

SDG8 and the young

: work and happiness in Korea and “Youth Hope Ladder”

July 31, 2019

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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)

Work and Happiness 2015

Subjective Well-being

Measure of Happiness

4. What to do?

Recent policy: “Youth Hope Ladder”

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

SDG8

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

SDG8

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

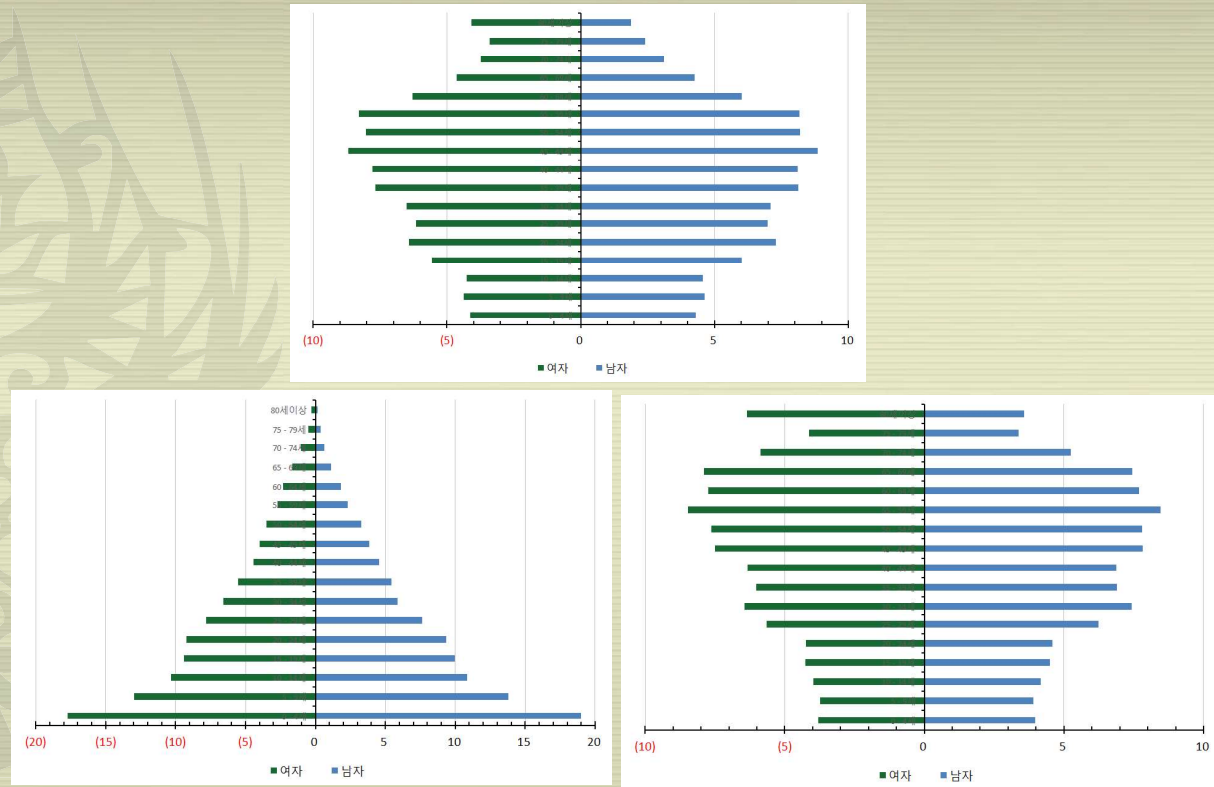
through the Enhanced Integrated Framework for

