The 3rd SDG Youth Camp

SDG8 and the young: work and happiness in Korea and “Youth Hope Ladder”

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Structure

1. SDGs and SDG8

2. Some facts
   Long-term trend in Korean demography
   The Young in Korea
   the School-to-work transition

3. Unhappy Koreans
   Trend of SWB 1998~2014(KLIPS) Subjective Well-being
   Work and Happiness 2015 Measure of Happiness

4. What to do?
   Recent policy: “Youth Hope Ladder”
SDGs

SDGs 17
SDG8

Promote sustained, inclusive, and sustainable growth, full and productive employment and decent work for all

12 Targets in SDG8

SDG8

8.1  Sustain per capita economic growth
    in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries

8.2  Achieve higher levels of economic productivity
    through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

8.3  Promote development-oriented policies
    that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

8.4  Improve progressively, through 2030, global resource efficiency
    in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.

8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

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8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.

8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

8.a Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries.

8.b By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.
Long-term trend in Korean demography

Population pyramid  1960, 2017, 2027

Population growth
**Long-term trend in Korean demography**

#### The Newborn

#### Age structure in active population

**rapid ageing**
Long-term trend in Korean demography


Long-term trend in Korean demography

The young in Korea

N-po Generation  ‘po’ means to give up
3-po  Dating, Marriage, Giving birth
5-po  + Getting-job, My-Own-house
7-po  + Relationships, Hope
...9, 10
=All-po

Never married to marry later!

The young in Korea: in school
To marry later!
More young people in school 63% at age 30 from 24%
The young in Korea

- the proportion of the young Population, Labor force, the employed

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The young in Korea: LFP

Labor Force Participation rate of the young

(top) 15~64 (middle) all 15+ (bottom) 15~29

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The young in Korea: LFP

Labor Force Participation rate of the young

(top) 18~20, 21~23, (bottom) 24~26, 27~29

The young in Korea

the employment rate of the young(bottom) and all(top)
The young in Korea

the employment rate of the young by gender

The young in Korea

the employment rate of the young(25~29) by gender
The young in Korea

Employment Rate of the young by age groups

School to work transition

After graduation, have you ever worked for?
Decreasing trend since 2004, higher for female > male
Months for the first job? About a year

Months for the first job? More than 1 year
School to work transition

Quit the first job (bottom) and then the 2^{nd} job (top)?

How long does it take to quit the first job (bottom)?
How long are you working at the first job (top)?
Unhappy Koreans

 Koreans feel unhappy c.w/Economic growth
 SLB = 5.7/10: OECD How’s Life 2015 (28th of 35)
        = 3.42/5 in 2014 from 2.89 in 1998: the KLIPS

 Why are Koreans so unhappy?
 Many reasons from social, economic, political environment!

 Pessimistic view of own socio-economic status
 Lower probability of getting jobs though they want
 Lower prob. of working at decent jobs
     income, hours, security, voluntary choice, discretion...
     nonstandard, temporary, daily work
 Low-wage workers and labor market duality/polarization
 Early exit from labor market w/o enough post-retirement income
 Receiving pension benefit LATER than legal retirement age
 Excess self-employment, terribly low profit, and closing business SOON...

School to work transition

<table>
<thead>
<tr>
<th>Why did you quit the first job?</th>
<th>2017 (2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working conditions</td>
<td>51.0% (42.2%)</td>
</tr>
<tr>
<td>Private/family reasons</td>
<td>13.7% (20.5%)</td>
</tr>
<tr>
<td>Temp work</td>
<td>12.1% (5.9%)</td>
</tr>
<tr>
<td>Mo prospect</td>
<td>7.1% (9.3%)</td>
</tr>
<tr>
<td>Mismatch</td>
<td>6.7% (7.8%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monthly wage at the first job (2017)</th>
<th>151 (10K KRW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less 0.5M</td>
<td>3.4%</td>
</tr>
<tr>
<td>0.5~1M</td>
<td>13.4%</td>
</tr>
<tr>
<td>1~1.5M</td>
<td>37.5%</td>
</tr>
<tr>
<td>More 3M</td>
<td>2.3%</td>
</tr>
<tr>
<td>2M~3M</td>
<td>13.9%</td>
</tr>
<tr>
<td>1.5~2M</td>
<td>29.6%</td>
</tr>
</tbody>
</table>

