

Policy Tasks for Increasing Low Birth Rate and Revitalizing Women's Employment in Korea

2024.10.31

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1. Introduction

The Purpose of the Presentation

- Korea is facing significant national challenges due to an unprecedented and prolonged low birth rate. This phenomenon is the result of highly complex and structural causes.
- This presentation aims to explore the relationship between the characteristics of women's employment in Korea and the low birth rate.
- By examining the Korean government's efforts and limitations in strengthening work-life balance support, the presentation seeks to provide insights into how revitalizing women's employment and achieving gender-equal work-life balance can contribute to overcoming the low birth rate in the future.

➤ The Structure of the presentation

Reviewing

The current status and causes of low birth rates in Korea.

Examination

Low birth rate causes from the perspective of female employment.

Consideration

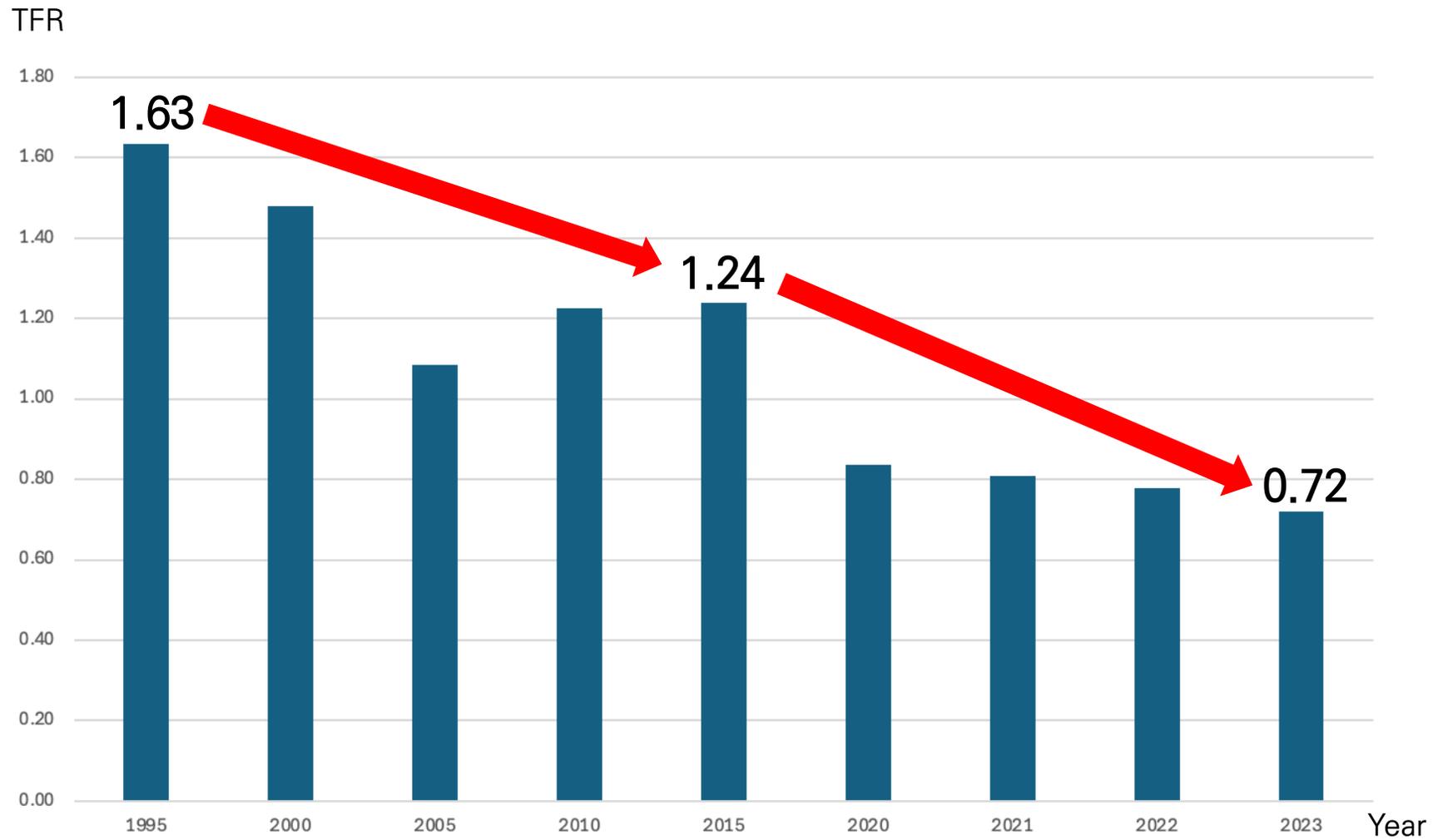
Work-life balance policies and an analysis of their limitations.

Proposal

Future tasks to overcome low birth rates.

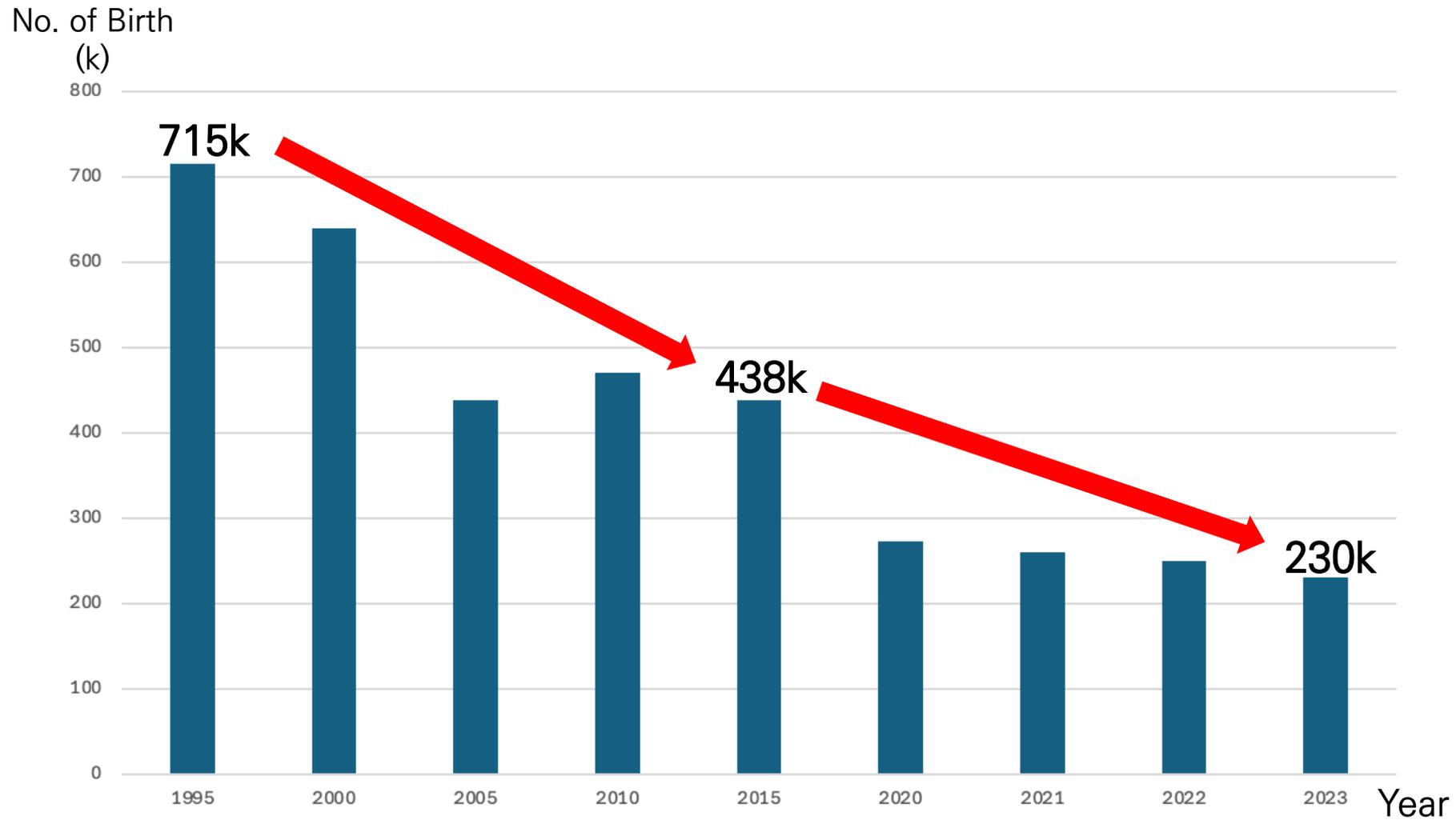
2. The Low Birth Rate Crisis and Its Causes in Korea

Trends in Total Fertility Rate in Korea



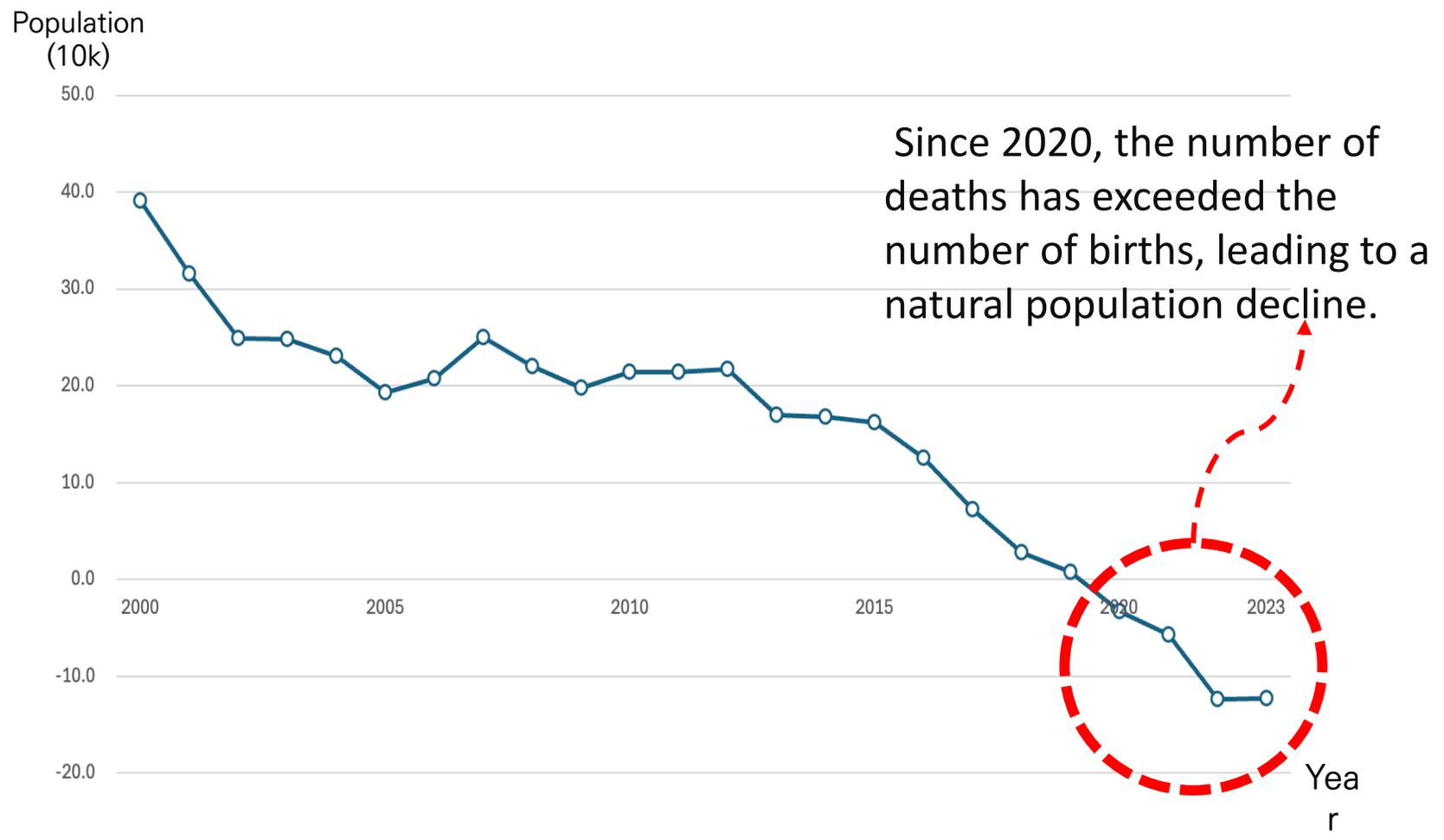
Source: KOSIS(KOrean Statistical Information Service)