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

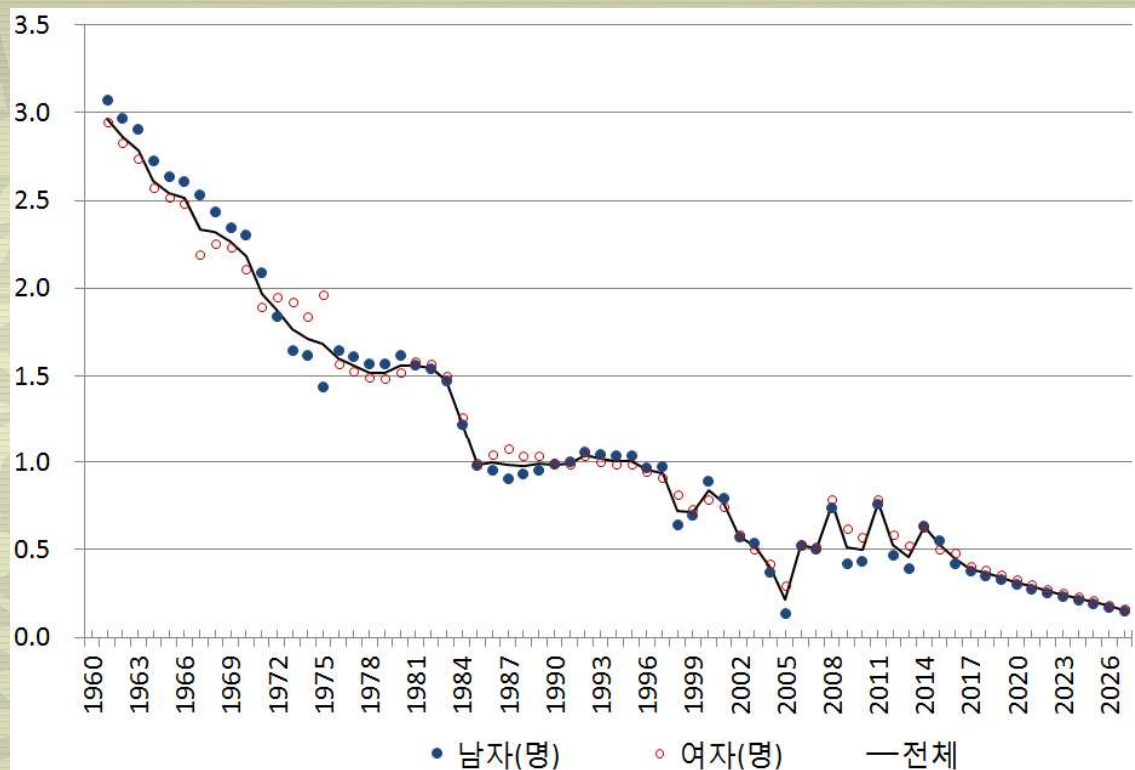
Long-term trend in Korean demography

Population pyramid 1960, 2017, 2027



Long-term trend in Korean demography

Population growth



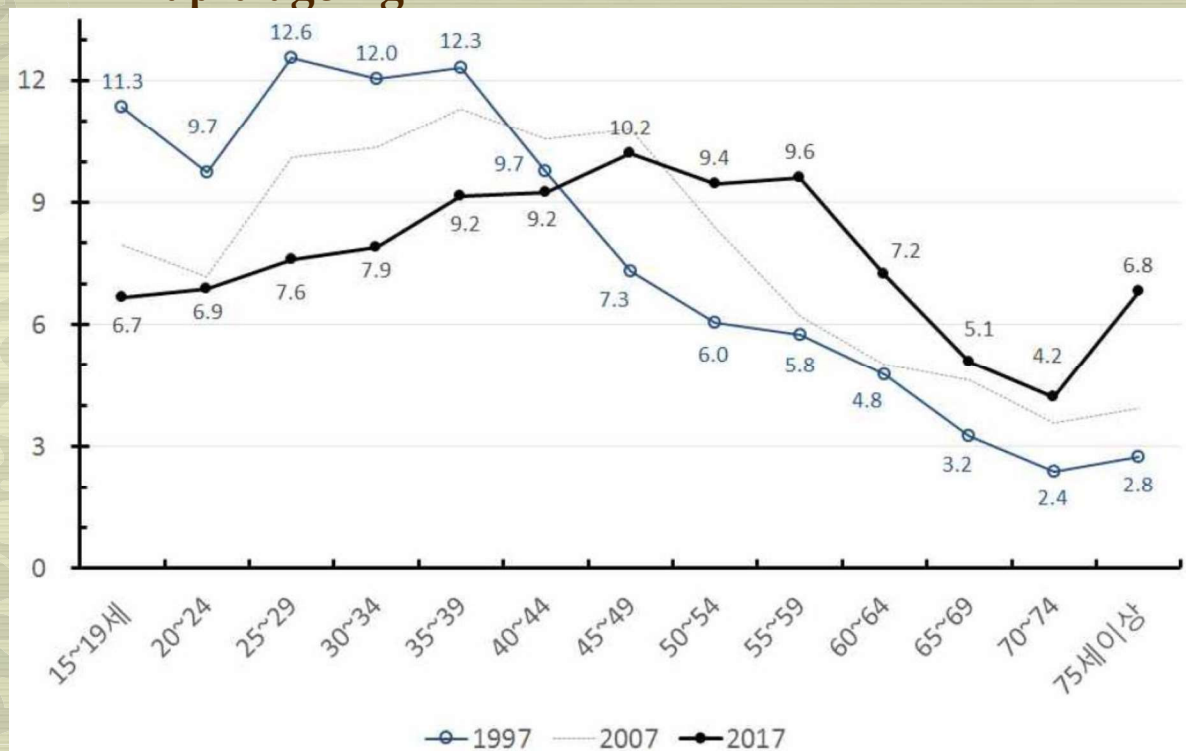
Long-term trend in Korean demography

☞ The Newborn



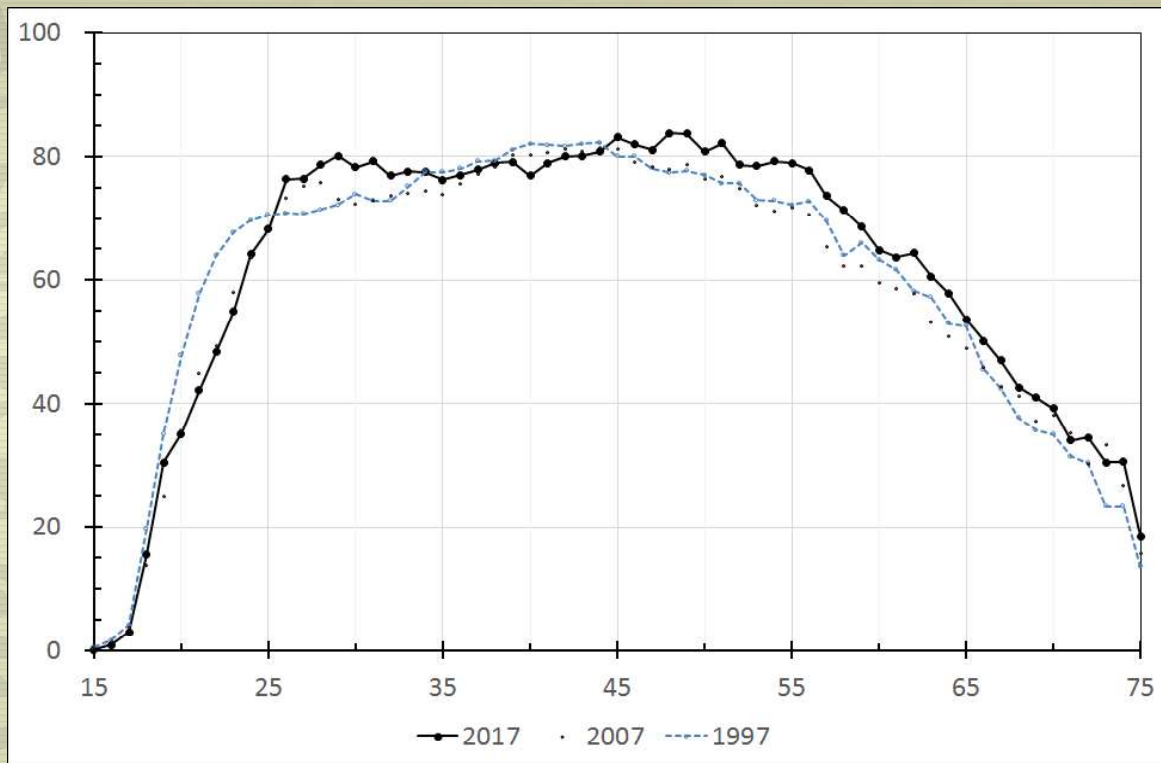
Long-term trend in Korean demography

☞ Age structure in active population rapid ageing



Long-term trend in Korean demography

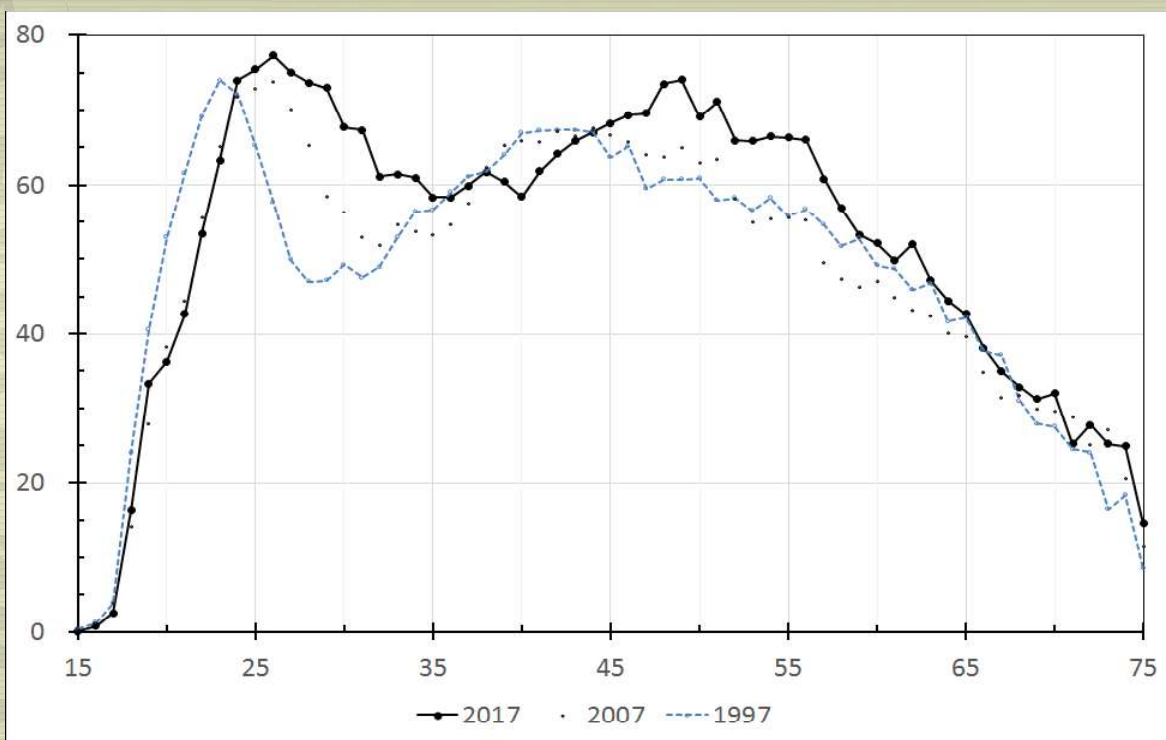
Labor Force Participation rate by age(1997, 2007, 2017)



1

Long-term trend in Korean demography

Labor Force Participation rate (1997, 2007, 2017): female



2

The young in Korea

☞ N-po Generation

3-po

5-po

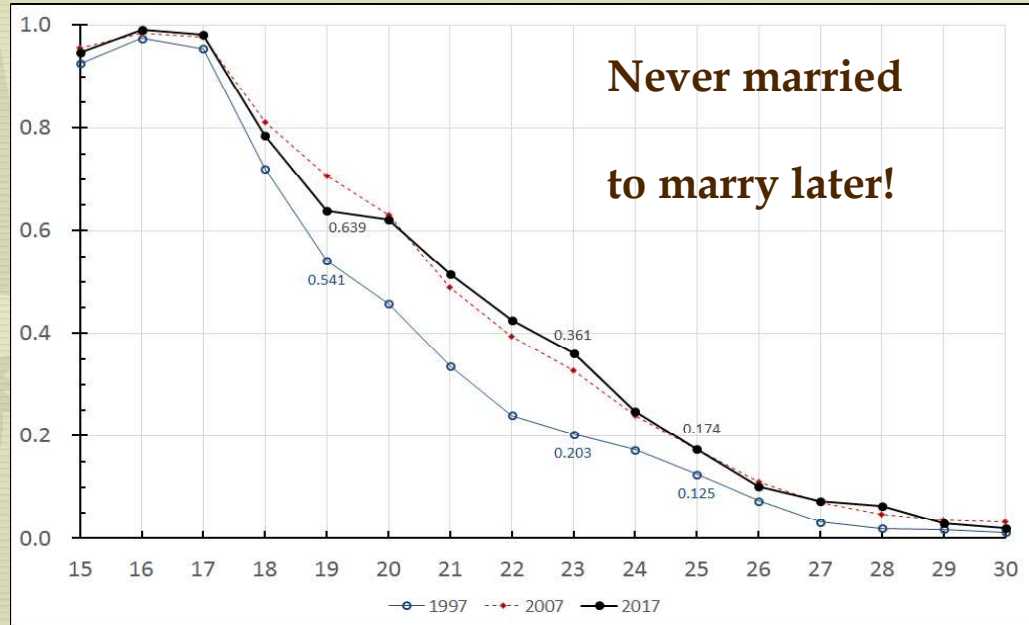
7-po

...9, 10

=All-po

Dating, Marriage, Giving birth
+ Getting-job, My-Own-house
+ Relationships, Hope

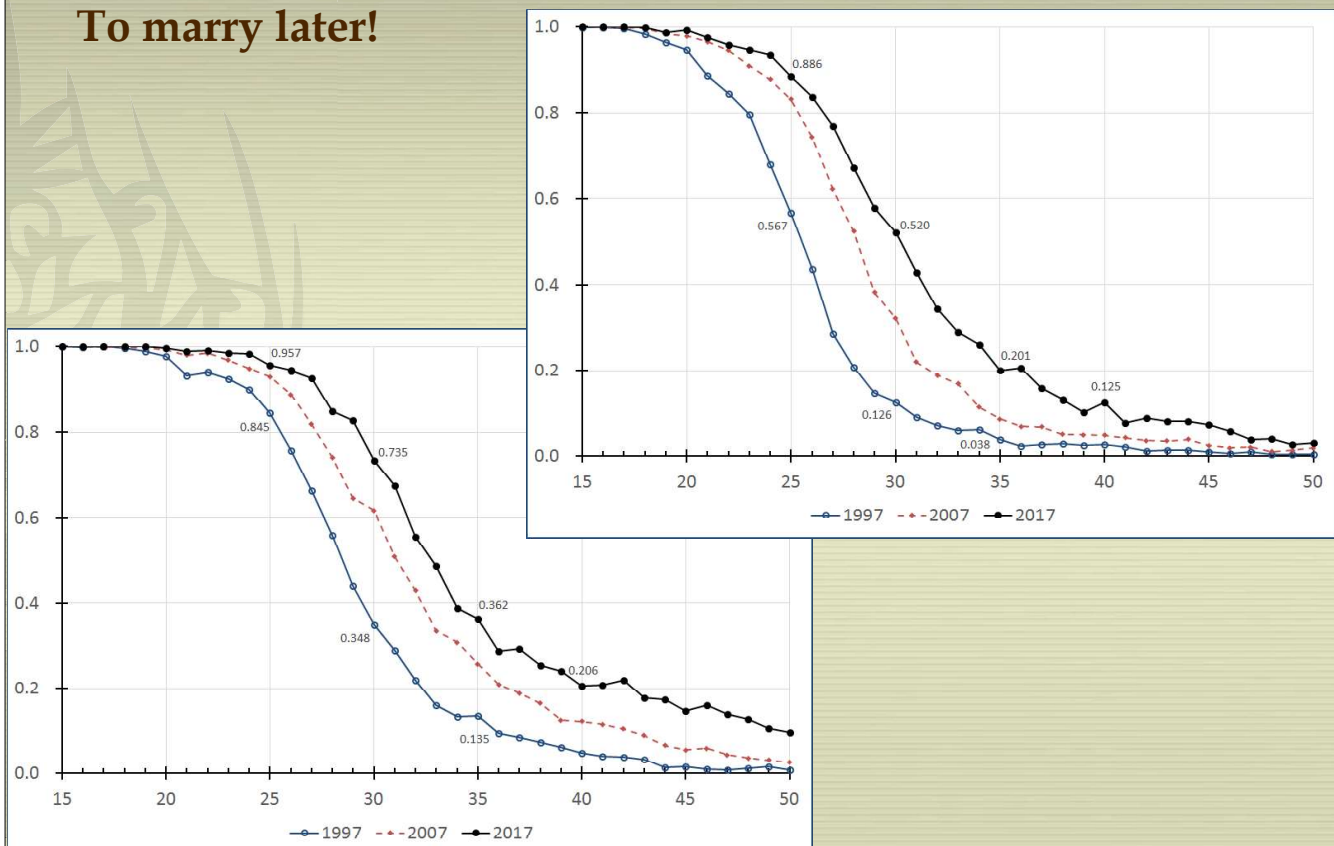
'po' means to give up



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The young in Korea: in school

