

Labour market participation of seniors in South Korea in relation to the demographic aging

Abstract

This paper focuses on demographic aging and economic activity of the elderly in South Korea. The aim is to analyze population aging and the development of economic activity of the elderly, including potentially related factors. Based on a literature review, demographic concepts related to the changing age structure, the historical, economic, and demographic development of South Korea in the 20th century, and the current socioeconomic status of South Korean seniors are briefly introduced. In the analytical section, using data from Statistics Korea, the World Population Prospects 2022 publication, and the Institute for Health Metrics and Evaluation's database, trends of demographic aging to date since 1950 and the evolution of senior labor force participation since 1990 are analyzed using the standard demographic tools. Using data from the KLoSA sample survey, factors potentially related to the economic activity of seniors are examined. Binary logistic regression is used for this purpose. The results show a rapid increase in the share of the elderly in the total population and at the same time an increasing share of the economically active among the elderly, although this share has been very high in international comparison for a long time. Examining the factors affecting labour market participation of the elderly suggests that the main motivation for the elderly to remain economically active is the lack of financial security.

Keywords: demographic aging, economic activity of seniors, South Korea, senior population