Trends in the Number of Births



Source: KOSIS(KOrean Statistical Information Service)

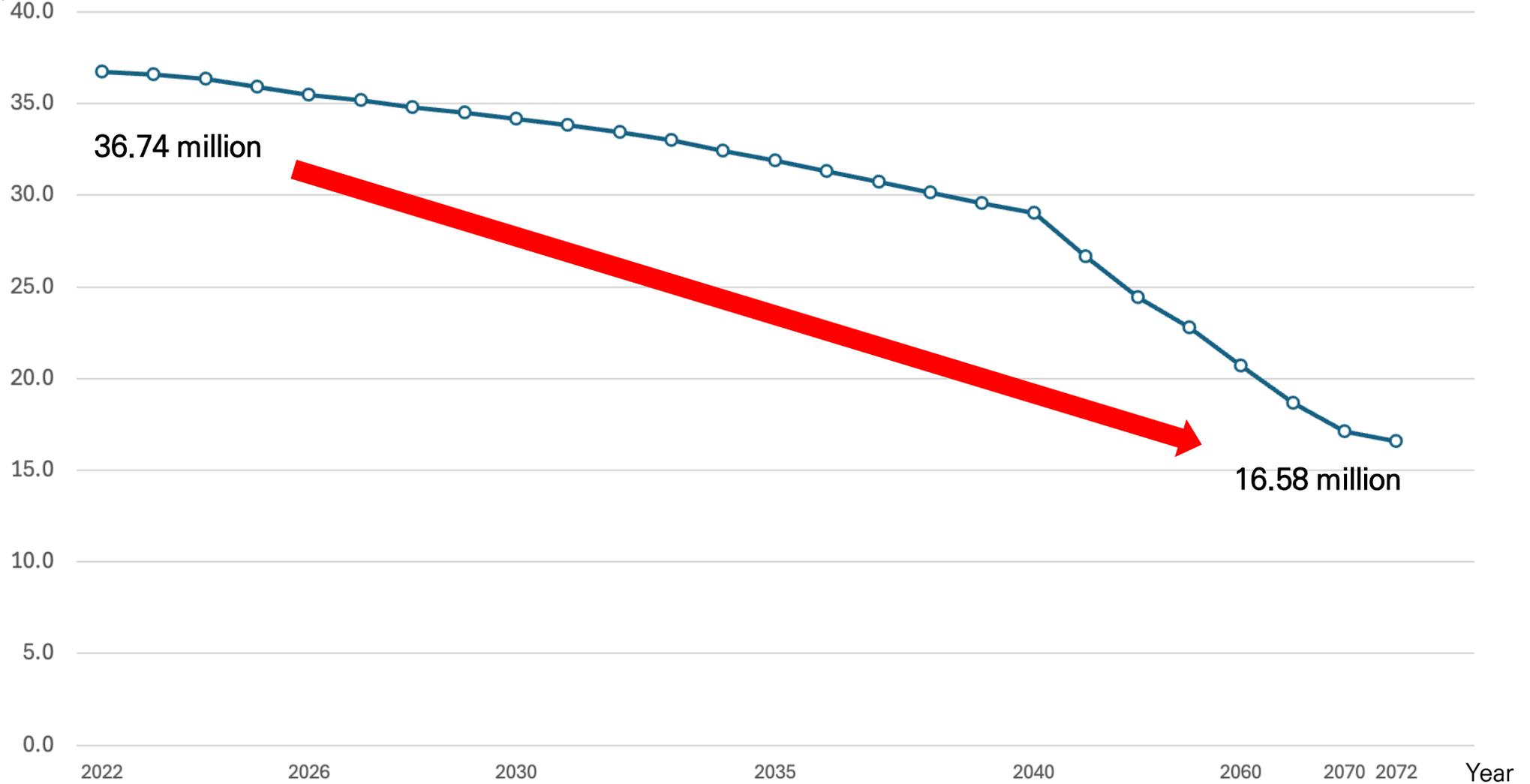
Natural Population Growth by Year



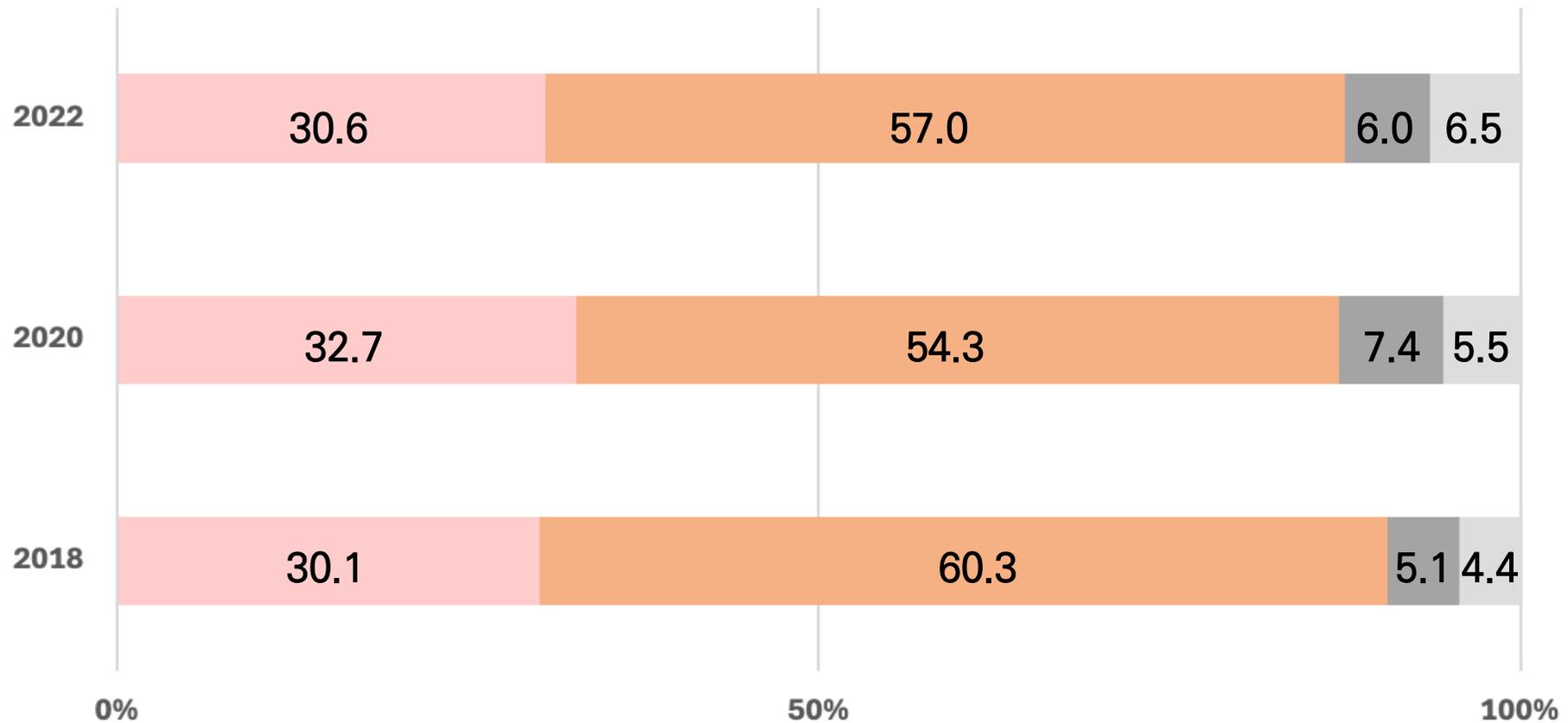
Source: KOSIS(KOrean Statistical Information Service)

Working-age population prospect

Population
(millions)