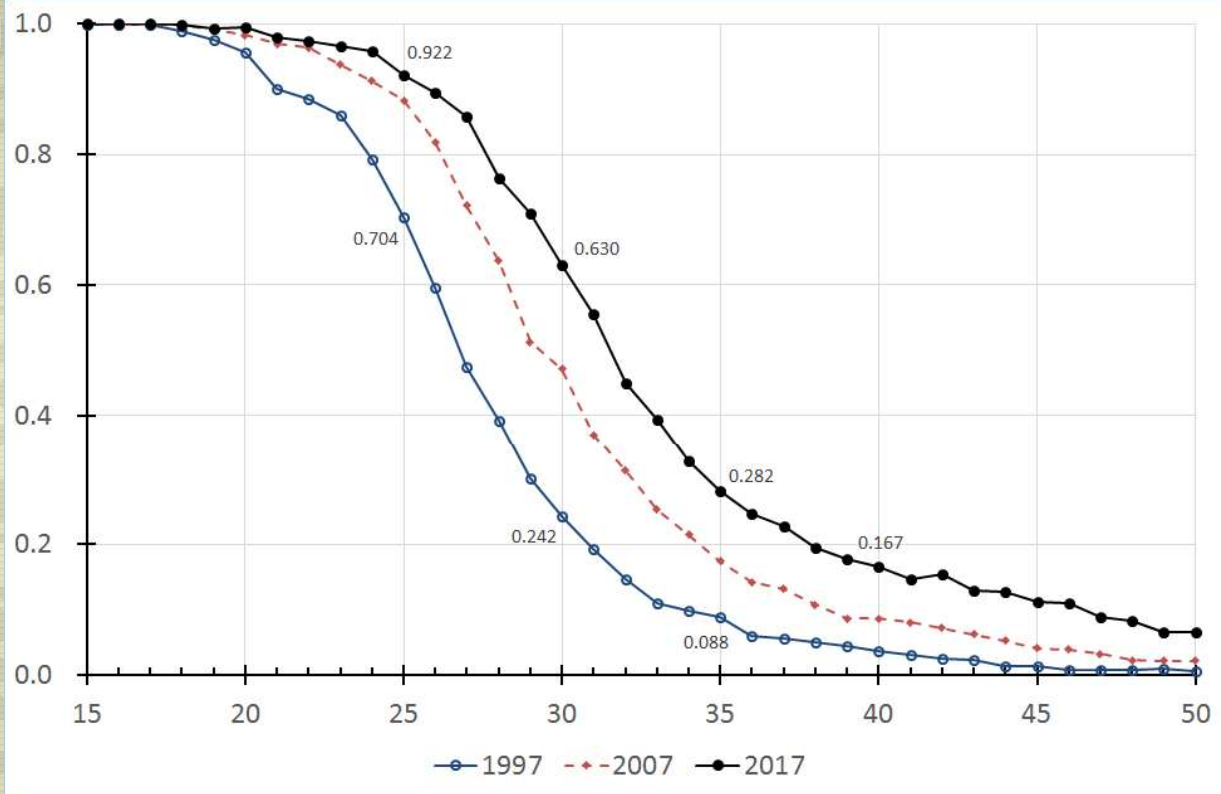
To marry later!



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The young in Korea: never married

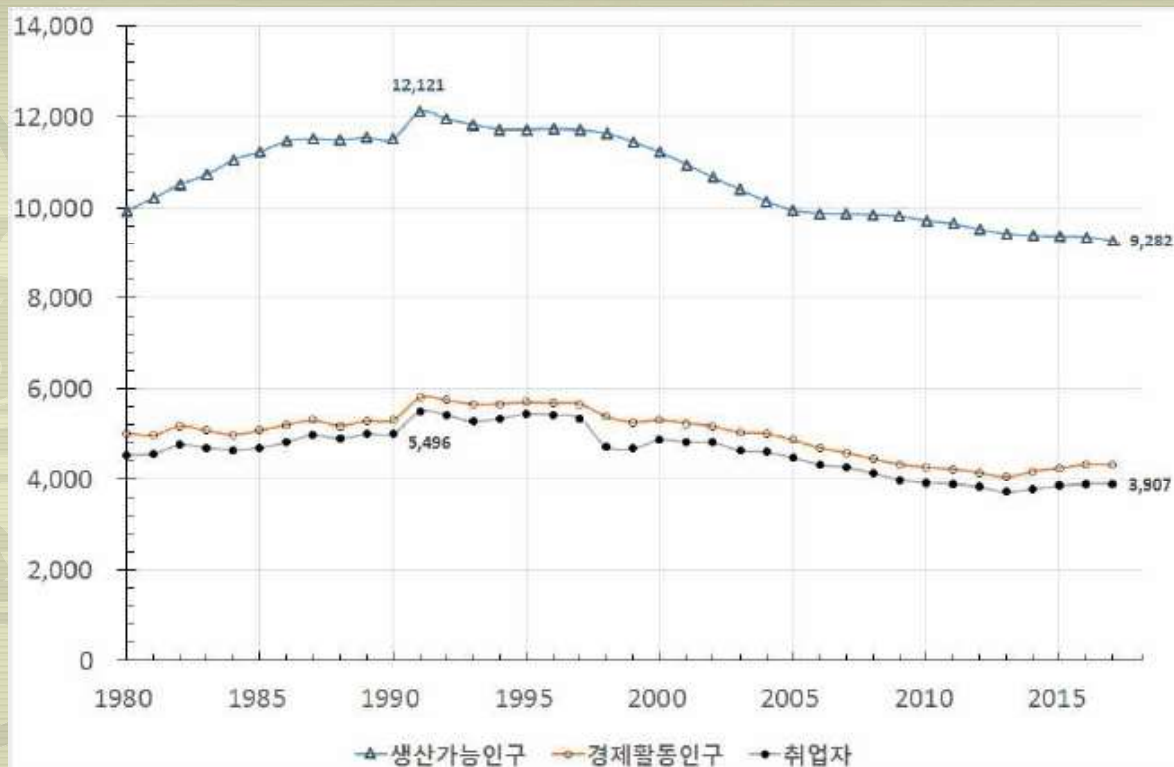
More young people in school 63% at age 30 from 24%



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The young in Korea

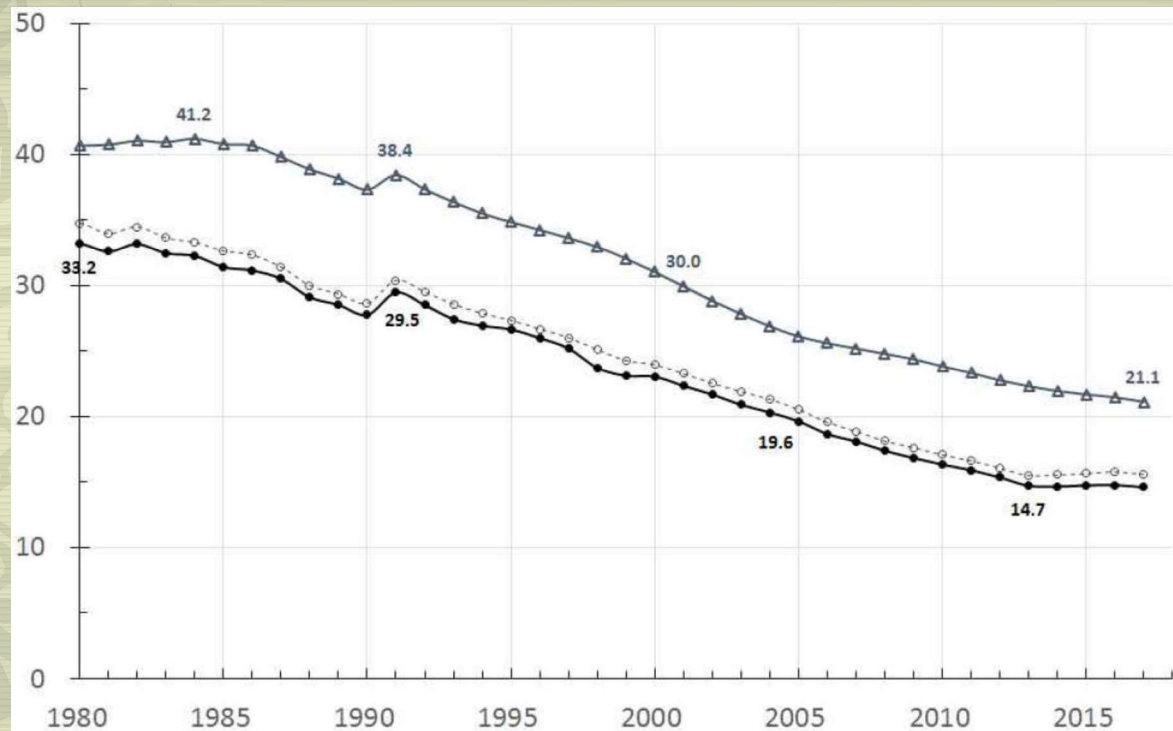
☞ The young(15~29) Population, Labor force, the employed



