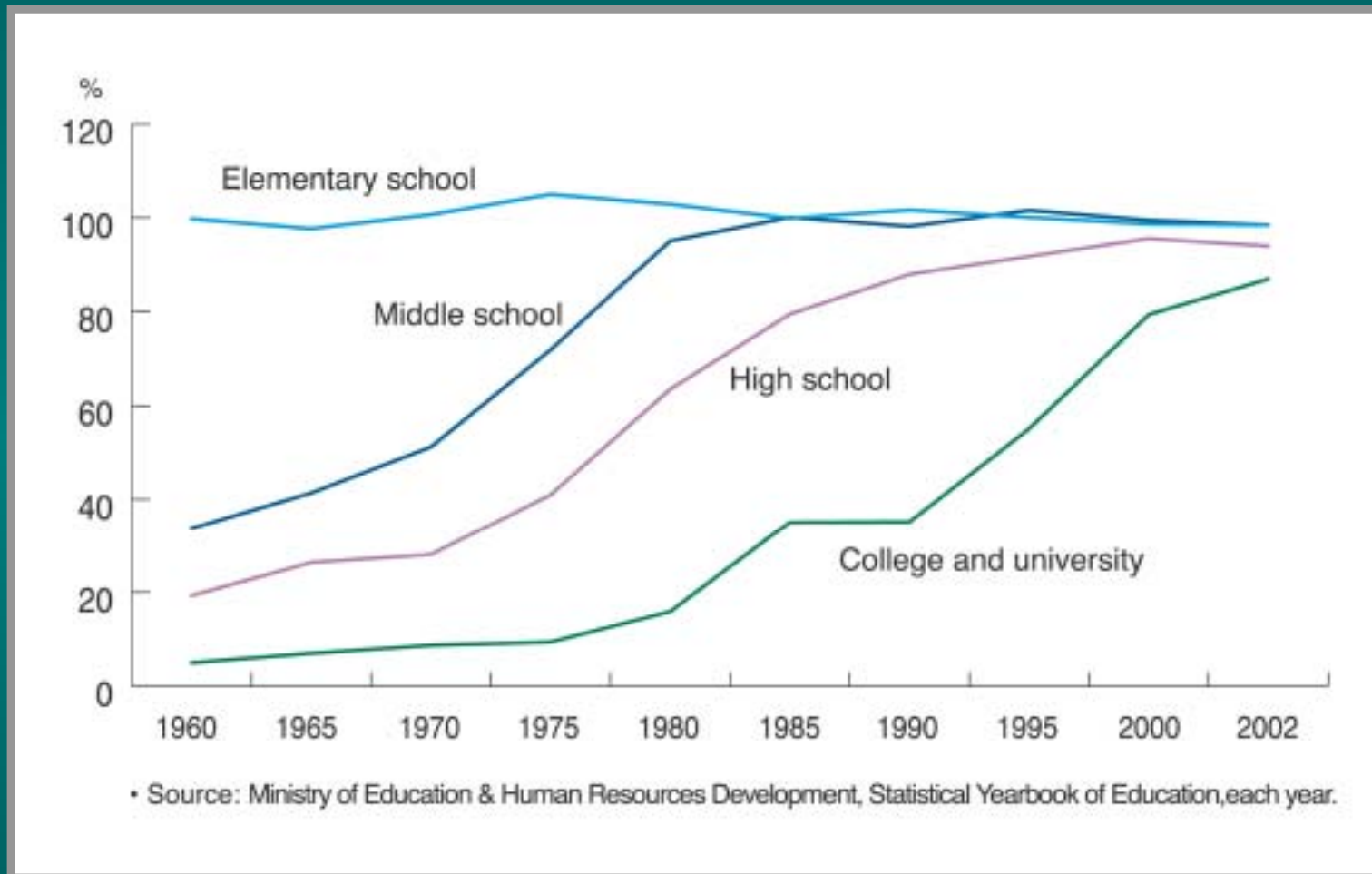
CMR = (no. of marriages/mid-year population) 1,000

CDR = (no. of divorces/mid-year population) 1,000

Source: Korea National Statistical Office.



