

Trends in the Working Lifetimes for Korean Men Since 1980s

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1. Introduction

For the last three decades in Korea, there have been dramatic changes in the economy. In the 1970s, Korea rapidly raised economic growth as the result of continuous effect on the economic development by the driving force of government leadership. And in the 1980s, owing to three low price phenomena in crude petroleum, international interest rate and weak U.S. Dollar to Korean won, a rapid economic growth was attained and resulted in phase change from chronic deficit to surplus.

However, in the 1990s, the anomalous economic growth induced consumption activity and a surplus of currency. This anomalous economic effect resulted in the shortage of foreign currency at the end of the 1990s, so that Korea had to receive the IMF bailout fund. Under the IMF system, the labor market has influenced the Korean men's labor force.

In this paper, we review the data on the life table for Korean people, which was provided by Korea National Statistical Office(KNSO) and develop the table of working life for Korean men for the last two decades.

2. Methodology

The life table for Korean people includes basic information on industrial activity, population, labor power and welfare. From this data basis, the applied analysis into the specific area on labor life is desirable. Men's life table for Korean has officially been provided by KNSO from the biannual survey until 1999. Furthermore, the survey for economically active population was annually performed by KNSO.

We constructed the table for working lifetime of Korean men from the data analysis for both the life table and the population table. The life table provides survival rate, survival population and stationary population for various ages and the population table provides the participation rate for economic activity. The table for working lifetime for Korean men provides the prediction about the period of working time in future without considering about future economic situation.

3. Results and Discussion

First, we analyzed the active participation rate on economic activity. Generally participation rate of the age groups between 10 and 25 was decreased with development of industry and the stabilized life economically provides highly educated level for the younger generation. Simultaneously, the rapid development of Korean industry leads high participation rate for the older generation and the working lifetime was monotonically increased up to 1997.

However, this phase was changed after the financial crisis. As a whole, the participation rate was decreased for the low and the high age groups to compare to the middle age group. The participation rate on economic activity for younger generation (15-30) has gradually decreased due to the effects of education and the highly educated young people want knowledge-based white color jobs rather than the blue color jobs. However, after the crisis, this trend was changed from finding a better job to only being able to get a job. Also after the IMF system, the sudden drop of participation rate for the older generation (50-60) reflects on the earlier job termination before their retirement from their enterprises when they could save much more salary then. Life expectation is also expended since environment is cleaner and medical treatment is well-developed. Retirement rate by death was decreased while normal retirement was increased. Many people who can be able to work were driven out from their offices owing to the economic situation.

Fig 1. Korean men's population rate on economic activity participation.

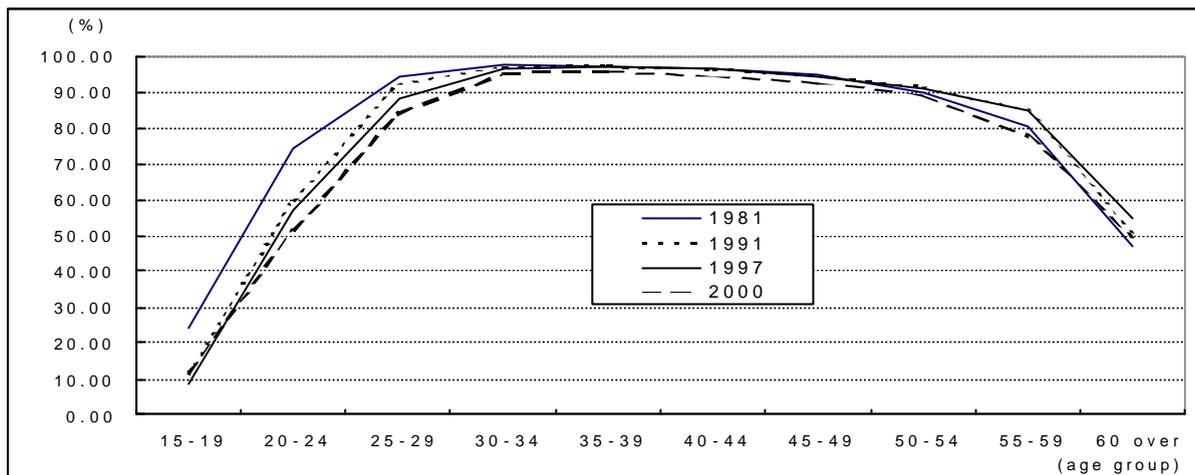
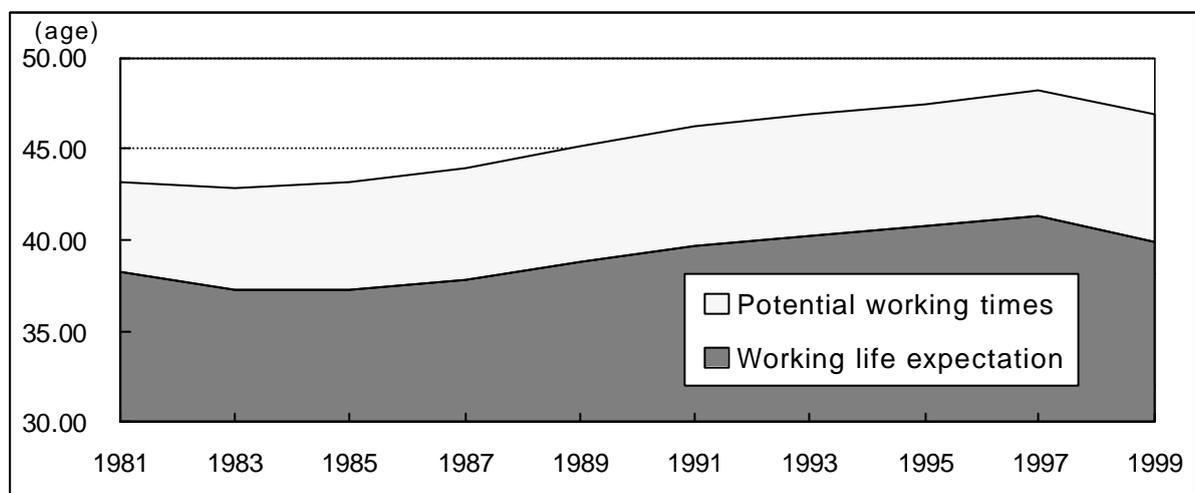


Fig. 2 Expected lifetimes and potential working times.



4. Conclusions

After the Korea economic crisis due to the shortage of foreign currency, there are several social changes on labor activity. Especially, the preparation period for a job was extended 7 years in 1999 from 6.85 in 1997. The labor participation of 20-29 ages was dramatically influenced to the economic crisis. The labor retirement of 55-59 ages was dominant and the economic participation rate went down dramatically. The total age for economic activity reduced from 41.30 years in 1997 to 39.87 years in 1999. As a concluding remark, the increasing Korean men's working lifetime was temporally reduced due to IMF crisis and the labor power has jumped to a younger age group by introducing earlier retirement. In future work, the continuous data analysis on the working lifetime will provide the effect of post-IMF crisis and small venture business in the digital era.

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