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The young in Korea

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

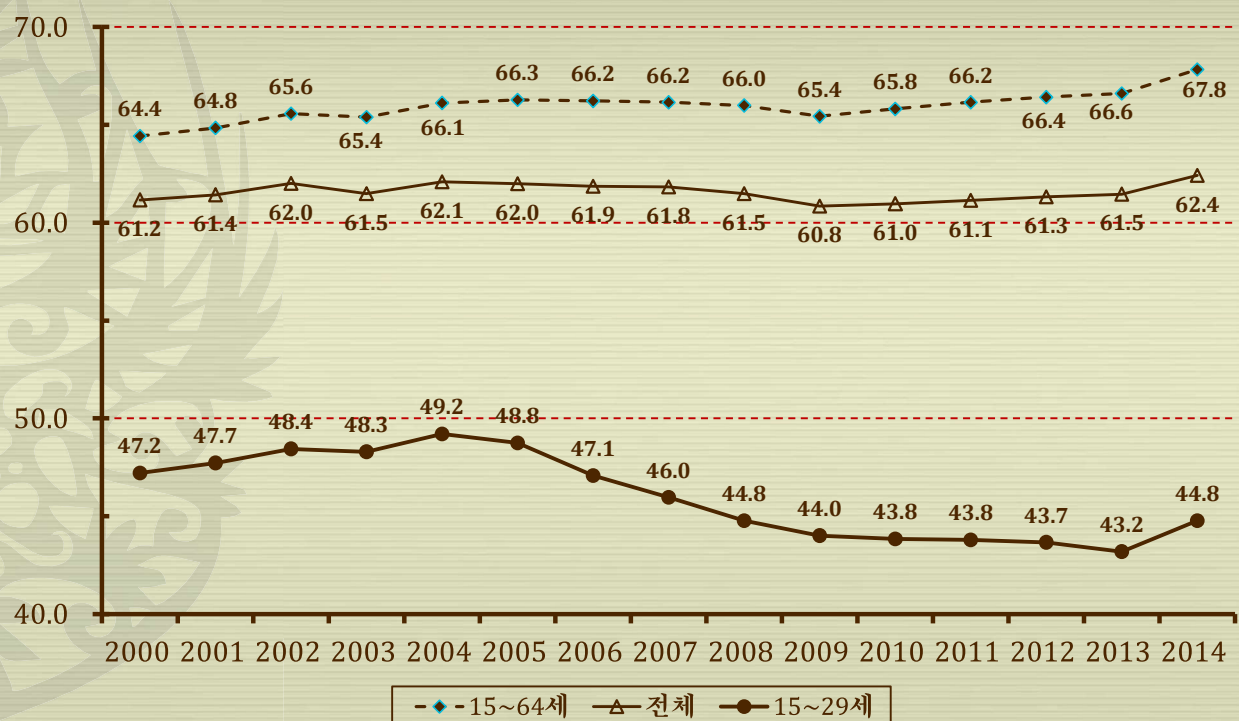


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The young in Korea: LFP

Labor Force Participation rate of the young

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

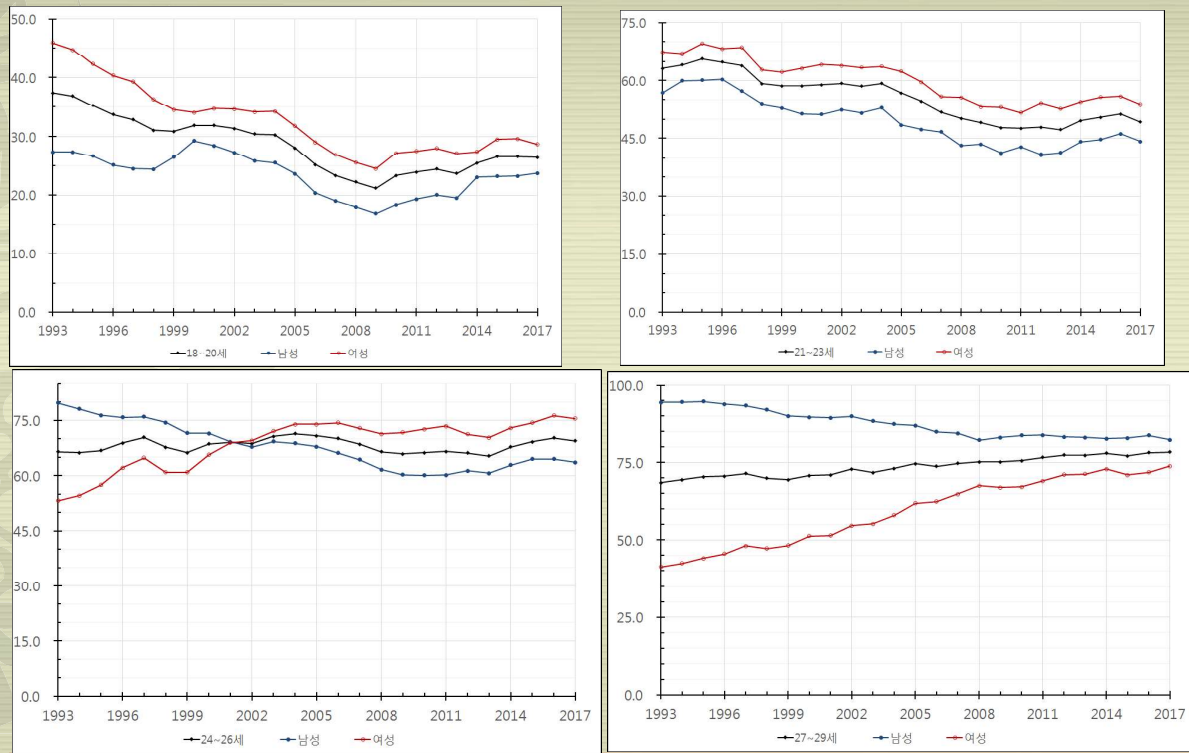


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The young in Korea: LFP

Labor Force Participation rate of the young

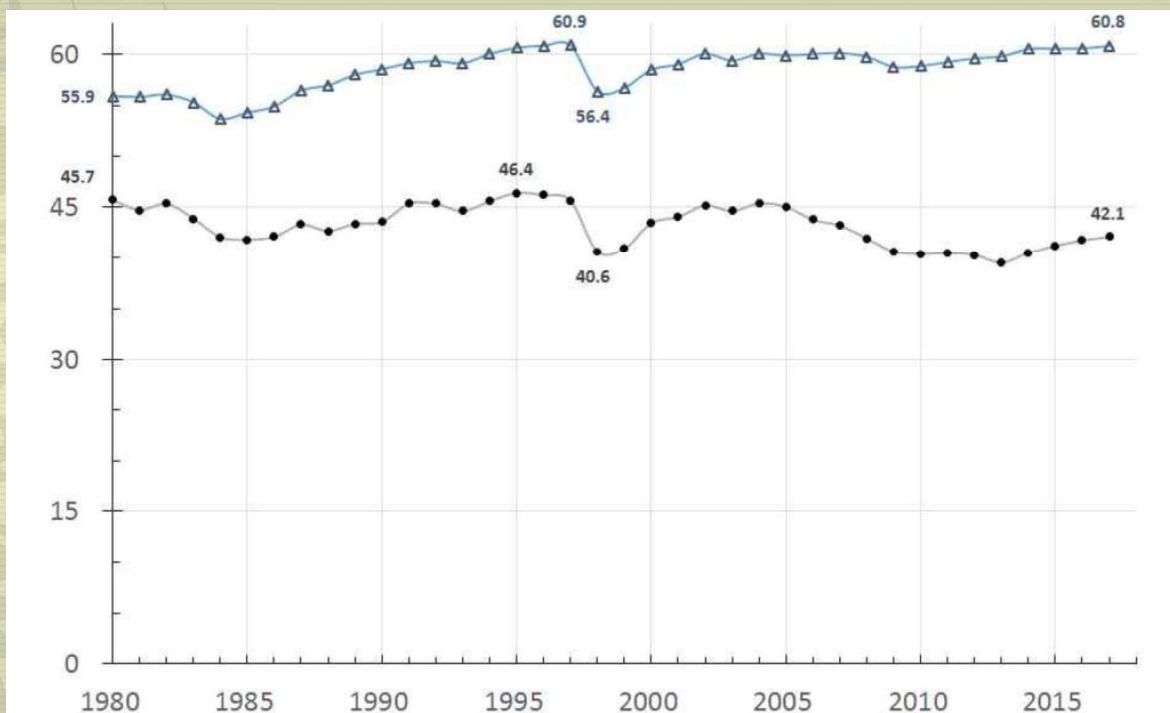
(top) 18~20, 21~23, (bottom) 24~26, 27~29



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The young in Korea

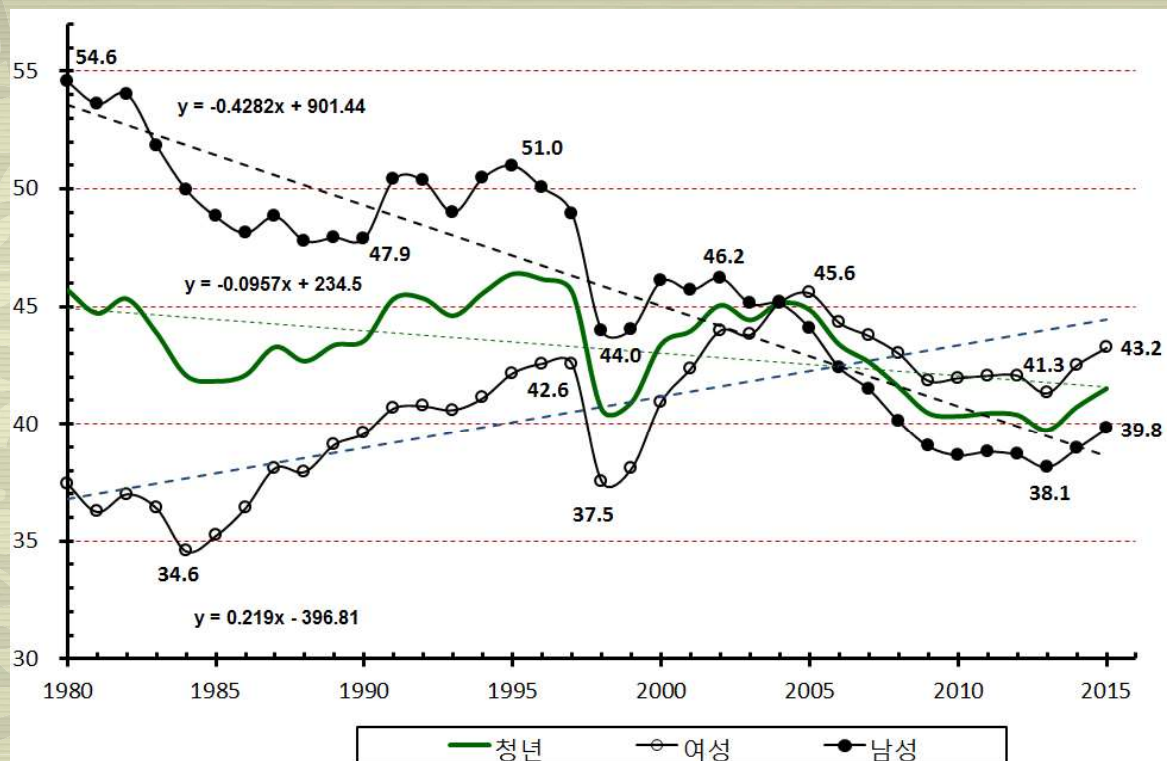
☞ the employment rate of the young(bottom) and all(top)



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The young in Korea

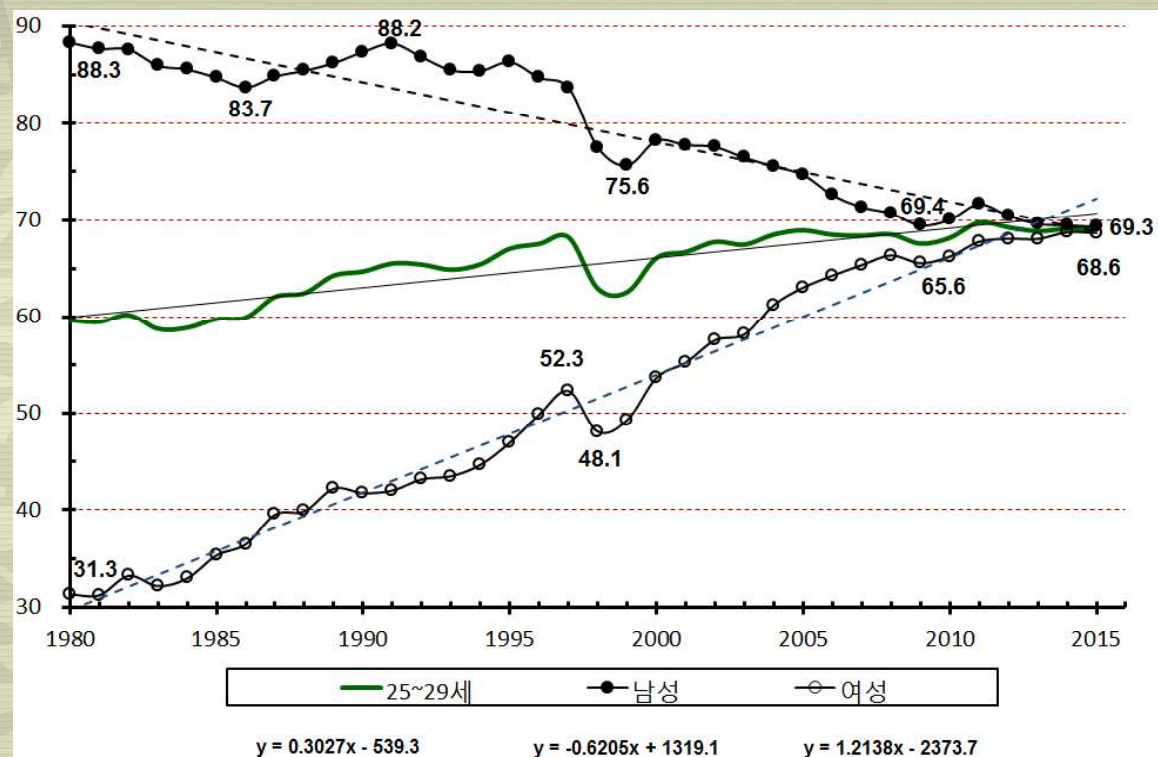
the employment rate of the young by gender