School Enrollment Ratios by Level of Schooling



School Enrollment Ratios by Level of Schooling

Year	Elementary School	Middle School	High School	College and university
1960	99.8	33.8	19.3	5.0
1970	100.7	51.2	28.1	8.7
1980	102.9	95.1	63.5	15.9
1990	101.7	98.2	88.0	35.2
2000	98.7	99.5	95.6	79.4
2002	98.5	98.5	94.0	87.0

Source : Ministry of Education & Human Resources Development



Advance Rate of Graduates to Higher School Level

Year	Elementary School → Middle School	Middle School → High School	High School Co lege, Universit y
1970	66.1	70.1	26.9
1980	95.8	84.5	23.7
1990	99.8	95.7	33.2
2000	99.9	99.6	68.0
2002	99.9	99.6	74.2

Source : Ministry of Education & Human Resources Development



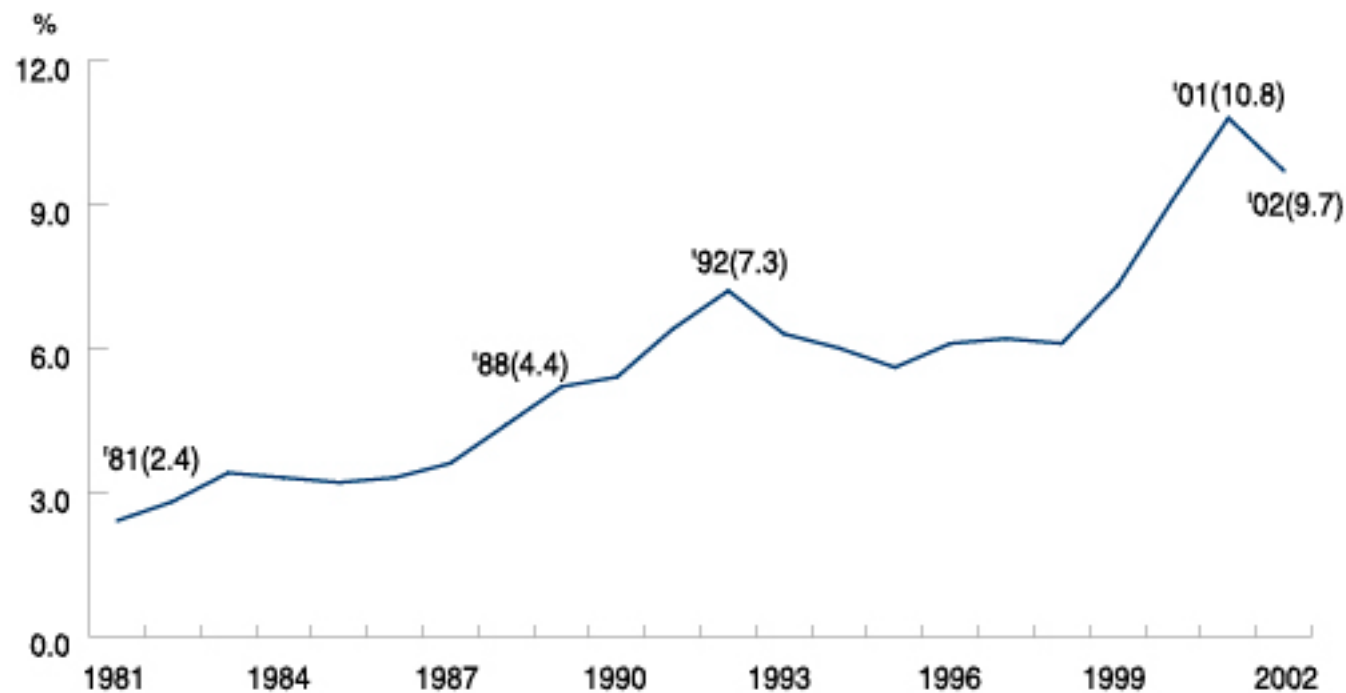
Number of Students per Teacher

Year	Elementary School	Middle School	High School	College and university
1960	58.8	40.5	28.4	26.9
1970	56.9	42.3	29.7	19.1
1980	47.5	45.1	33.3	28.2
1990	35.6	25.4	24.6	31.1
2000	28.7	20.1	19.9	47.8
2002	28.1	19.3	15.7	48.3