Views on marriage



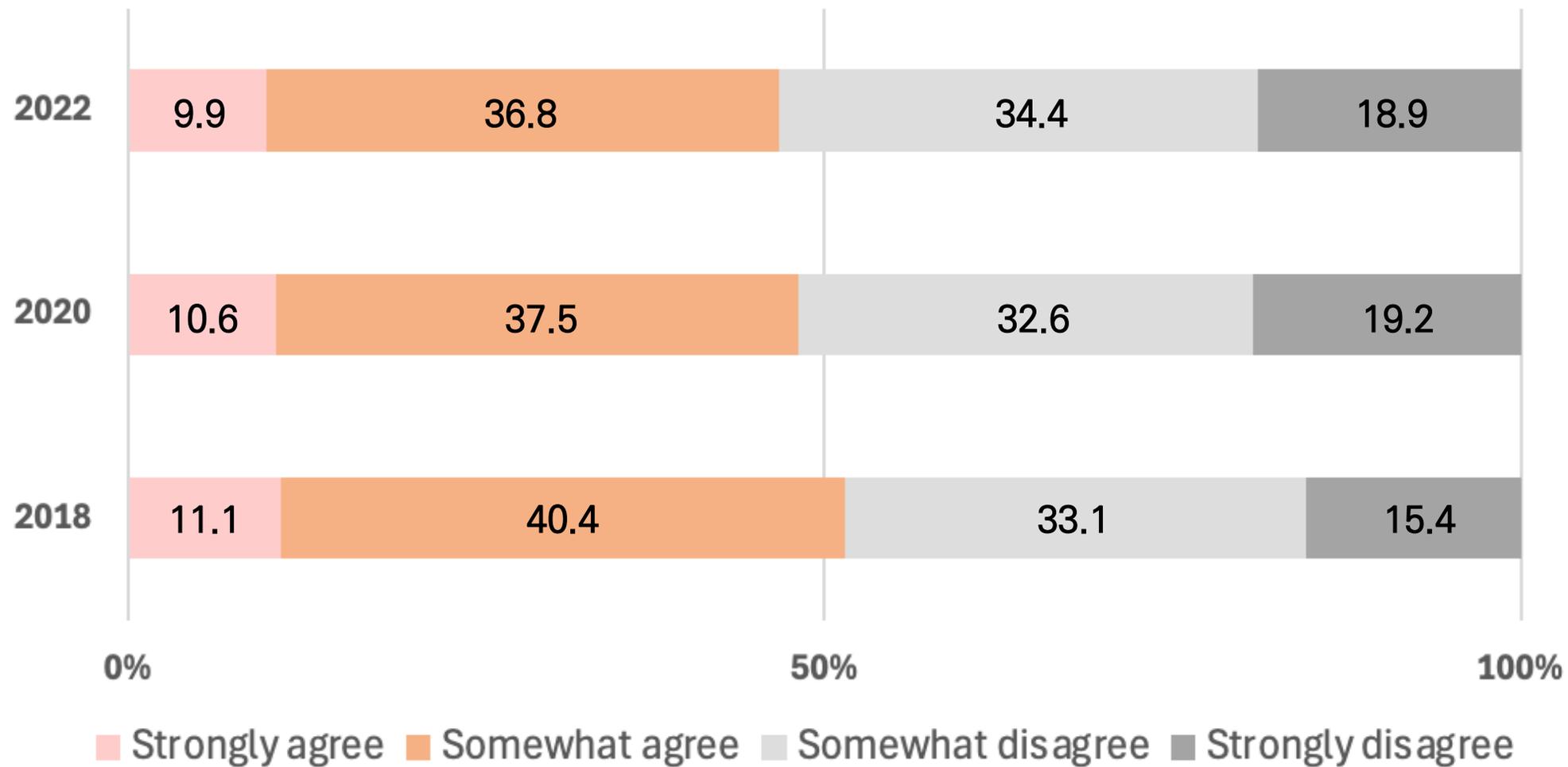
■ Must get married (Must get married+Preferable to get married)

■ It's fine to get married or not

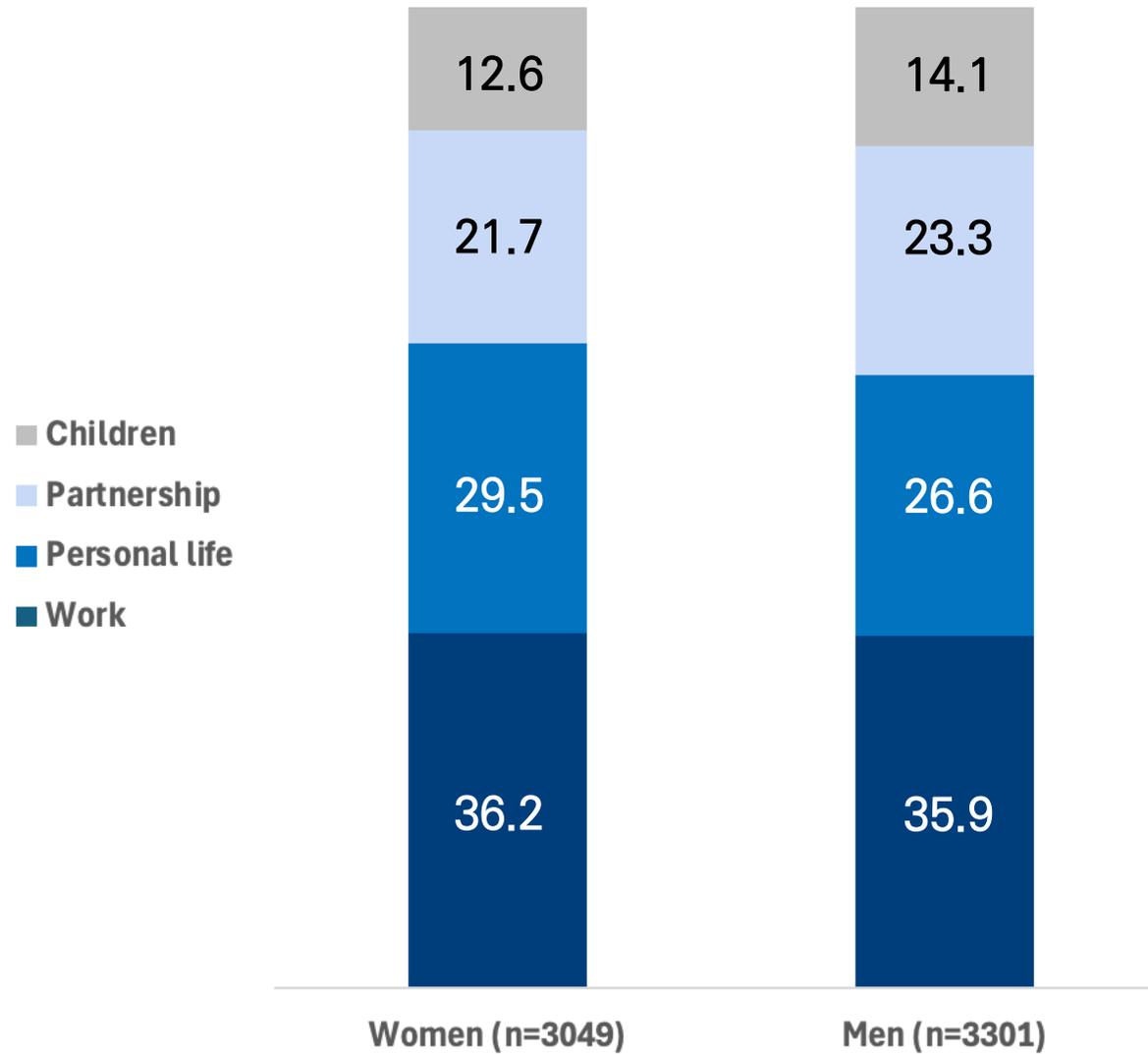
■ Should not get married (Should not get married+Preferable not to get married)

■ Not sure

Views on having children (If married, should have children)



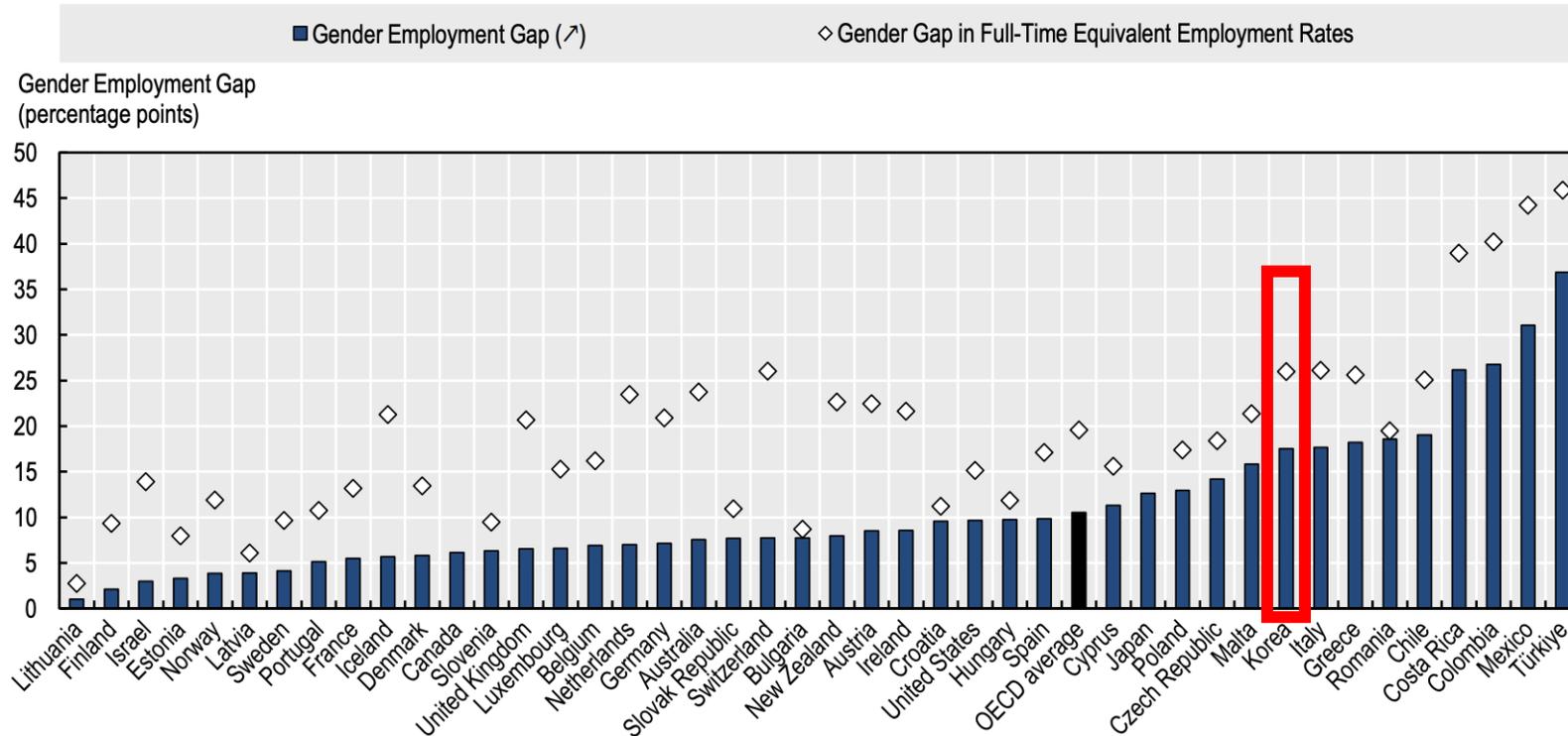
Perception of the Importance of Life Domains during Youth



Gender gap in employment rates and full-time equivalent rates

Chart LMF1.6.A. Gender gaps in employment rates and full-time equivalent employment rates

Gender difference (men minus women) in the employment rate and the full-time equivalent employment rate, 15-64 year olds, 2021