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The young in Korea

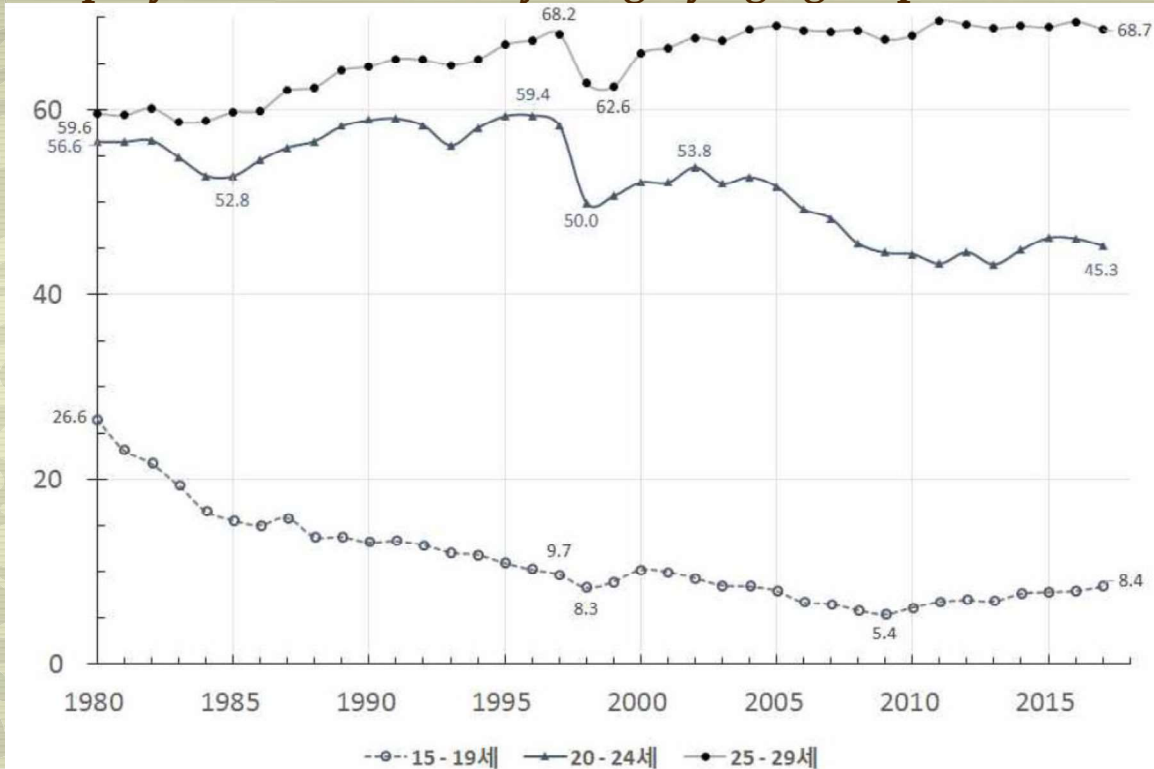
the employment rate of the young(25~29) by gender



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The young in Korea

Employment Rate of the young by age groups

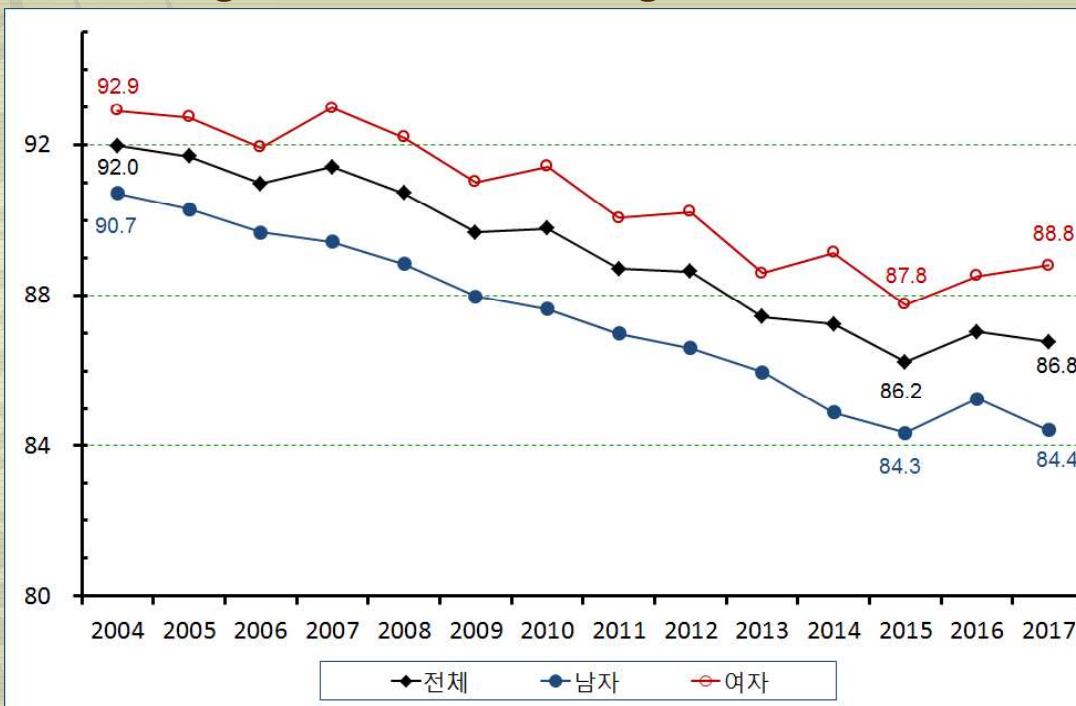


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School to work transition

After graduation, have you ever worked for?

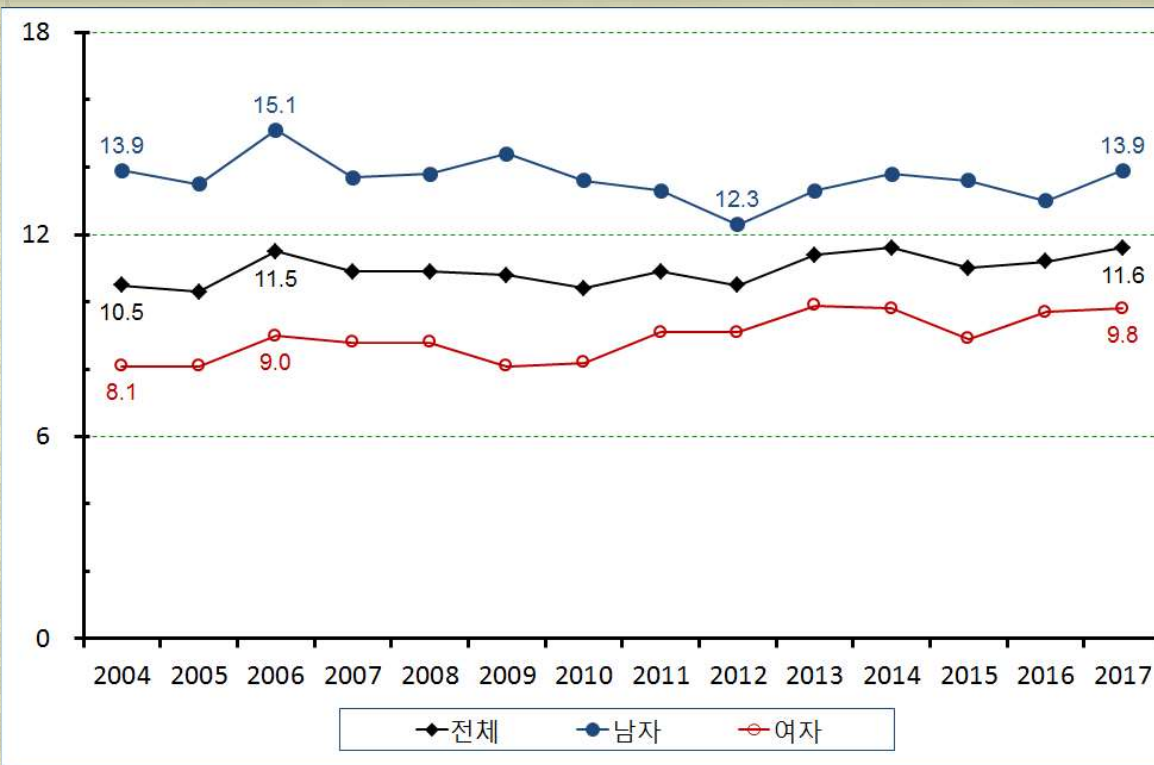
Decreasing trend since 2004, higher for female > male