Source : Ministry of Education & Human Resources Development



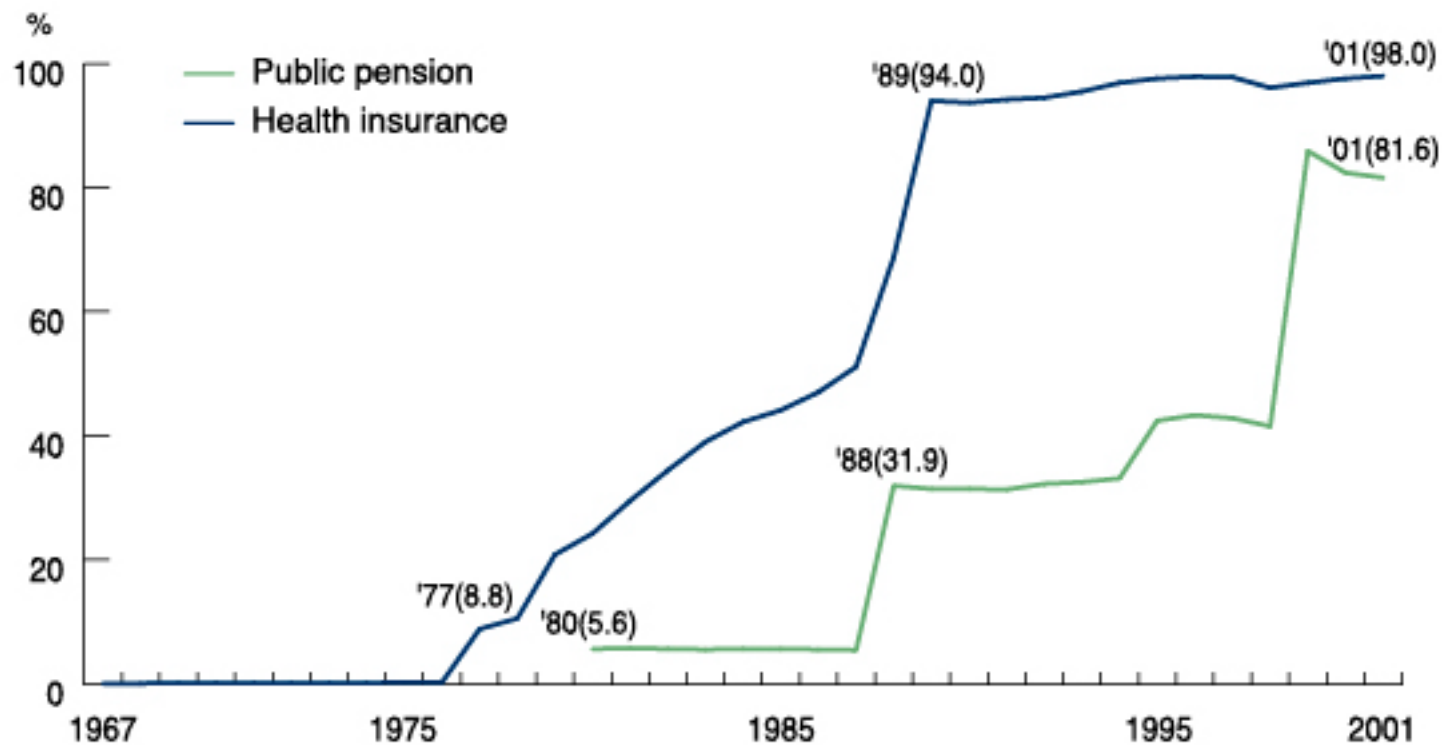
Social Security Budget as Percent of Gov't Budget



• Source: Ministry of Health and Welfare, Yearbook of Health and Welfare Statistics, each year.