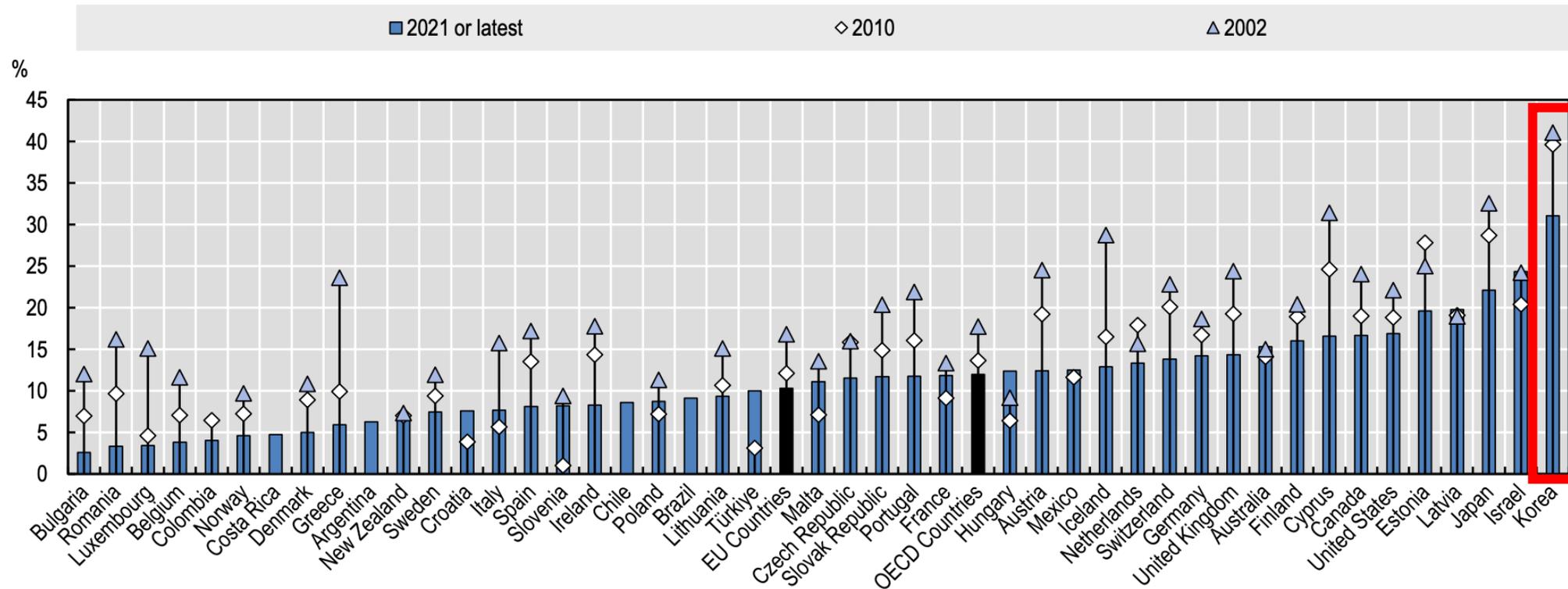
Notes: The full-time equivalent employment rate is calculated as the employment rate for 15-64 years old multiplied by the average usual hours worked per week per person in employment (both dependent and self-employment), divided by 40. For the United States, the full-time equivalent is calculated based on usual working hours for dependent employees only. For Korea, working hours refer to actual weekly working hours in all jobs. Data refer to 2018 for Australia and to 2020 for Türkiye and the United Kingdom.

Source: [OECD Employment Database](https://data.oecd.org/employment/).

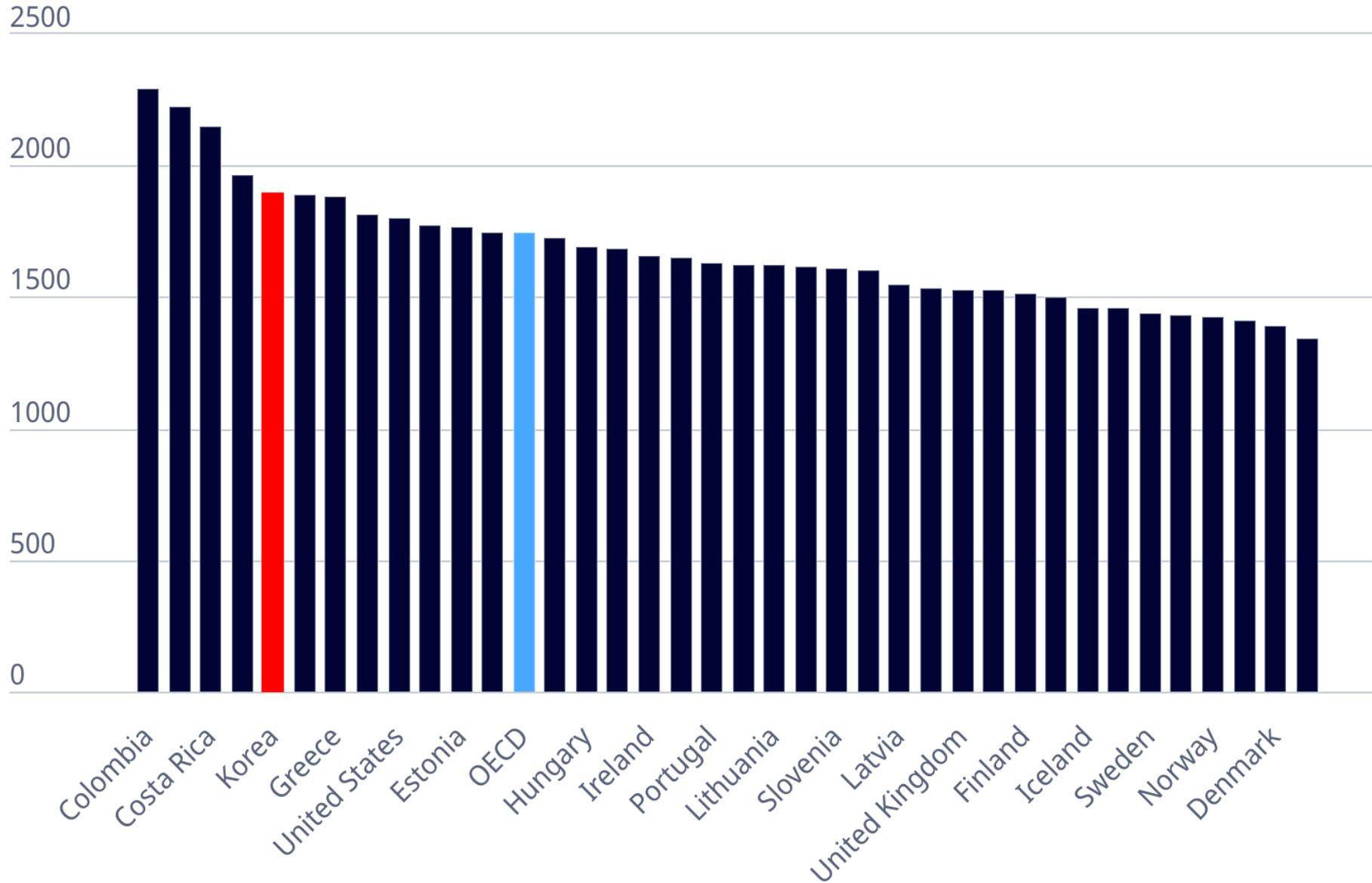
Gender gap in median earnings of full-time employees

Chart LMF1.5.A. Gender gap in median earnings of full-time employees

Gender gap in median earnings, full-time employees, 2002, 2010, and 2021 or latest

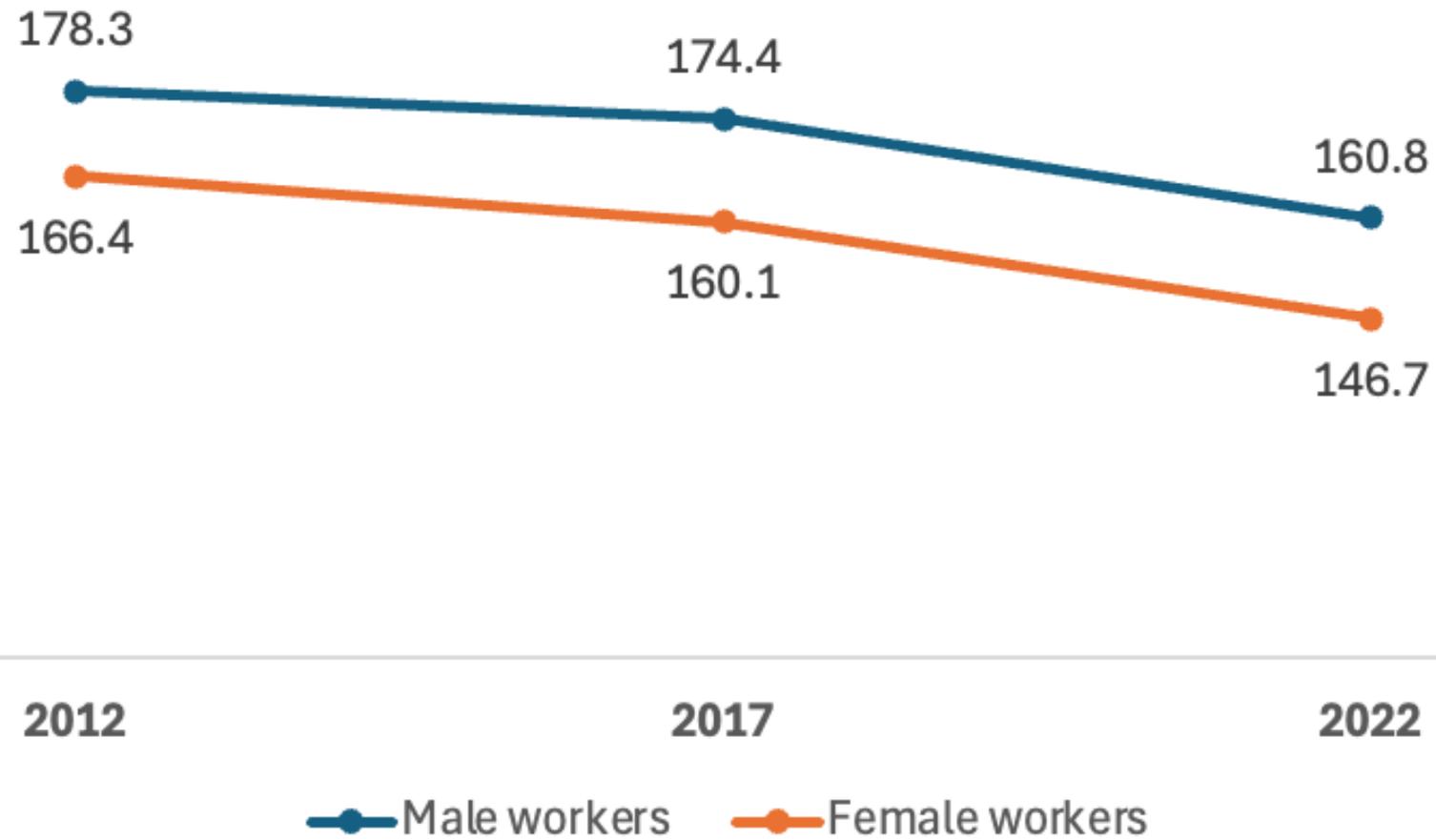


Hours worked (Hours/worker)