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School to work transition

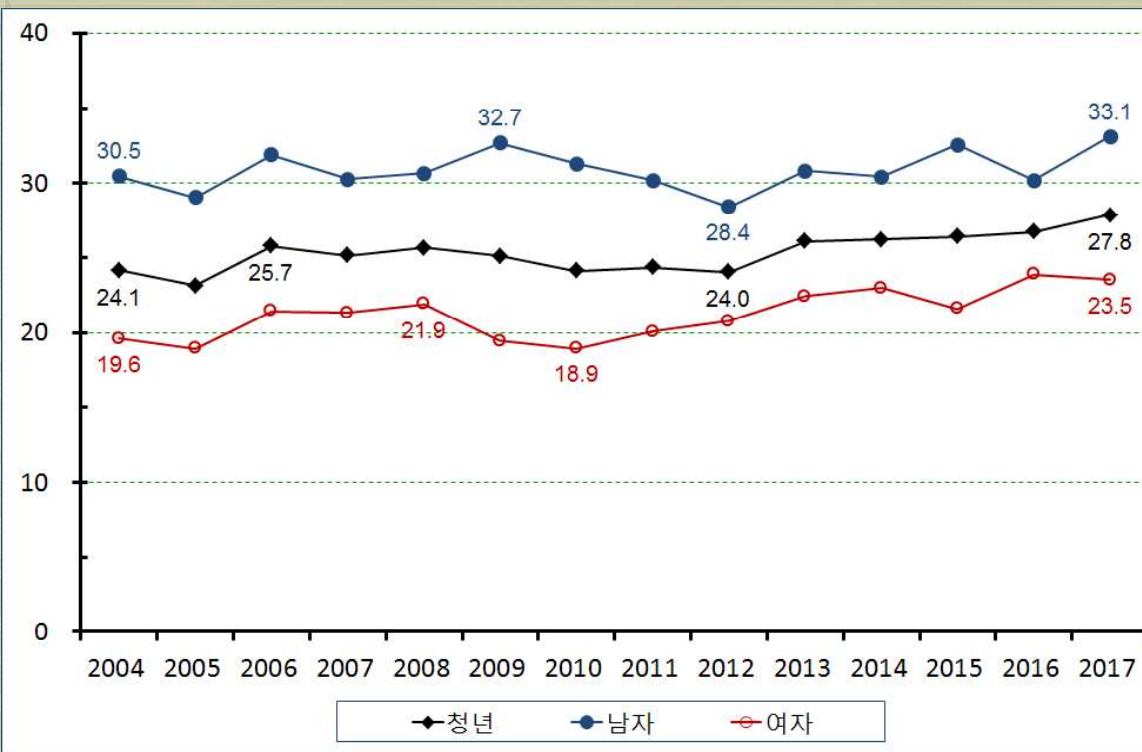
Months for the first job? About a year



25

School to work transition

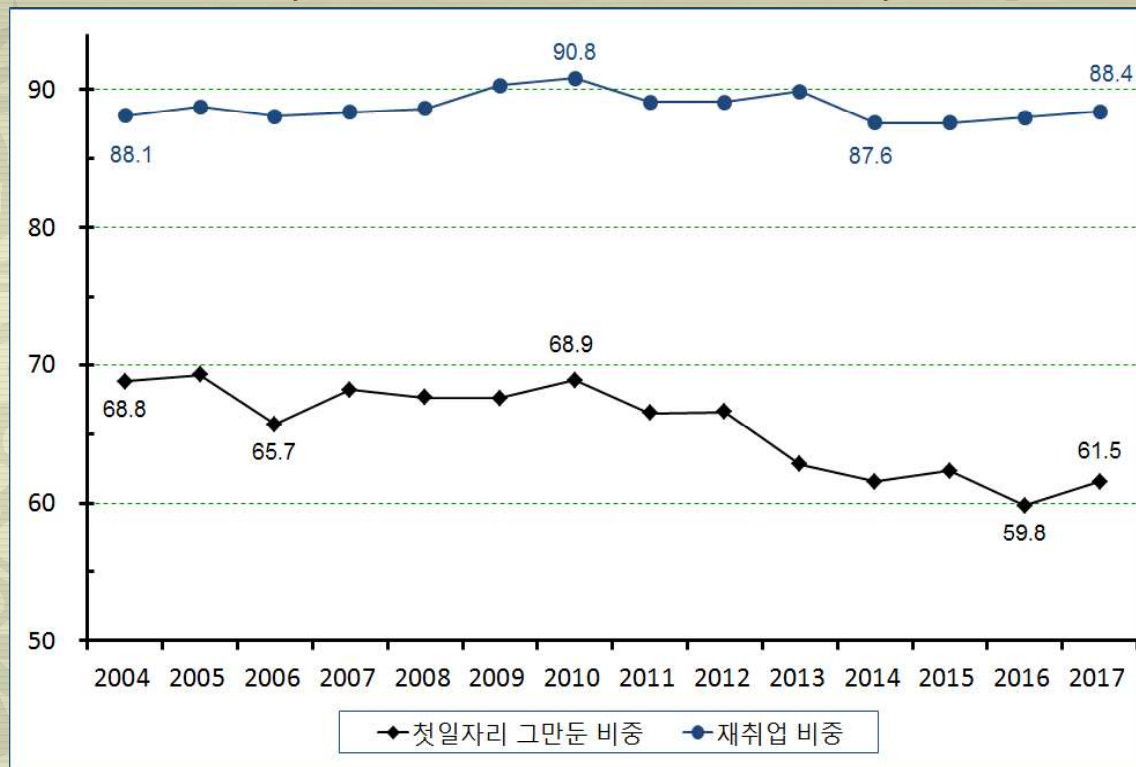
Months for the first job? More than 1 year



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School to work transition

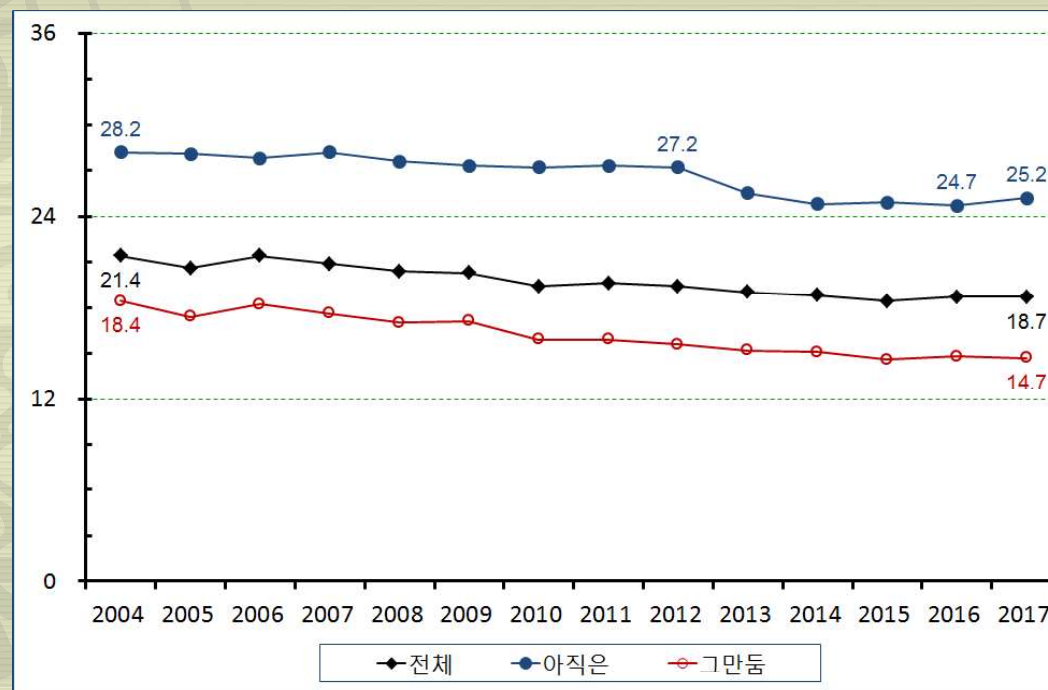
Quit the first job(bottom) and then the 2nd job(top)?



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School to work transition

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



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School to work transition

Why did you quit the first job?

2017 (2007)

Working conditions	51.0% (42.2%)
Private/family reasons	13.7% (20.5%)
Temp work	12.1% (5.9%)
Mo prospect	7.1% (9.3%)
Mismatch	6.7% (7.8%)

Monthly wage at the first job (2017)

Less 0.5M	3.4%	More 3M	2.3%
0.5~1M	13.4%	2M~3M	13.9%
1~1.5M	37.5%	1.5~2M	29.6%

Employment Types at the first job (2017)

Waged & salaried work	97.8%	Self-employed	2.2%
Contract work	25.6%		
Temp work	12.2%		
Permanent work	62.2%	Part-time work	16.1%

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Unhappy Koreans

☞ Koreans feel unhappy c.w/Economic growth

SLB = 5.7/10: OECD How's Life 2015 (28th of 35)

= 5.835/10: UN World Happiness Report(2016) (58th of 159)

= 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

...

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The Trend of SWB: by gender

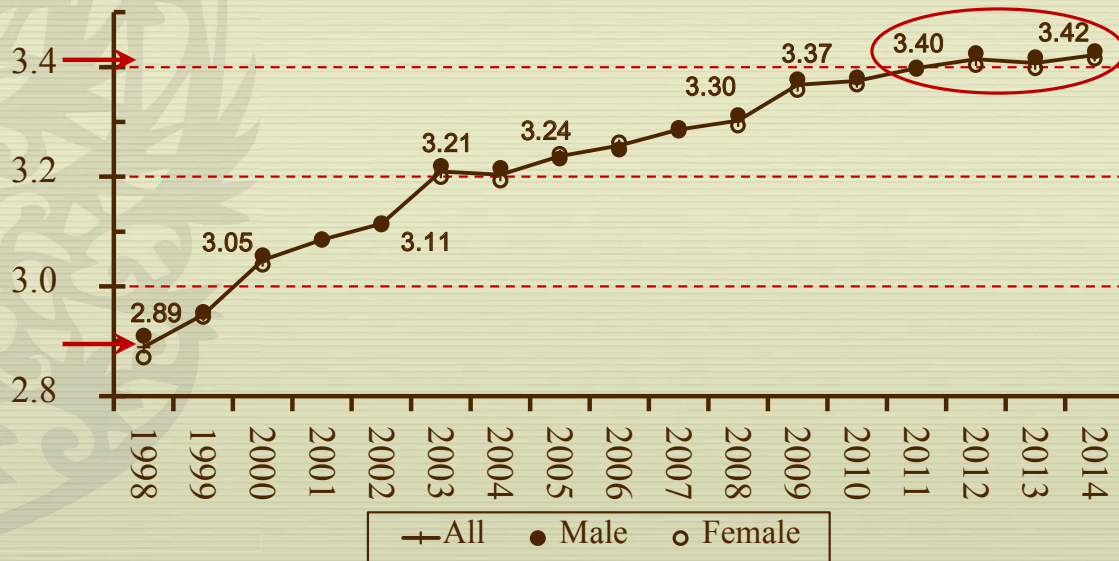
☞ Rising trend of SWB since 1998

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!