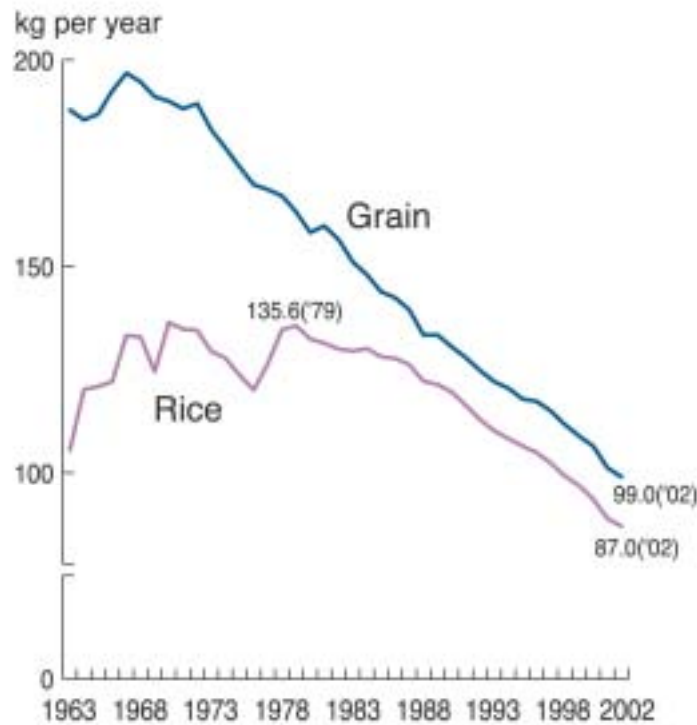
Percent of the Population Covered by Social Security Programs



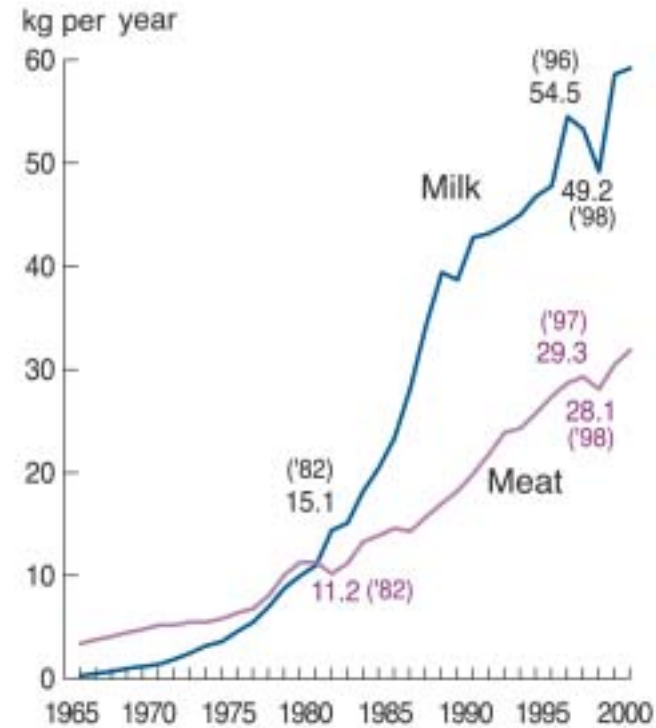
• Source: National Pension Corporation
National Health Insurance Corporation



Nutrient Supply(per person)



• Source: Korea National Statistical Office, Food Grain Consumption Survey



• Source: Korea Rural Economic Institute, Food Balance Sheet, each year



Number of Persons per Medical Personnel

Year	Physician	Dentist	Oriental Medicine Doc.	Pharmacist
1965	2,645	16,291	10,075	2,862
1970	2,159	15,194	9,914	2,201
1980	1,690	10,531	12,645	1,565
1990	1,007	4,457	7,401	1,155
2000	648	2,606	3,911	929
2001	629	2,507	3,700	913

Source: Ministry of Health and Welfare



Average Monthly Income and Expenditure of Salary and Wage Earner's Households

Year	Income(won)	Expenditure(won)
1970	28,180	24,700
1980	234,086	173,983
1990	943,272	649,969
2000	2,386,947	1,614,761
2001	2,625,118	1,751,578
2002	2,792,400	1,826,900