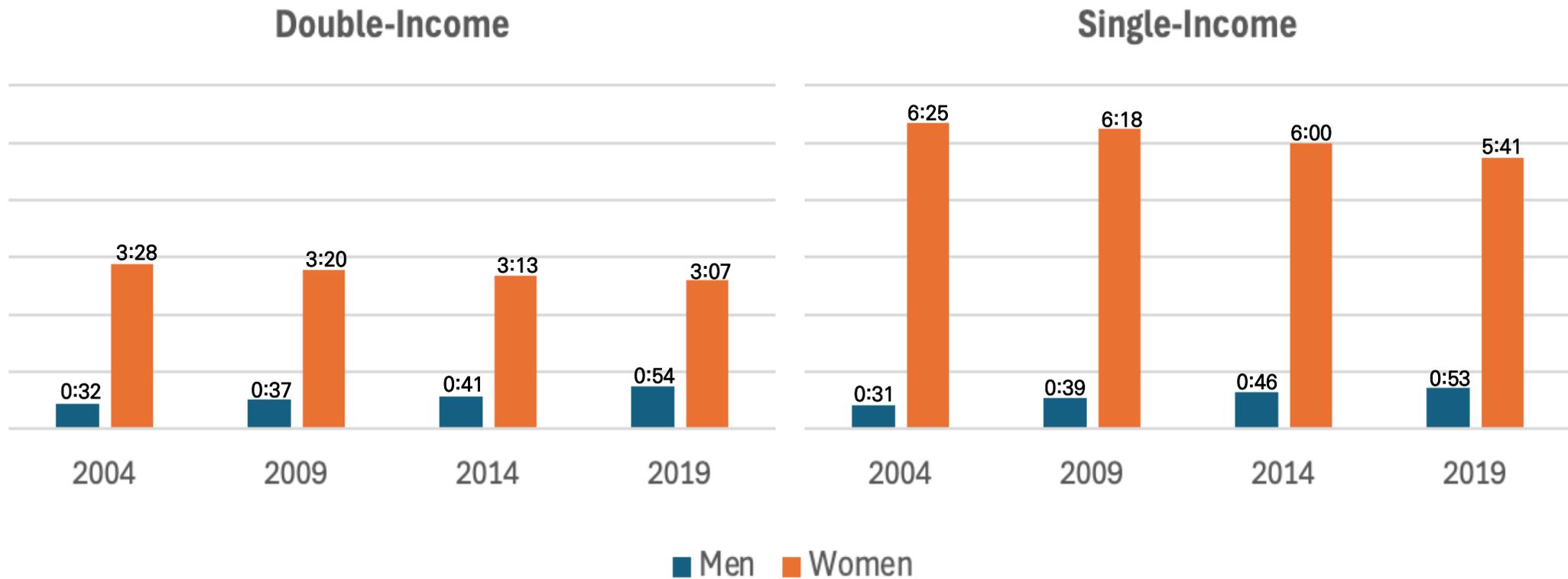


Average Monthly Working Hours by Gender

(Unit: Hours)



Time Spent on Housework by Household Type



Disagreement over Fertility and Men's Share in Caring for Children

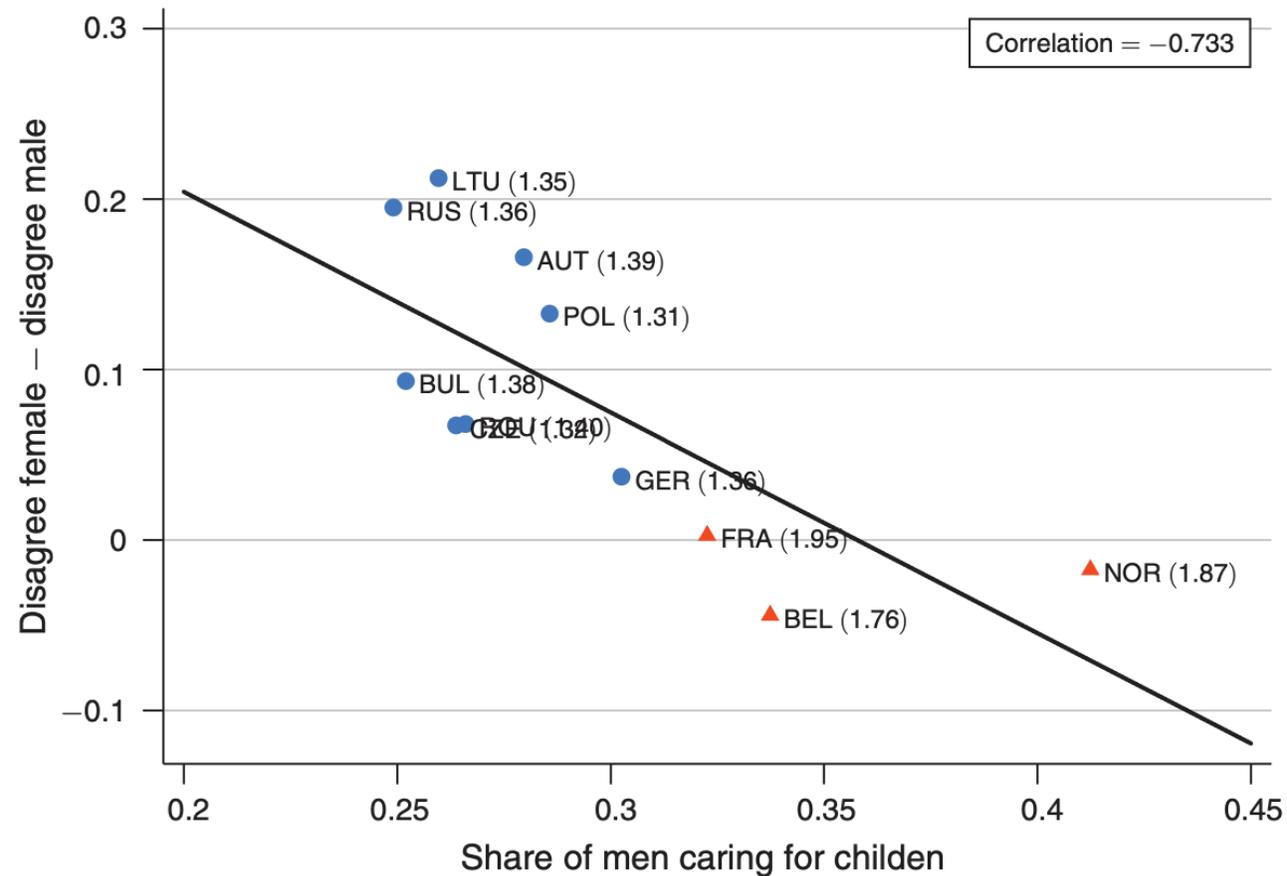
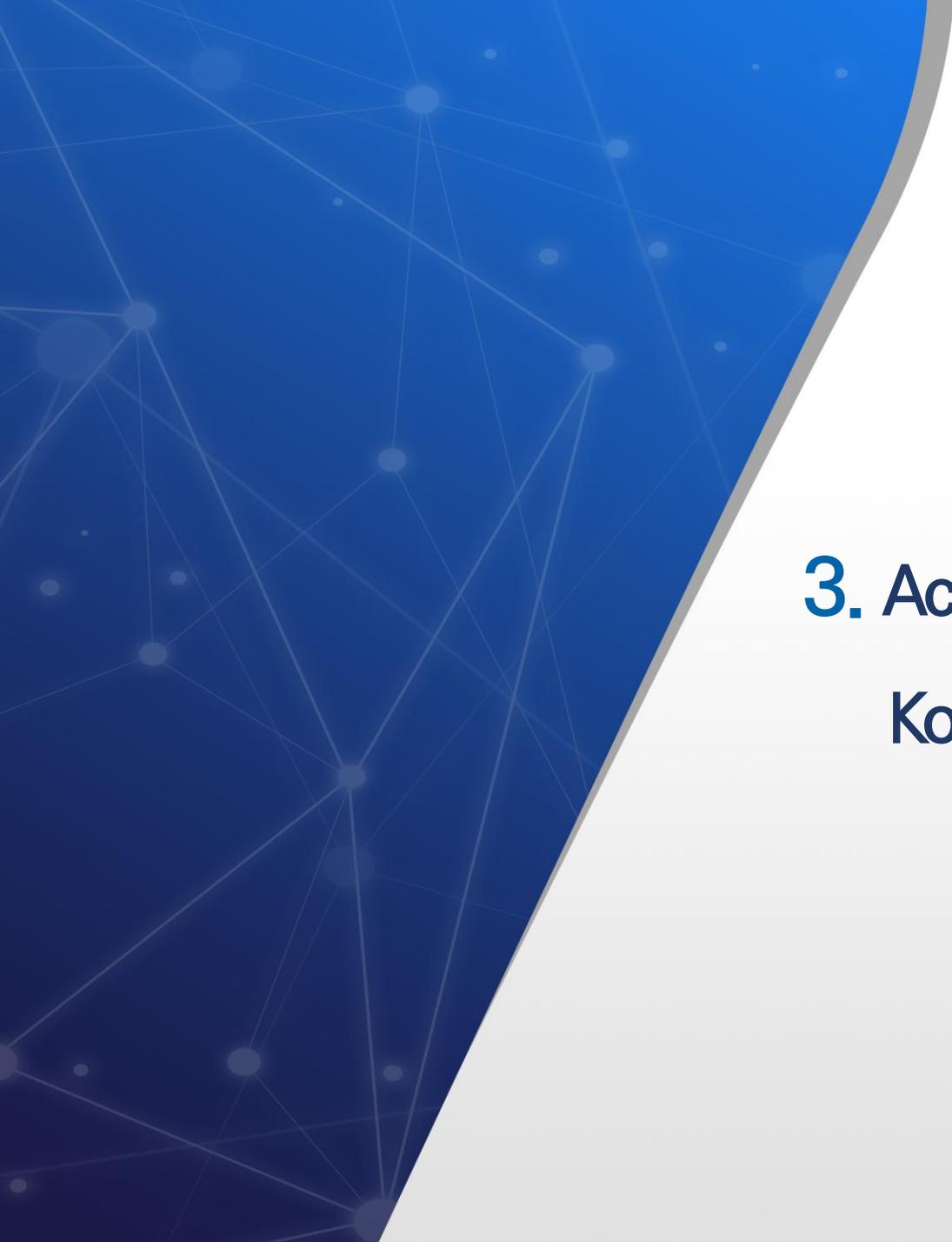


FIGURE 2. DISAGREEMENT OVER FERTILITY AND MEN'S SHARE IN CARING FOR CHILDREN

Notes: Data from Generations and Gender Programme. Each dot is a country, total fertility rate displayed in parentheses. Sample restricted to couples who have at least one child under age 15.