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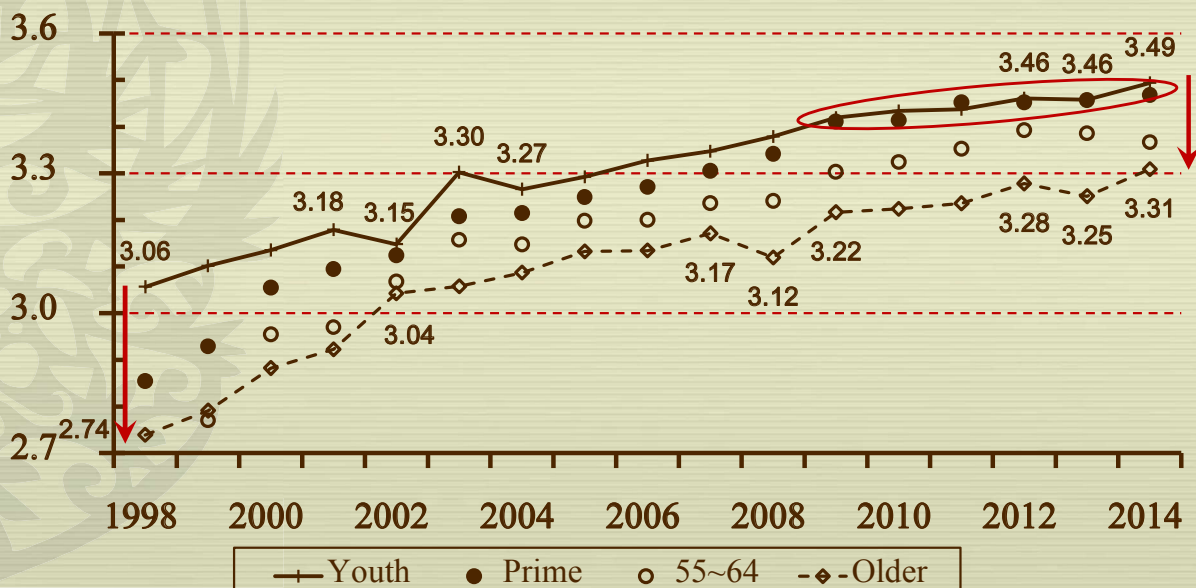
The Trend of SWB: by age group

☞ 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



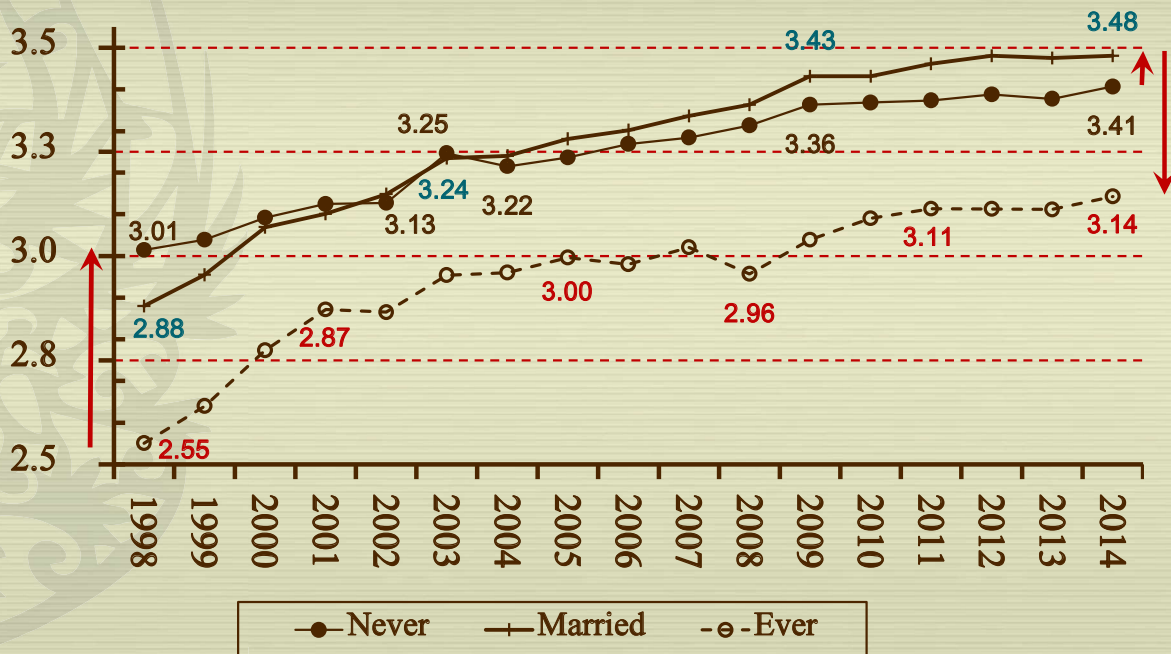
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The Trend of SWB: by marital status

☞ 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)



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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?

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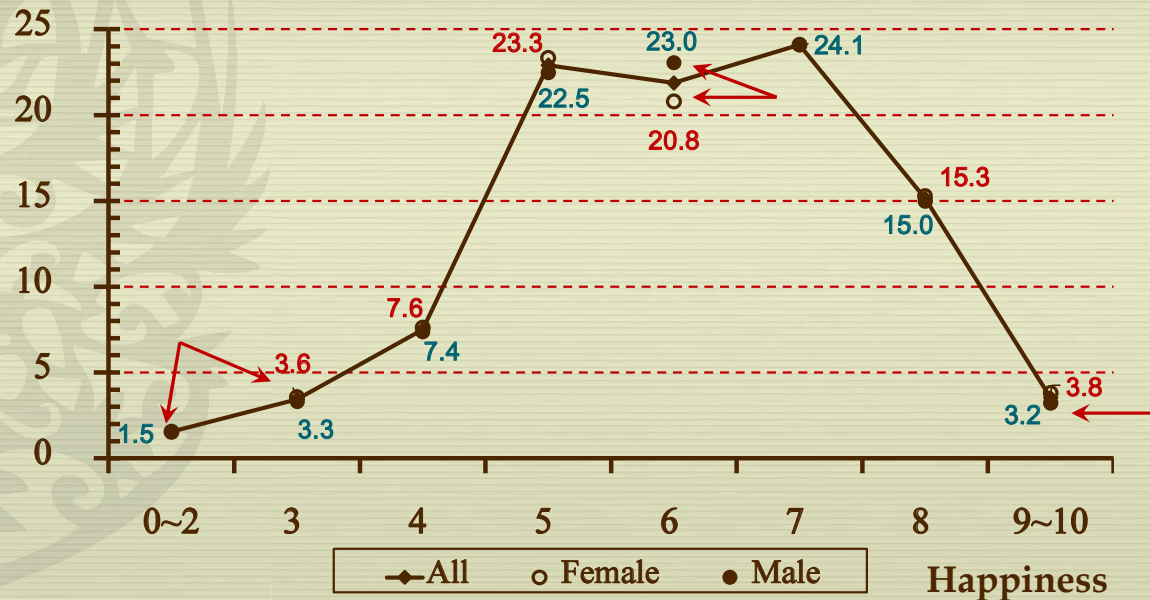
Happiness

☞ 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



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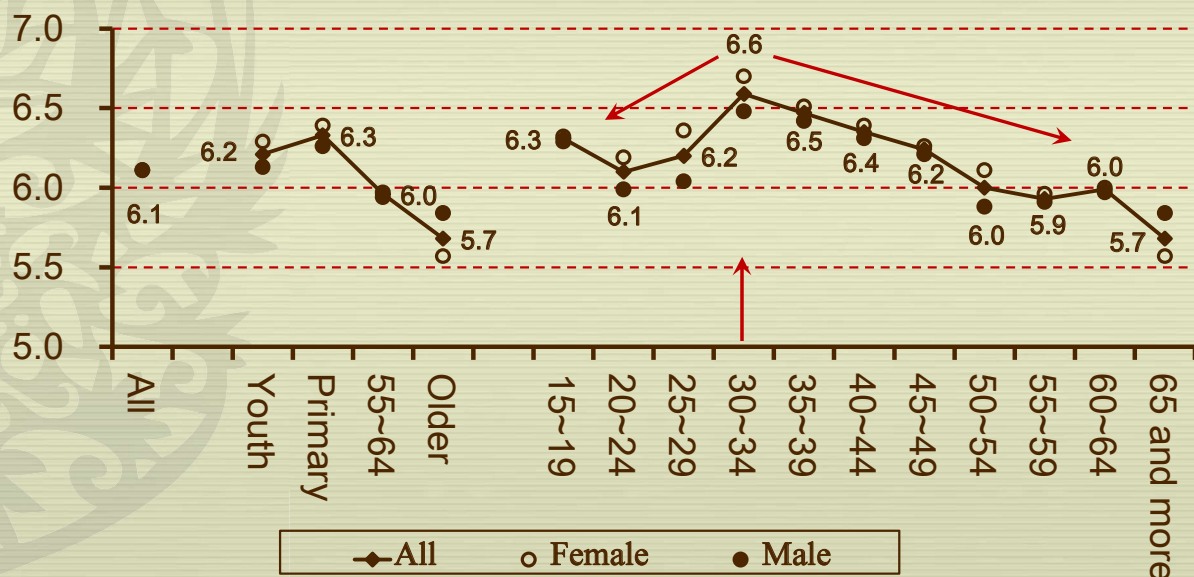
Happiness by age group

☞ 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



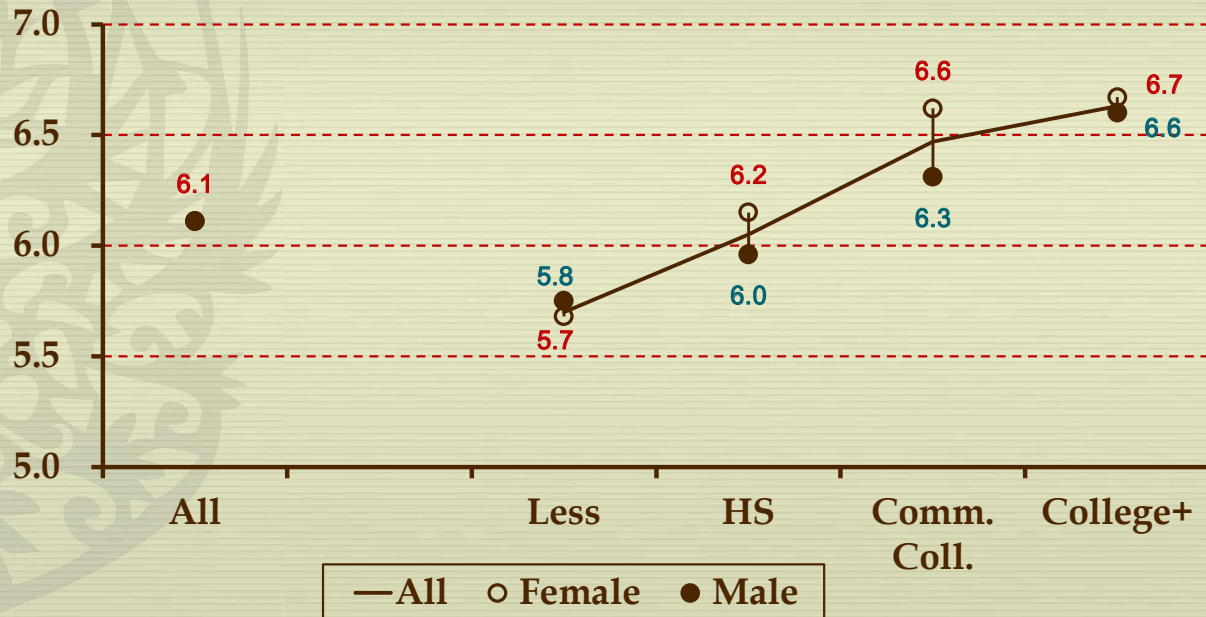
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Happiness by education level

Education is positively related with happiness!