Source: Korea National Statistical Office



Percent of Respondents Who Traveled

Year	Overseas	Domestic
1990	2.0	65.0
1993	3.9	62.5
1996	6.5	61.6
2000	5.9	58.2

Source : Korea National Statistical Office



Motor Vehicle Registration

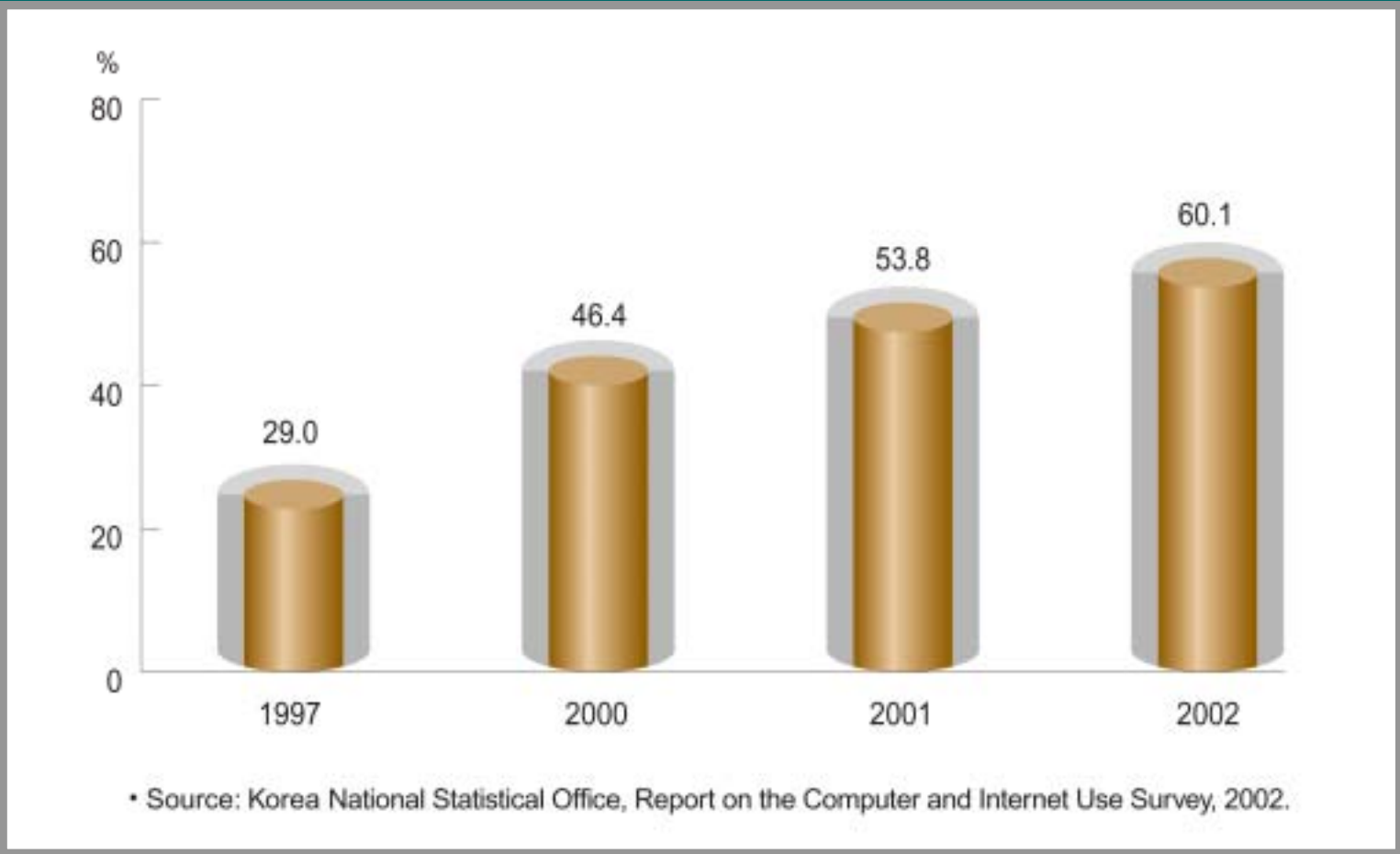
Year	Total number of motor vehicles (1,000 cars)	Private cars (1,000 cars)	Persons per private car
1970	127	29	1,123.9
1980	528	179	213.6
1990	3,395	1,902	22.5
1995	8,469	5,778	7.8
2000	12,059	7,798	6.0
2001	12,914	8,588	5.5
2002	13,949	9,414	5.1

