

Demographic Change and Social Development in Korea

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It is a great honour for me to deliver the keynote speech at a convocation of such a distinguished group of scholars, administrators, and professionals to discuss important issues relating to social development and population policy. I am happy to be at a meeting where different schools of thought will be gathered together to help make possible another big leap for Korea: this time in the area of social development. I am especially happy that this meeting is being held in May, because I understand that, in Korea, May is the month of children and green, both of which symbolize our hopes for the future.

I. Demographic Changes and Economic Development in Korea

It is widely recognized that Korea has reached demographic maturity and has also achieved remarkable economic development at the same time. The world's demographic history shows that the demographic transition which almost every industrialized country has gone through—from a

predominantly rural, illiterate society with high birth and death rates, to a predominantly urban, educated society with low birth and death rates—usually takes well over a century. But, in Korea, that process has taken only a few decades.

During the period from 1960 to 1965, the total fertility rate was 5.5. But, by 1985, it had declined to 2.1 (KIPH, Dec. 1987), which is the replacement level.

Korea has, at the same time, achieved outstanding economic success, a significant feature of which is a respectable rate of growth in the GNP, together with a reduced rate of inflation and a lower current account deficit. As you know, in the early 1960s, Korea had a high population growth rate of over 3 percent and a minuscule GNP growth rate. However, supported by a speedy and sustained expansion in exports, Korea's GNP grew dramatically from 1963 to 1983—increasing each year by an average of 8.4 percent and reaching a record high of 12.3 percent in 1986 (Europa Publications 1989). Recently, while the GNP increased, inflation fell, dropping from 25.

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6 percent in 1980 to about 4 percent in 1984; during the same period, the current account deficit declined from 8.7 percent of the GNP to about 1.7 percent (The World Bank 1986). Unless major adverse factors and circumstances intervene, it is likely that Korea will maintain a robust economic programme in the foreseeable future.

II. Contribution Factors

In order to ensure continued success, it is important to identify the major factors that have contributed to Korea's demographic and economic achievements. Today, it is widely accepted that, empirically, economic development and demographic change go hand in hand with one another and that fertility decline is part of the same process that generates economic growth. A 1986 Policy Development Study issued by UNFPA compared recent demographic and economic trends in four Asian countries: Japan, Korea, Indonesia, and Thailand with the worldwide experience, by using an econometric model of population development (UNFPA, Population Growth and Economic Development, 1986). The study found that, by reducing their rates of child-bearing, the four countries had been able to achieve high material standards of living. In addition, it noted that one third to one half of the observed decline in fertility could be ascribed to the development process itself, but that the remaining one half to two-thirds must be attributed to something specific to those countries. The study further noted that, beyond the pace of economic development and the commitment to family planning, there were strong cultural elements at work, citing as an example the fact that the populations of Japan, Korea, and Thailand are considered as being less individualistic and more group-minded than is generally the case with the people of the Western world.

This UNFPA study and the World Bank's

Country Economic Memorandum, Korea, published in 1986, seem to indicate that major factors contributing to Korea's success in its demographic and economic achievements have been: the Government's strong commitment to both population and development (an explicit population policy that strongly supports family planning programmes, and the five year development plans); full co-operation and support for the Government's commitment from the public, private and academic sectors, such as Korea Institute for Population and Health (KIPH), Planned Parenthood Federation of Korea (PPFK), other associations, and universities concerned; intensive investment in education by both the Government and the people; the presence of a highly skilled and hard-working labour force; the active participation and support of grass-roots-level organizations, such as mothers' clubs; growing managerial skills; and an increasing capability for research and development

III. TCDC

As we all want to emulate other people's success, many nations all over the world wish to emulate Korea's success by understanding how it has achieved such demographic transition and economic growth. One area in which Korea has achieved remarkable success is the management of family planning and community-based women's activities. It is widely appreciated that Korea has shared its successful experience in this area with South and Southeast Asian countries in the spirit of TCDC (Technical Co-operation among Developing Countries).

We at UNFPA are extremely pleased that in the past several years, KIPH and PPFK with the full support of the Government and UNFPA assistance have trained a large number of participants (mostly senior and middle level family planning officials and women leaders from dev-

veloping countries) in three major family planning areas: community organization, information and education, and project management. The training workshops have enabled the participants to understand the strategies and approaches of effective management of community based family planning activities. Many participants have been able to learn from the achievements of Korean Mothers' Clubs and Saemaul Women's Associations and to determine the applicability of these experiences to their own countries; and other participants have learned the techniques for designing and producing audio visual materials. I understand that an assessment of these training programs indicated that the participants were highly satisfied with the workshops and a follow up evaluation showed that the knowledge and skills that the participants acquired have subsequently contributed positively to their job performance in their own countries.

In the light of this widely recognized great success, we hope that the technical co operation among developing countries thus offered by Korea will in future be further expanded with the financial support of the Korean Government. Instead of one annual session each of the three different workshops, perhaps 2 or 3 sessions a year might be envisaged in order to meet the needs of developing countries not only in Asia but also in other regions of the world.

UNFPA has contributed over \$12 million for various population projects in Korea since 1974, and is prepared to continue its financial support and technical backstopping upon request from the Government and the implementing agencies, i.e., KIPH and PPFK. In view of Korea's remarkable economic progress, however, we sincerely hope that Korea, amongst all the recipients of population assistance from UNFPA, will soon become the first net contributor recipient country in the population field, and thus become an excellent example for other developing countries to follow.