3. Achievements and Limitations of Korea's Work–Life Balance Support Policies

- **Introduction to Korea's Childrearing Support System**

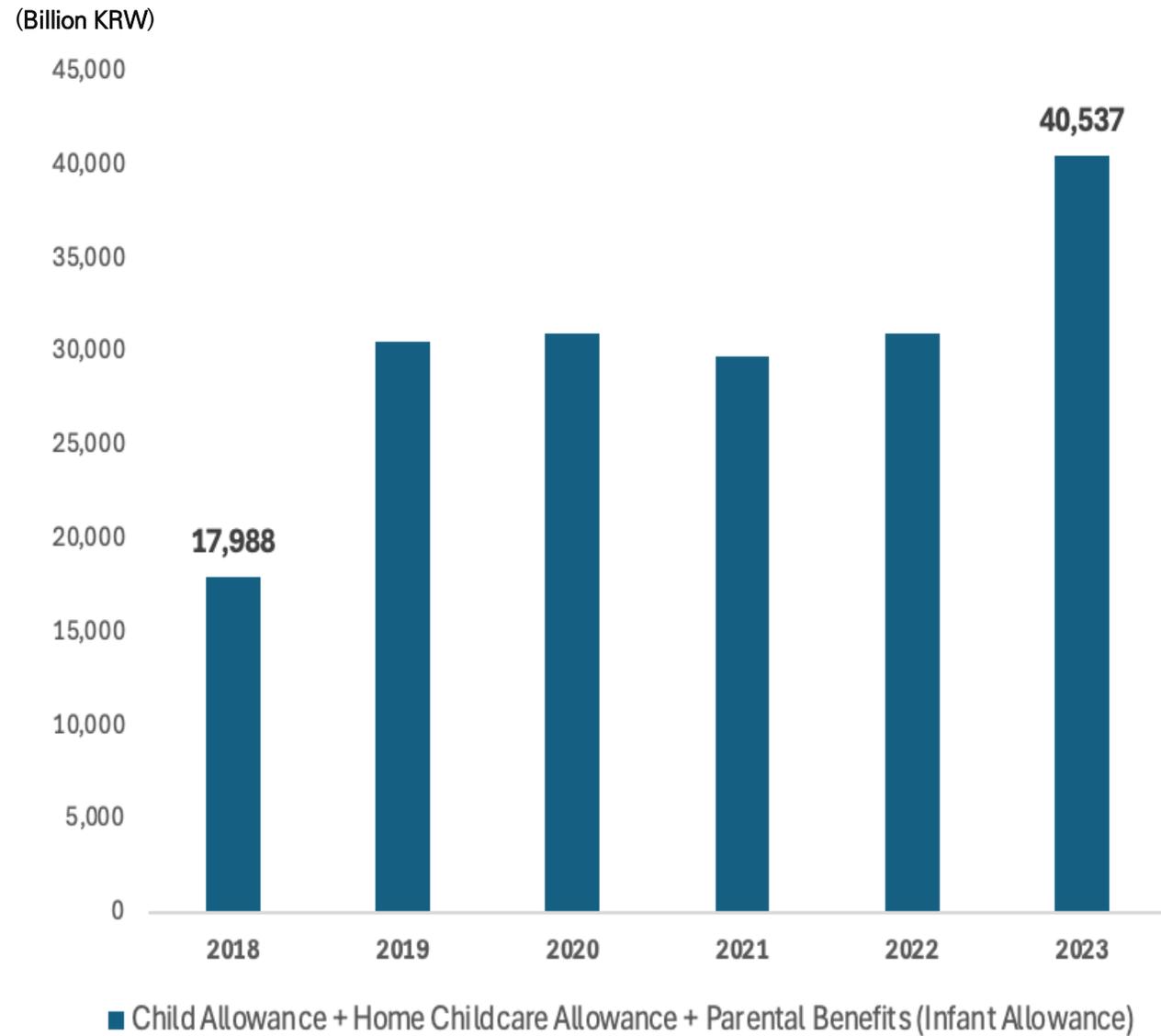
Parental Benefits

- All children up to 12 months of age receive 1,000,000 won/month per child.
- Children between 12 and 24 months of age receive 500,000/month per child.

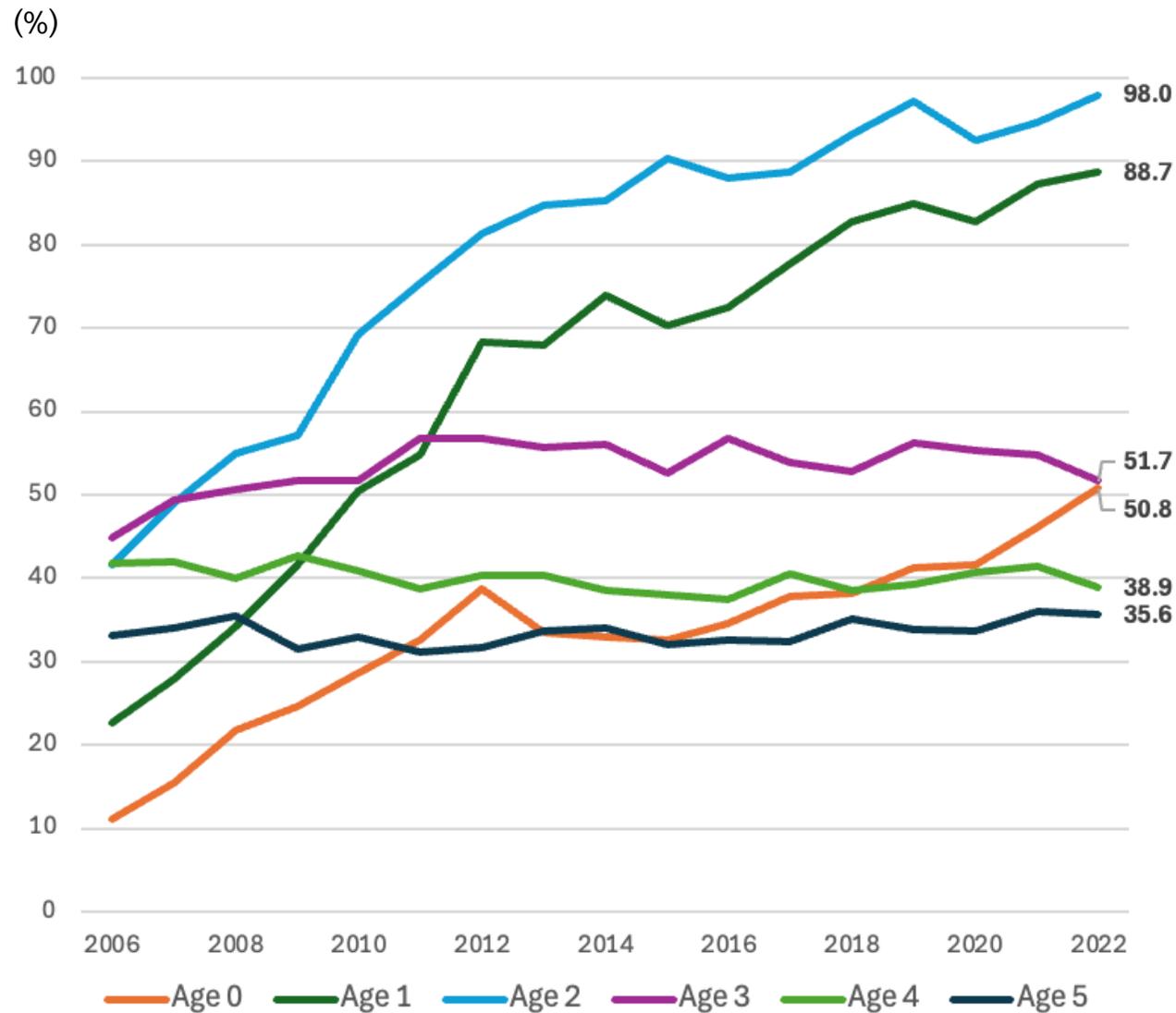
Free Childcare

- Households with children aged 0 to 5 years are provided with support for childcare fees or child-rearing allowances.
- The amount varies depending on the child's age and is provided regardless of household income.

Scale of Allowances for Infants and Young Children



Childcare Facility Utilization Rate



Maternity Leave

- **Length of leave (before and after birth):** Ninety calendar days.
- **Payment and funding:** 100% of ordinary earnings (i.e., for contractually agreed working hours, excluding bonuses and/or overtime pay) at the time of taking leave. Paid by the employer for the first 60 days (75 days for multiple births), and then 100% of ordinary earnings is paid by the Employment Insurance Fund with an upper limit of KRW 2,100,000 [€ 1,479.09] for the last 30 days (45 days for multiple births).

Paternity Leave

- **Length of leave :** Ten working days.
- **Payment and funding:**
 - 100% of earnings
 - Paid by the employer. The Employment Insurance Fund covers five days for employees of SMEs to reduce the financial burden on these businesses. There is an upper limit on payment for these five days.

Parental Leave

- **Length of leave :**
 - One year per parent.
 - Leave is an individual, non-transferable entitlement.
- **Payment and funding:**
 - 80% of ordinary earnings, with a minimum of KRW 700,000 [€ 493.03] per month and an upper limit of KRW 1,500,000 [€ 1,056.49] per month.
 - Under the '3+3 Parents' Parental Leave Scheme (3+3 부모 육아휴직), if parents take Parental leave simultaneously or sequentially for a child under 12 months of age (including during pregnancy), each parent's benefit increases from 80% to 100% of ordinary earnings for the first three months, with escalating ceilings for each additional month on leave.
- **Flexibility in use:**
 - Leave can be taken until the child reaches the age of eight (or the second year of primary school).
 - Pregnant workers are also eligible for Parental leave.
 - Employees may take part-time Parental leave for up to two years if they opt out of full-time Parental leave.
 - Both parents can take Parental leave at the same time.