Employment Types at the first job (2017)

| Waged & salaried work | 97.8% |
| Contract work         | 25.6% |
| Temp work             | 12.2% |
| Permanent work        | 62.2% |
| Part-time work        | 16.1% |
**The Trend of SWB: by gender**

- **Rising trend of SWB** since 1998
  - Rapid rising trend: 3.2 in 2003 from 2.9 in 1998
  - Relatively slight rising trend since then: 3.4 in 2011
- **Almost no change recently** at 3.4
- **No significant gender difference in SWB:** almost the same!

**The Trend of SWB: by age group**

- **Youth (15~29)** is happier than any other age groups
  - The older, the lower SWB: 3.5 for youth, 3.3 for the old
- **Almost no difference in SWB b/w youth and the prime aged recently**
- **The gap in SWB among age groups** is slightly narrowing
The Trend of SWB: by marital status

- The married (3.5) are happier than the ever-married (3.1).
  Marital separation has a negative effect on happiness.
- Slight difference b/w the married and the never-married (3.4).

The Trend of SWB: by marital status

Happiness

Supplement Survey on the Cognition of Life in the 18th Wave of the KLIPS (2015)
- Personality and attitude
- Happiness (a.t. OECD Guidelines on Measuring Subjective Well-being)

Questionnaire on Happiness (0 to 10 scale)
Taking all things together, how happy would you say you are?
- On which step of the ladder would you say you personally feel you stand?" (Candril Ladder)
- Overall, how satisfied with your life as a whole?
- Overall, how satisfied with your life were you 5 years ago?
- As your best guess, overall how satisfied with your life do you expect to feel in 5 years?"
- Overall, to what extent do you feel the things you do in your life are worthwhile?
No gender difference in the level of happiness: 6.1 for both

Almost the same distribution!
2 out of 3 in the level of 5~7: slight difference in 6
Very few extreme responses: less than 5% for 0~3, 4% for 9~10

Happiness level drops with age to 5.7(65+) from 6.6(30~34)
Comparatively unhappy old and the young persons
The young(6.1~6.3) are slightly unhappy than the 30~44 aged (6.4~6.6)
Not a big gender difference in happiness except for the 65 and more
Education is positively related with happiness! through more income, higher socio-economic status, better situation

Slight gender difference for the community college graduates

Happiness by education level

The married are happier than the never-married and the ever-married

The sizable gender difference for the ever-married

The separated, esp. separated males are VERY unhappy

Single females are happier than single males and almost no difference b/w single and married females

Happiness by marital status
**Happiness and Total Family Income (TFI)**

- Happier with higher income (last year) 5.2 for the lowest
- Peak at around 100m KRW (100t USD) Easterlin Paradox?
- Slightly lower happiness level with higher income after the peak

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**Work and Happiness**

- **Work status and happiness**
  - Classification of work status
  - Happiness by work status
    - Employed vs. NONemployed
    - Wage work and self-employed Unemployed & NILF
    - Permanent, temporary, daily work Employee & OAW

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### Employed

<table>
<thead>
<tr>
<th>Waged</th>
<th>Self-emp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent workers</td>
<td>Temporary workers</td>
</tr>
<tr>
<td>Daily</td>
<td>Employee</td>
</tr>
</tbody>
</table>

### NONEmployed

<table>
<thead>
<tr>
<th>Unemp’ed</th>
<th>NILF</th>
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</thead>
</table>
Employed > NONemployed as expected

Work or not: not so significant effect for female (0.2)
while significant for male (0.5)

Female without job is a little bit happier than its male counterpart.
No significant gender difference for the employed (0.1)

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**Work and Happiness**

- No gender difference for both wage work and self-employment
- The unemployed (esp. males) are VERY UNHAPPY, as expected
- The not-in-the-labor force are NOT SO UNHAPPY, esp. for females
- Happiness of female NILF is almost same as that of female worker

Female: Working ≈ Not seeking a job > Seeking a job
Male: Working > Not seeking a job > Seeking a job
Almost no gender difference by work status, except for daily work
Permanent > Temporary > Daily workers as expected
Employees ≈ Own account workers for females but
> males

Substantial gender difference in its effects
Females feel happier when not working
than when working at BAD jobs
Still significant gender difference, i.e., females are HAPPIER than males!