IV. Issues Related to Social Development

Having spoken about Korea's success in the areas concerned and its TCDC spirit, let me now turn to issues related to social development.

It is not appropriate to define progress in economic development today simply in terms of quantitative economic growth. Development has far broader implications, involving the need to attain a more equitable distribution of natural resources and economic surplus among all population sub groups. But there are many barriers to more equitable distribution of resources and enjoyment of a better quality of life.

It is natural and timely that you are now interested in looking at social development in depth. I believe that in Korea over the past two decades economic development and demographic changes have brought about considerable development in the social sector as well. As a result, a number of social problems have been alleviated. These problems may include such key social areas as education, housing, employment, nutrition, sanitation, and health care all of which still remain major social problem areas in other developing countries. In light of its considerable achievements, Korea's social development may now have to focus on, among other things, the enhancement of the quality of existing and expanding social services including family and community health care and family planning services, particularly for those who are disadvantaged or vulnerable such as women, children, the urban and rural poor. At the same time, it would seem necessary to emphasize the development of new policies to deal with social issues that are likely to emerge, especially as economic development continues to advance and fertility sustains its present low level. These social issues will relate, for example, to the increase in the elderly population and decrease in the young, both of which are consequences of changes that have occurred in the population

structure. Other likely emerging issues will be the trend towards increasing participation of women in social and economic activities, environmental degradation, and increasing chronic illnesses (so called "modern" diseases).

Here, just as illustrations, I would like to present some findings by the previously mentioned study on four Asian countries.

1. Aging of the Population

The study notes that the aging of population, which accompanies rapid fertility decline, has important consequences for the labour force and for labour productivity, real wages, and pension systems consequences that are already being felt in many European countries and Japan. An example is a study finding by Prof. Ogawa which indicated that social security cost in Japan could increase from 10 percent of the gross national income in 1980 to nearly 30 percent in the year 2015, even if the pensionable age is raised by five years to 70. The proportion of the population over 65 years old in Japan, which was 9 percent in 1980 (3.8 percent in Korea), is estimated to be 14.9 percent in 2000 (6 percent in Korea). Although the situation in Korea does not match that in Japan, significant aging of the population in Korea is projected in the near future. And it would be prudent for the society to gradually build up an appropriate system for health care and social welfare of the elderly before the dependency rate of the elderly becomes too high to cope with adequately.

2. Education

The study also notes that, empirically, the share of the GNP devoted to education is higher with lower fertility and that, in the long run, improved education more than compensates for the loss of productive capacity attributable to reduced labour

force caused by the decrease in the number of youth: it does so by virtue of the increased productivity of educated and trained workers.

3. Women's Participation in Development

A World Survey on the Role of Women in Development published by the U. N. Statistical Office in 1987 has drawn two general conclusions: (1) the contribution of women to economic development is very significant and is increasing steadily; and (2) women benefit from development, but insofar as their incomes (wages and salaries) are concerned, they benefit much less than men do. As more women enter the job market, not only should their salary entitlement be equal to that of men, but so should their other entitlements as well - such as adequate provision of maternal leave, health care, and facilities and services for the care of children while mothers are working. I should like to mention in passing that UNFPA's State of World Population Report this year is devoted to the important issue of women's role in development. We are convinced that the promotion of full and equal participation of women in all stages of the development must become one of the aims of population programmes.

4. Chronic Illness

According to WHO, there is a significant difference between developed and developing countries in terms of the distribution pattern of the principal causes of death. In the developed world, chronic illnesses - cardio - vascular diseases and neoplasms, "modern" diseases - cause 70 percent of the deaths that occur, deaths that are more prevalent among older adults. In the developing world, by contrast, infectious and parasitic diseases and respiratory diseases caused by organisms are the leading causes of death and the highest risk groups are mothers and children. As we all know,

chronic illnesses are usually long-term, degenerative, difficult to prevent or cure, and extremely costly.

As I noted, these are only a few examples of social issues that may have to be effectively dealt with following the demographic transition of a country. Korea has already started to deal with some of these issues, and it will face others soon.

V. New Directions

In pursuing further social development in Korea, it would be useful to look at relevant experiences of others. However, it would not be enough. You would have to select the most relevant and successful examples and adapt them to the specific needs of Korea's own political, social, and cultural situations - just as was the case with Korea's economic development. These specific factors will greatly influence the nature, scope, and extent of the approaches to the social problems to be encountered.

Here I would like to mention something about the human approach to development, because it is one of the most important global concerns today. This strategy - so-called "adjustment with a human face" (UNICEF, 1987) - calls for a broader approach, one which combines adjustment with the protection of those who are most vulnerable and the restoration of a dynamic process of economic growth. It focuses on the fact that giving attention to human needs should not be postponed or given a low priority during the economic adjustment process. Aside from the purely humanitarian aspect of such an approach, there is considerable evidence that effective interventions supporting basic nutrition, health, and education yield positive economic returns. These are invest-

ments in human capital and an essential prerequisite for strengthening the productive capacity of a country. After all, human welfare and progress are the ultimate goals of all development policy.

Now the main tasks for Korea in social development must be to study and revise and to develop as necessary its own policies and approaches which best meet Korean needs in rapidly changing social environments. This may mean that at first there are before you more questions than answers. For this reason, I would say that today's seminar is timely and meritorious. I am confident that this meeting will serve as a springboard for further effective and successful development in Korea - this time in the area of social development.

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