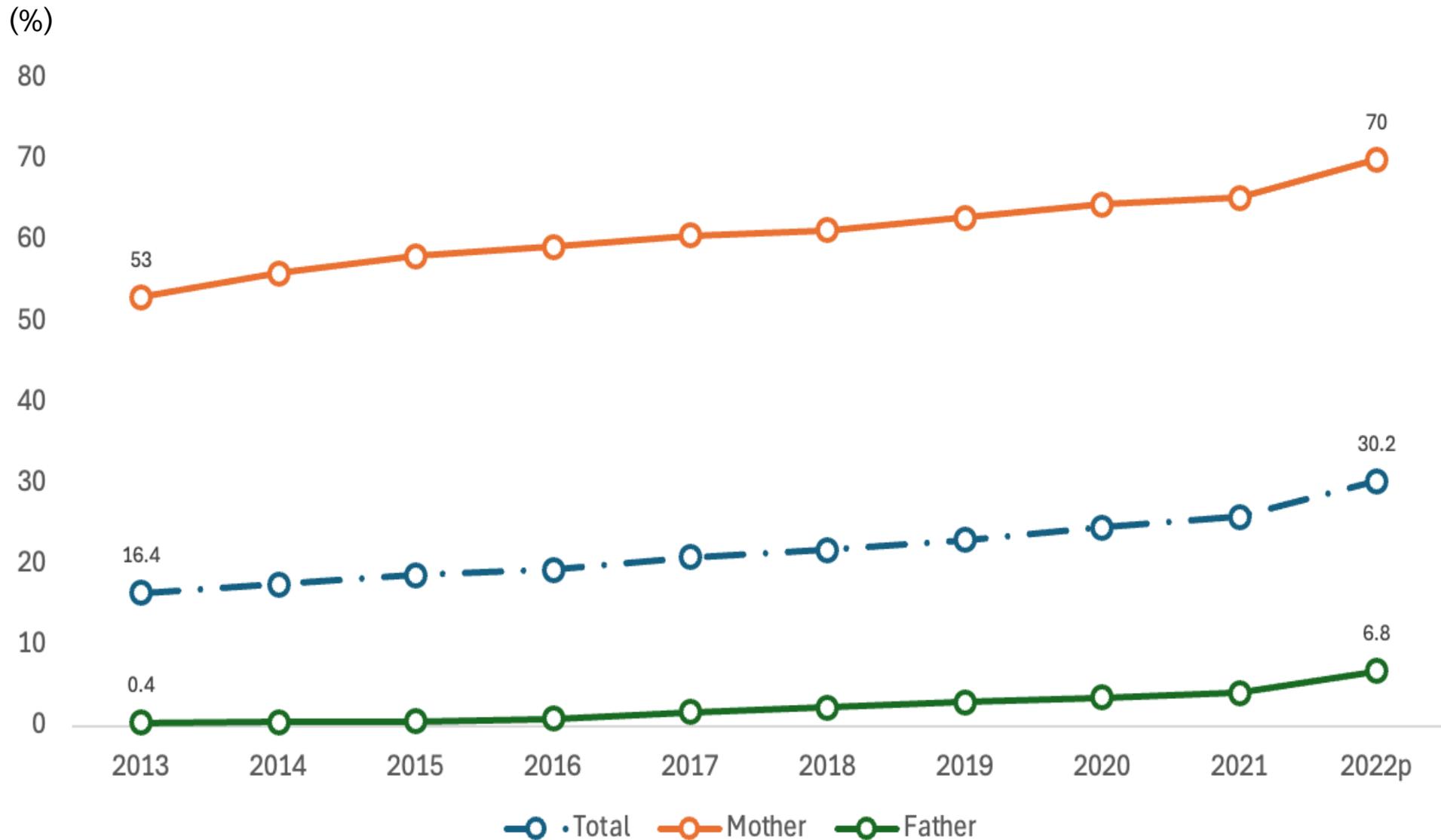
Status of Parental Leave Recipients

(Unit: No. of people,%)

Year \ Category	No. of Recipients		
		Male	Female
2016	89,975	7,616 (8.7)	82,179 (91.3)
2017	90,122	12,042 (13.4)	78,080 (86.6)
2018	99,199	17,662 (17.8)	81,537 (82.2)
2019	105,165	22,297 (21.2)	82,868 (78.8)
2020	112,038	27,421 (24.4)	84,617 (75.6)
2021	110,555	29,041 (26.2)	81,514 (73.8)
2022	131,084	37,884 (28.9)	93,200 (71.1)
2023	126,008	35,336 (28.0)	90,672 (72.0)

Source: Ministry of Employment and Labor Press Release (2024.2.25)

Parental Leave Usage Rate of Parents of Newborns

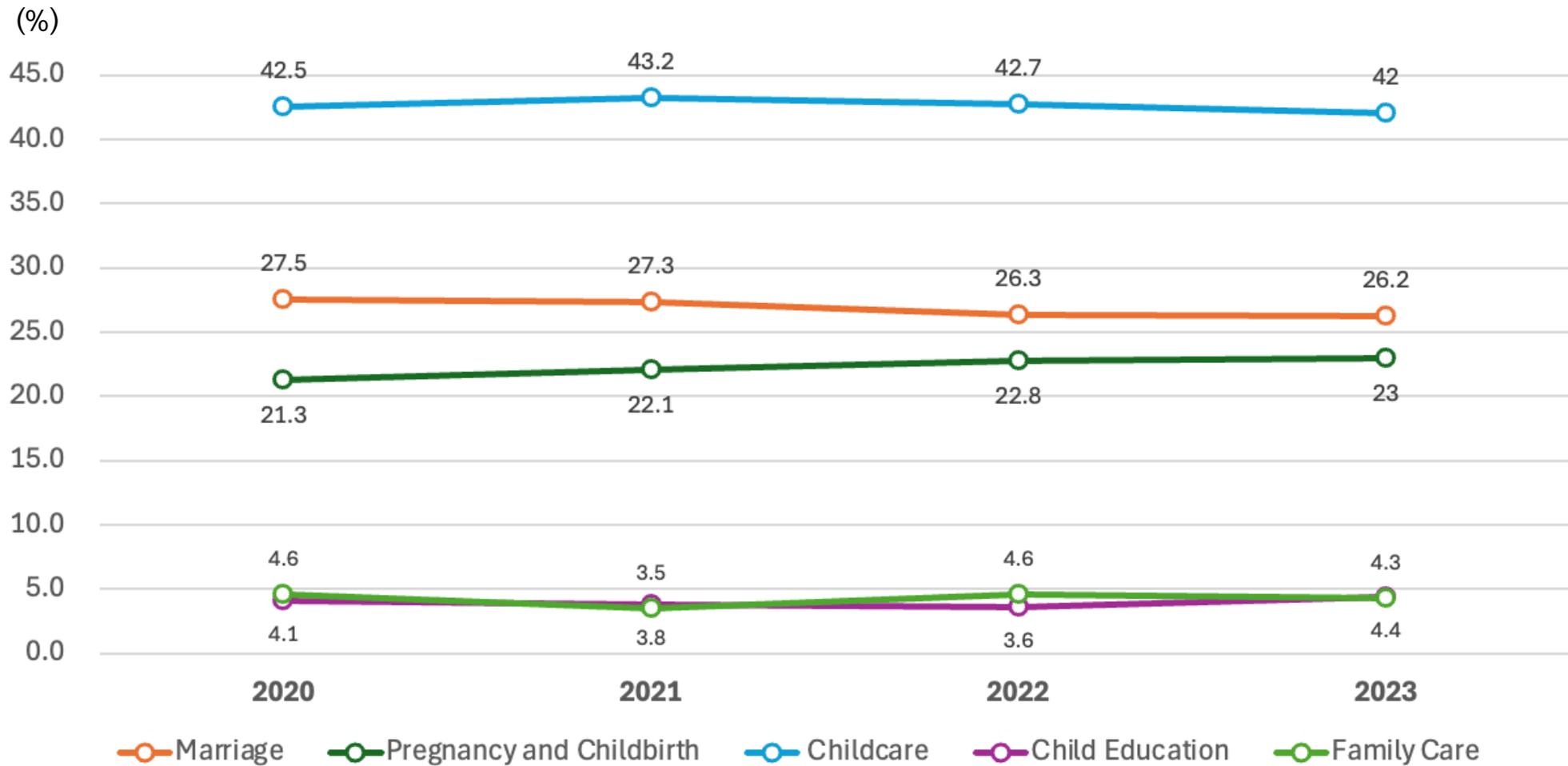


Parental Leave Benefit Recipients by Company Size

(Unit: No. of employees)

Category	Total	Fewer than 10	10-30	30-100	100-300	More than 300
2018	99,199	15,894	12,192	11,931	13,070	46,112
2019	105,165	17,843	12,976	12,698	13,861	47,787
2020	112,038	19,151	14,065	14,391	14,873	49,558
2021	110,555	18,431	13,875	13,928	14,966	49,355
2022	131,084	23,056	16,541	16,912	17,434	57,141
2023	126,008	22,382 (17.8)	16,697 (13.3)	16,914 (13.4)	16,717 (13.3)	53,298 (42.3)