Work Status (ref. NILF)

<table>
<thead>
<tr>
<th>Work Status (ref. NILF)</th>
<th>all</th>
<th>female</th>
<th>male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent work</td>
<td>++</td>
<td>not sig.(-)</td>
<td>+++</td>
</tr>
<tr>
<td>Temporary</td>
<td>++</td>
<td>---</td>
<td>not sig.(+)</td>
</tr>
<tr>
<td>Daily</td>
<td>---</td>
<td>---</td>
<td>not sig.(-)</td>
</tr>
<tr>
<td>Employee</td>
<td>not sig.(+)</td>
<td>+++</td>
<td></td>
</tr>
<tr>
<td>OAW</td>
<td>not sig.(-)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

Demographics
- Female 0.162 (+++)
  - Age, Education
  - Marital status

Relations to header

Happiness

TFincome (+++)
HH Assets, Debts
Home Ownership
Happiness of Wage Workers

Employment Type
- Standard/regular work vs. nonstandard work
- Its choice voluntary vs. involuntary
- Subjective job security secure vs. unsecure

Trade Union its existence & membership

What to do?

Policies to make Koreans happier!
- **Labor market policies to make people happier**
  - More and better jobs through easing various duality/polarization
  - Work-Life Balance by reducing working hours
    - by promoting decent part-time work and
    - by eradicating extremely long hours
  - Smoothing School-to-Work transition
  - Legal retirement age at 65 (linked to the pension benefit)
  - Health, old-age income, social assets for the older

- **Youth Hope Ladder to ...  <July 17, 2019>**
  - More and better jobs to the young
Government to strengthen support for young adults

Low employment rate (left) and labor force participation rate (right)

Decrease in youth population while more youth employment
Government to strengthen support for young adults

Higher unemployment rate of the young
- the employed + potential labor force + want more work

Youth Hope Ladder of 2019

Government to strengthen support for young adults

Negative recognition on Class Mobility

<table>
<thead>
<tr>
<th>Class Mobility</th>
<th>Negative</th>
<th>Neutral</th>
<th>Positive</th>
</tr>
</thead>
<tbody>
<tr>
<td>19-24</td>
<td>53.2</td>
<td>24.0</td>
<td>22.7</td>
</tr>
<tr>
<td>25-29</td>
<td>61.7</td>
<td>20.6</td>
<td>17.7</td>
</tr>
<tr>
<td>30-34</td>
<td>66.7</td>
<td>21.2</td>
<td>12.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inclusiveness for the disadvantaged</th>
<th>Negative</th>
<th>Neutral</th>
<th>Positive</th>
</tr>
</thead>
<tbody>
<tr>
<td>19-24</td>
<td>41.4</td>
<td>40.4</td>
<td>18.2</td>
</tr>
<tr>
<td>25-29</td>
<td>48.7</td>
<td>37.8</td>
<td>13.5</td>
</tr>
<tr>
<td>30-34</td>
<td>48.0</td>
<td>41.4</td>
<td>10.6</td>
</tr>
</tbody>
</table>
**Youth Hope Ladder of 2019**

- **Government to strengthen support for young adults**
  Although employment among young adults hit the highest since 2007 in June, the unemployment among them remains high with job seekers exceeding 700,000. The government has listened to young adults through a program designed to **examine what young adults** need by holding meetings and making visits to their work places. According to the outcomes of the program, the government has drawn up the following supports:
  - Expand **startup loans** and provide support for improving workplace restrooms and washing facilities
  - **Provide housing** where they want to live: Develop old public buildings located in downtown areas into housing facilities, and provide low interest rate loans (0.5%) for lump-sum housing deposits

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**Youth Hope Ladder of 2019**

- **Government to strengthen support for young adults**
  - Expand **the SME employee education support** given to high school graduates from 25,000 employees to 30,000 by 2022
  - Introduce **a savings account to help young adults build assets**, such as a savings account to which government provides matching funds according to the deposits made by young adults, and revive the Sunshine loan, around 5 percent interest-rate loans for young adults
Government to strengthen support for young adults
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Policy effect?

Thanks!