➤ As of April 2003, 10 million cars

Source : Ministry of Construction & Transportation



Computer Ownership of Households



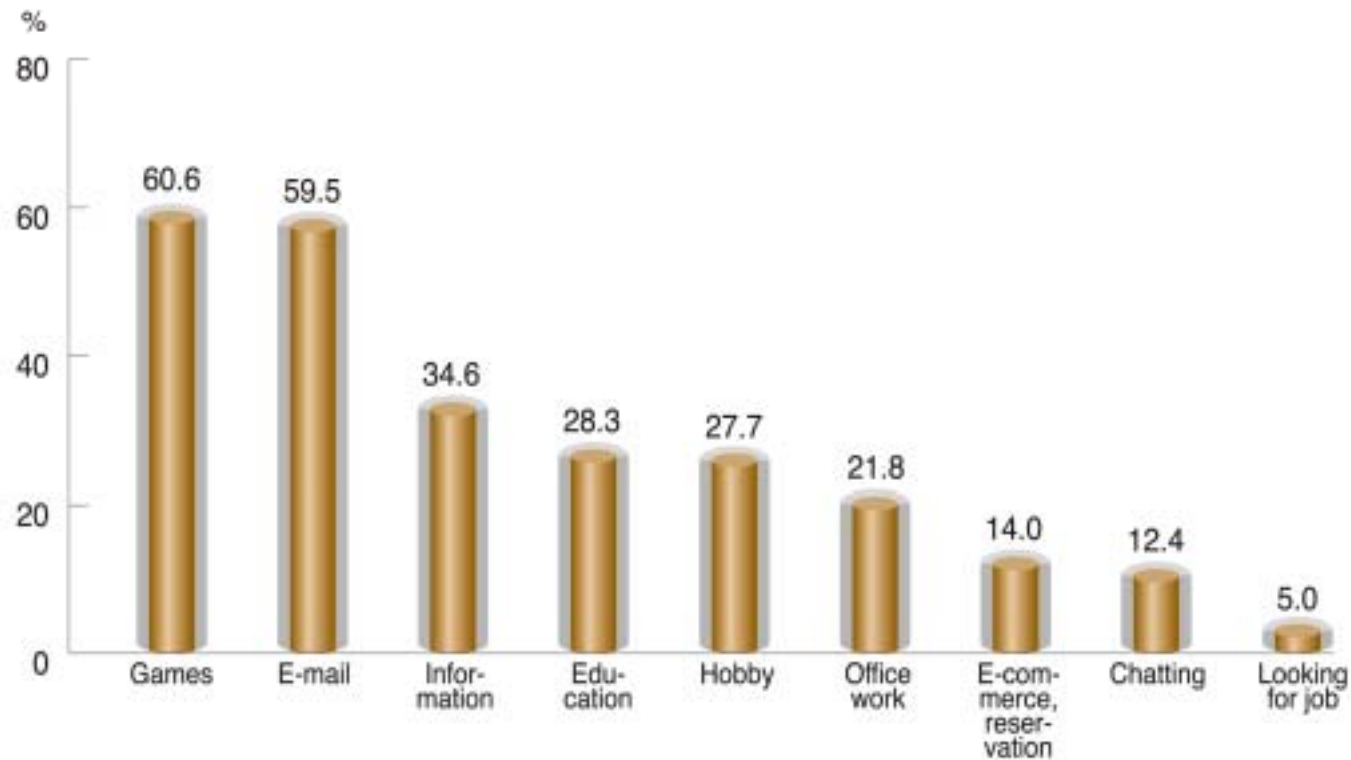
Computer and Internet Use

Year	Total	Able to use			Unable to use	
		computer	Internet	Internet	computer	computer
2001	100.0	58.7	52.9	5.8	41.3	
2002	100.0	63.0	59.4	3.5	37.0	
Male	100.0	69.6	66.0	3.6	30.4	
Female	100.0	56.5	53.1	3.5	43.5	
15~19 years	100.0	99.2	99.1	0.1	0.8	
20~29	100.0	94.1	92.7	1.4	5.9	
30~39	100.0	74.7	70.1	4.6	25.3	
40~49	100.0	48.2	43.8	4.4	51.8	
50~59	100.0	21.3	18.4	2.9	78.7	
60 and over	100.0	5.4	4.4	1.0	94.6	

Source : Korea National Statistical Office



Reasons for Using Computer : 2002



• Note: Multiple response.

• Source: Korea National Statistical Office, Report on the Computer and Internet Use Survey, 2002.