Reasons for Women's Career Interruption

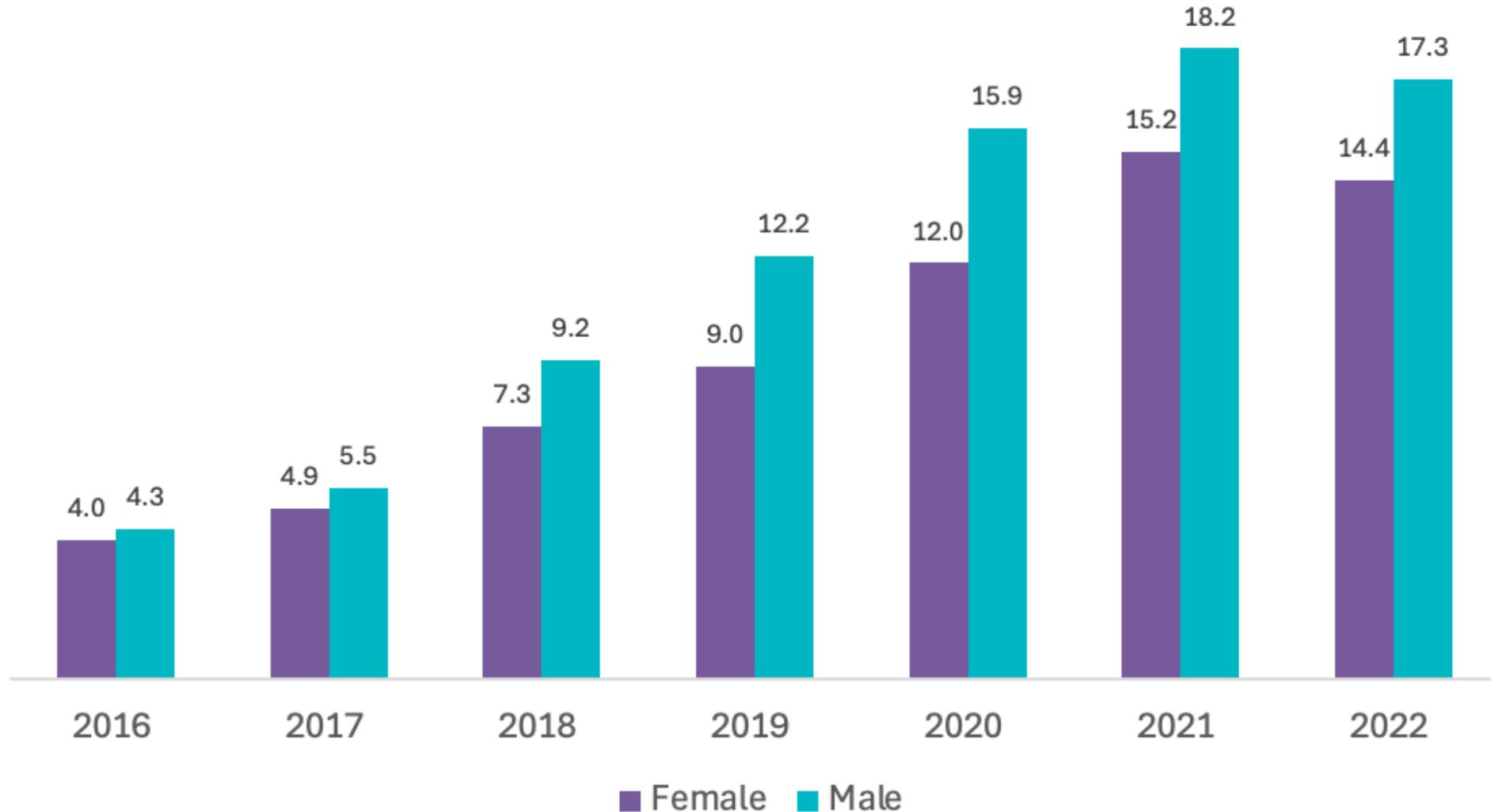


According to a 2024 survey by the Presidential Committee on Aging Society and Population Policy, conducted among approximately 2,000 men and women aged 25 to 49 nationwide on **perceptions of marriage, childbirth, and child-rearing:**

- Improving economic conditions, such as work-life balance, housing, and job security, is key to decisions regarding marriage and childbirth. In particular, work-life balance plays a crucial role in decisions about childbirth.
- Securing time for childcare, through the expansion of parental leave and flexible work arrangements, is a core aspect of achieving work-life balance.

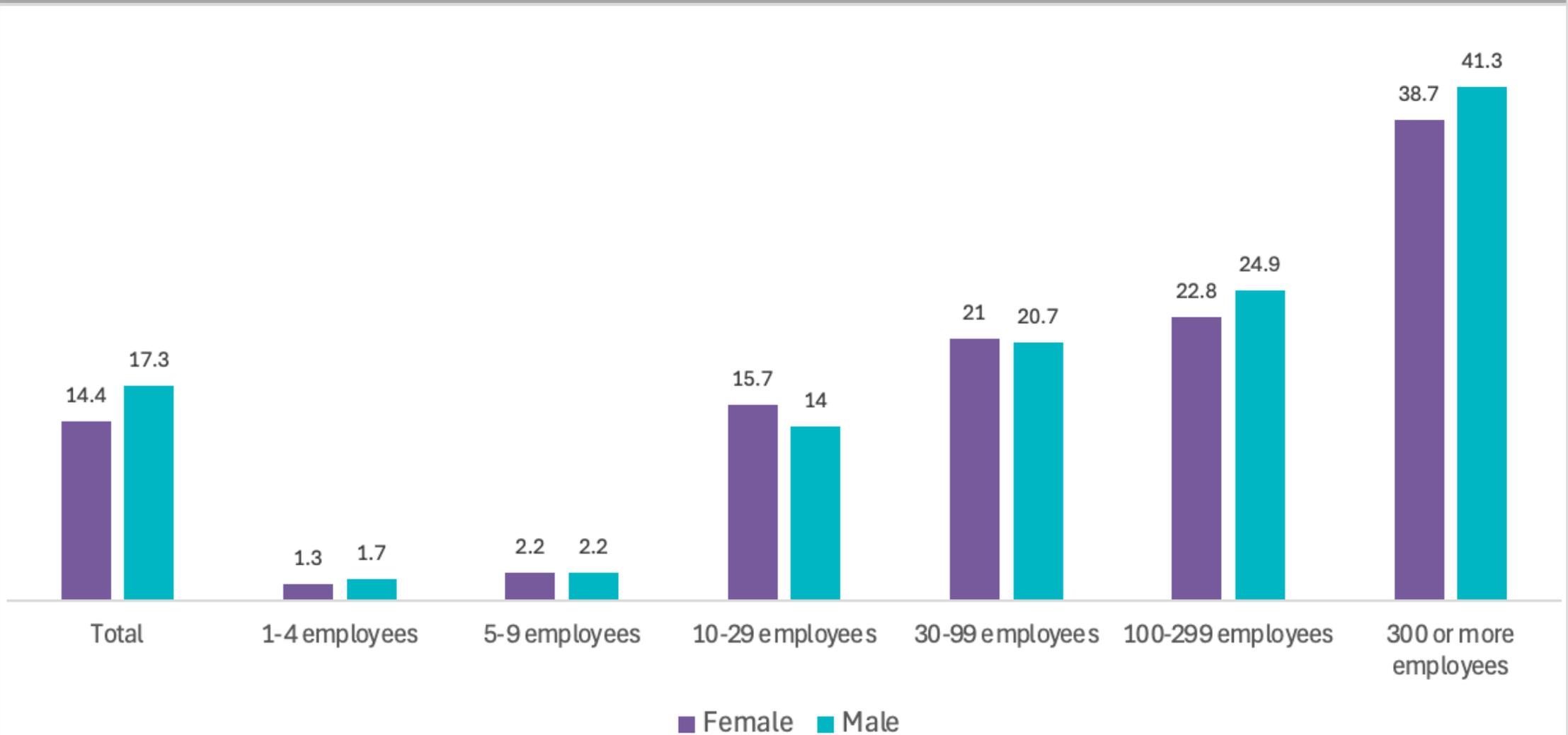
Proportion of Male and Female Workers Using Flexible Work Arrangements

(Unit: %)



Note: The proportion refers to the percentage of wage workers utilizing flexible work arrangements.

Proportion of Workers Utilizing Flexible Work Arrangements by Gender and Company Size



Note: The utilization rate refers to the proportion of wage workers using flexible work arrangements by company size.



4. Policy Implication and future Tasks

Policies for Promoting Female Employment and Gender Equality in the Labor Market

- **Laws**

- FRAMEWORK ACT ON GENDER EQUALITY
- EQUAL EMPLOYMENT OPPORTUNITY AND WORK–FAMILY BALANCE ASSISTANCE ACT
- ACT ON THE PROMOTION OF ECONOMIC ACTIVITIES AND PREVENTION OF CAREER INTERRUPTION OF WOMEN
- ACT ON THE PROMOTION OF CREATION OF FAMILY–FRIENDLY SOCIAL ENVIRONMENT
- ACT ON SUPPORT FOR FEMALE–OWNED BUSINESSES
- ACT ON FOSTERING AND SUPPORTING WOMEN SCIENTISTS AND TECHNICIANS
- SUPPORT FOR FEMALE FARMERS AND FISHERS ACT

Policies for Promoting Female Employment and Gender Equality in the Labor Market

- **Affirmative Action**

- **Target:** Local public corporations and local industrial complexes with fewer than 300 employees, and corporate groups subject to public disclosure with more than 300 employees.
- **Operation:** Target companies are required to submit annual reports on the status of male and female employees by job type and position, as well as the wage status of male and female employees. Companies where the proportion of female employees or female managers falls below 70% of the industry-specific or company-size average must formulate and submit an affirmative action plan. Companies with low female employment rates and insufficient efforts to improve these rates may have their names publicly disclosed.

Policies for Promoting Female Employment and Gender Equality in the Labor Market

- **Career Counselors in Reemployment Support Center(Women's Saeil Center)**
 - **Current Status:** 159 centers in operation nationwide (as of January 2024)
 - **Main Activities:** Comprehensive support for career-interrupted women and job-seeking women, including career counseling, job placement and management, vocational education, internships, employment and start-up support, post-employment follow-up, and career interruption prevention.

Achievements and Limitations of Policies for Promoting Female Employment and Gender Equality in the Labor

- While legal and institutional improvements have been made, efforts to address actual gender discrimination in the labor market remain insufficient.
- To improve the quality of women's jobs, addressing fundamental issues such as the dual labor market structure must come first.
- There are limitations in relying solely on Women's Saeil Centers for supporting women's career retention and development.
- Despite the continuous increase in users due to improvements in maternity protection policies, such as raising parental leave benefits, there are still significant gaps in addressing blind area in these policies.
- The polarization of reduced working hours and the spread of flexible work arrangements continues to be an issue.

Changes in the Policy Environment and Women's Labor

Policy Environment	Characteristics	Impact on Women's Labor
Industrial Structure and Labor Market	Digital transition and shift to a low-carbon economy	<ul style="list-style-type: none"> - The changes in industrial structure and the labor market resulting from the transition are likely to have a negative impact on both the quantity and quality of jobs. - Preparation for the era of complex transitions is necessary.
Family Structure and Demographics	Low birth rate/non-marriage /one-person households /aging population	<ul style="list-style-type: none"> - Due to the decline in the working-age population, the demand for utilizing female labor is expected to increase. - The expansion of care services, the enhancement of the social value of care, and the increase in care-related issues.
Values and Gender Perception	The perception gap regarding gender disparities in the labor market is deepening.	<ul style="list-style-type: none"> - The gender perception gap among the youth is significant. - Young women are likely to be pushed further into blind area. - New policy perspective is needed to build a consensus on gender equality.

➤ Policy Tasks

Considering Korea's economic level, attention must be paid to the low female employment rate and birth rate. To improve both simultaneously, the level of gender equality in the labor market and work-life balance must be enhanced.

- Securing gender-equal care time through the restoration of sovereignty of working hours self-control.
- Promote female employment in sectors with labor shortages.
- Address women's jobs in response to industrial structure changes in the era of complex transitions.

➤ Policy Tasks

- Strengthen support for work–life balance in small and medium–sized enterprises (SMEs).
- Enhance women’s representation in labor unions and actively pursue a gender equality agenda.
- Expand male participation in care work.
- Building a foundation that enables flexible working arrangements.



Thank you.