Employment Composition by industry

Year	Agri./ forestry/ fishing	Mining/ manufact uring	S.O.C. and other services			
			Construc tion	Wholesale · restaurant and hotel	Others	
1970	50.4	14.3	35.3	2.9	-	-
1980	34.0	22.5	43.5	6.2	19.2	18.1
1990	17.9	27.6	54.5	7.4	21.8	25.3
1995	11.8	23.7	64.5	9.4	26.5	28.6
2000	10.6	20.4	69.0	7.5	28.2	33.3
2001	10.0	19.9	70.2	7.3	27.2	35.6
2002	9.3	19.2	71.5	7.9	27.1	36.5

Source : Korea National Statistical Office



GDP Share by Industry

Year	Agri./ forestry/ fishing	Mining/ manufact uring	S.O.C. and other services			
			Construc tion	Wholesale · restaurant a nd hotel	Others	
1970	27.1	22.7	50.2	5.1	16.8	28.3
1980	14.8	29.7	55.5	8.0	13.4	34.1
1990	8.5	29.6	61.9	11.4	13.4	37.1
1995	6.2	29.8	64.0	11.3	12.5	40.2
2000	4.7	31.6	63.7	8.0	12.1	43.6
2001	4.3	30.8	64.9	8.3	12.3	44.3
2002	4.0	29.6	66.4	8.5	12.0	45.9

Source : The Bank of Korea



Export and Import

Year	Export(MillionUS\$)	Import(MillionUS\$)
1960	32.8	343.5
1970	835.2	1,984.0
1980	17,504.9	22,291.7
1990	65,015.7	69,843.7
1995	125,058.0	135,118.9
2000	172,268.0	160,481.0
2001	150,439.0	141,098.0
2002	162,822.0	152,020.0

Source : Korea International Trade Association

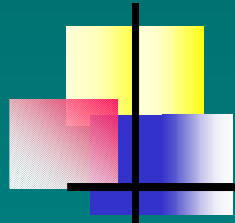


Newly Emerging Trends in Korea

- ▣ **Low fertility rate and rapid population aging**
- ▣ **Knowledge industry-based informatization**
- ▣ **Greater integration with the global economy**



Newly Emerging Trends



Low Fertility Rate



Main Reasons for Fertility Decline

- Increasing economic participation by women
- Rising opportunity cost of pregnancy and childcare
- Tenuous family network available for help with child-rearing
- Lack of child care service
- Disintegration of family
- Rising housing and educational expenses



Impacts on Economy and Society

- Shortage of labor force
- Lower labor productivity
- Reduce consumption and savings
- Slow down economic growth
- Drive down quality of living
- Shortage of college applicants
- Hard to secure draftees for national defense



Policy Implications

- **Need to boost fertility rate while inducing more women into the labor market**
- **Provide incentives for women to carry on both market work and family work**
- **Build a public care system tuned to nuclear family and female economic participation**

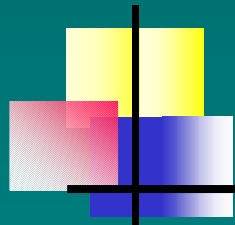


Specific policy guidelines

- **Child care facilities for working mothers**
- **Tax : Tax breaks for families with children/ elderly, differential tax rates between single and married**
- **Housing: Preferential treatment in housing rent/purchase**
- **Education: Share education cost of future generations of society**



Newly Emerging Trends



Rapid Population Aging



Main Reasons for Rapid Aging

- **Extension of life expectancy due to**
 - **improved living standards and personal hygiene**
 - **Advance of medical technology and better access to medical service**
- **Younger population shrinking from low fertility**



Impacts on Economy and Society

- Reduce economically active population
- Lower labor productivity
- Increase burden on the productive-age group
(e.g., financing of pension and medical care)
- Intensify generational conflicts



Problems Facing the Elderly

- **Family/ Society :** Reduced roles, conflicts → Sense of togetherness
- **Economy:** Poverty → Rehire, pension program
- **Health:** Weakness, illness → Nutrition, health care
- **Psychology:** Isolation, loneliness → Participation in community activities, volunteer work, leisure



Policy Implications

- **Recognize the need to switch from family security to social security**
- **Promote rehire policies for stable livelihood in old age**
- **Expand socioeconomic infrastructure for elderly welfare**



Why Are Statistics Important?

- **Help us anticipate future trends**
- **Guide us to make informed decisions to respond to new challenges and forge effective policies**





**Thank you
very much.**