through more income, higher socio-economic status, better situation

Slight gender difference for the community college graduates



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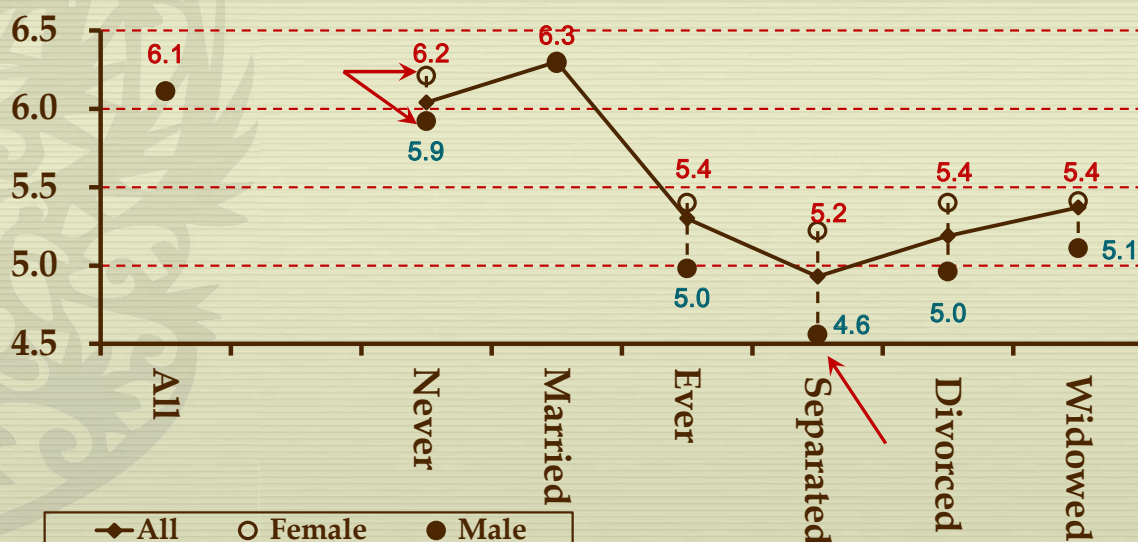
Happiness by marital status

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

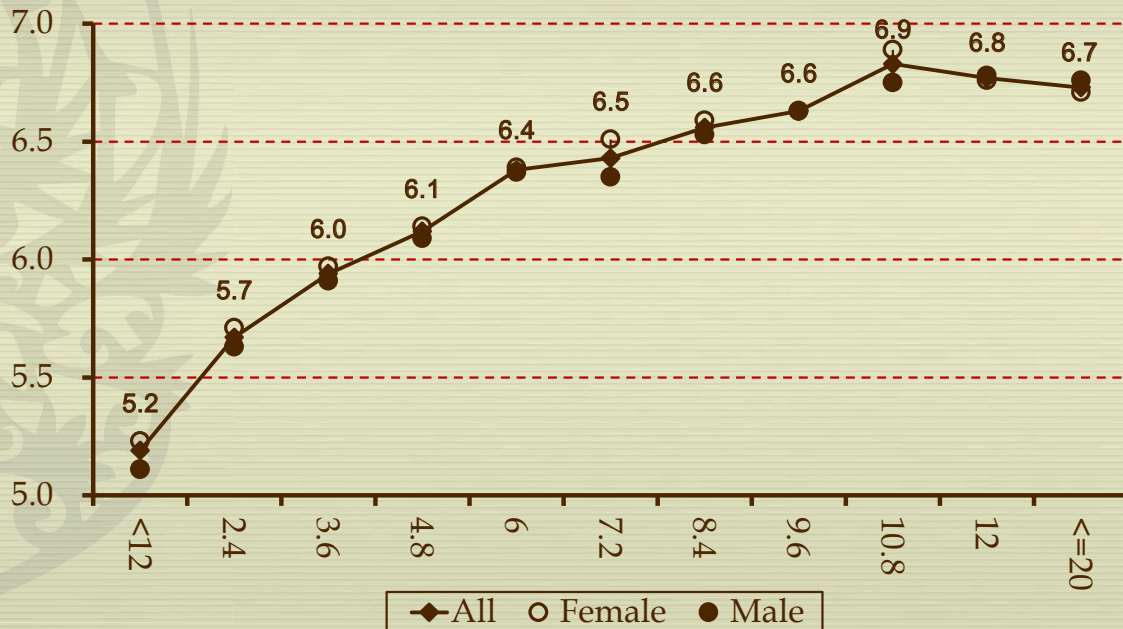
Single females are happier than single males and almost no difference b/w single and married females



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Happiness and Total Family Income(TFI)

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



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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

Employed					NONemployed	
Waged			Self-emp		Unemp'ed	NILF
Permanent workers	Temporary workers	Daily	Employee	OAW		

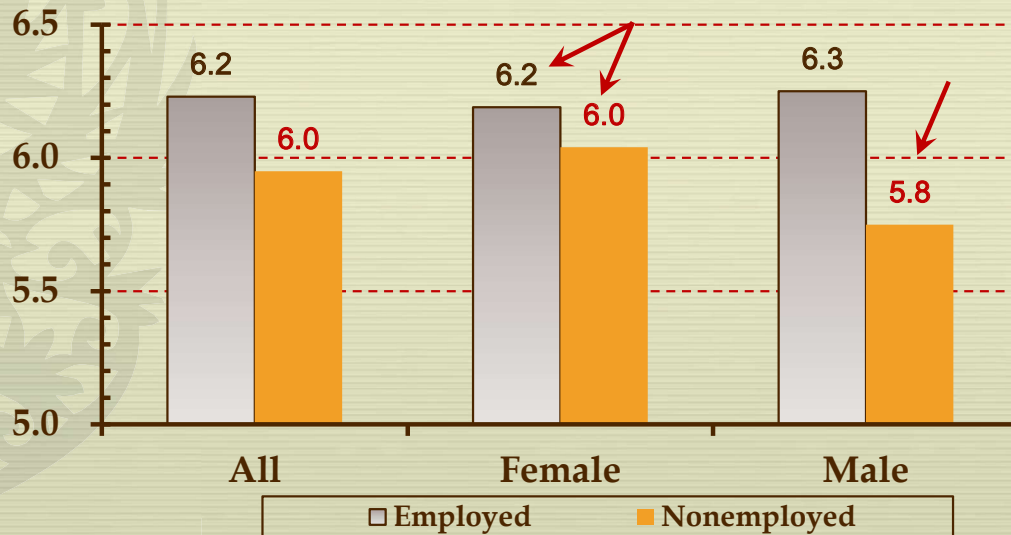
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Work and Happiness

- ☞ 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)



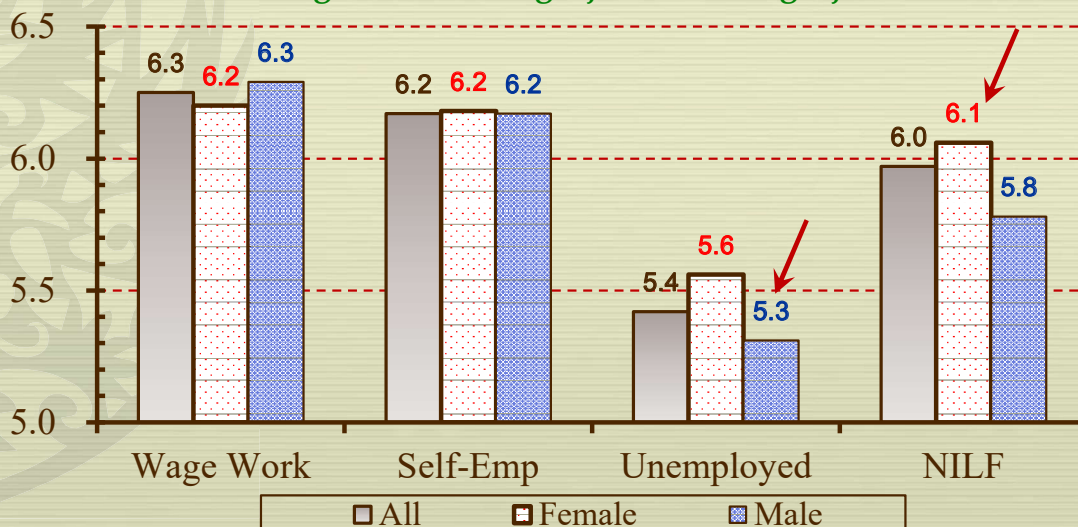
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Work and Happiness

- ☞ 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 \approx Not seeking a job > Seeking a job**

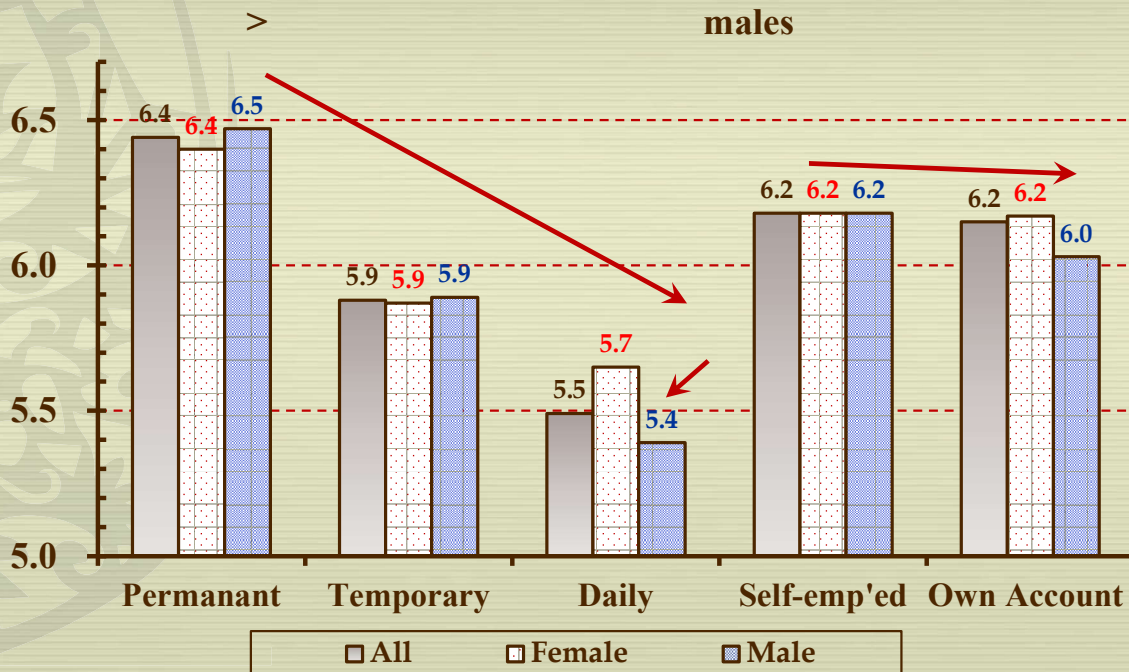
Male: **Working > Not seeking a job > Seeking a job**



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Work Status and Happiness

- ☞ Almost no gender difference by work status, except for daily work
- ☞ Permanent > Temporary > Daily workers as expected
- Employees ≈ Own account workers for females but



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Happiness Equation with work status

- ☞ 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)

	all	female	male
Permanent work	+++	not sig.(-)	+++
Temporary	++	---	not sig.(+)
Daily	---	---	not sig.(-)
Employee		not sig.(+)	+++
OAW		not sig.(-)	
Unemployed	---	---	---

Demographics

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

Relations to header

Happiness

Health Status

TFincome (+++)

HH Assets, Debts
Home Ownership

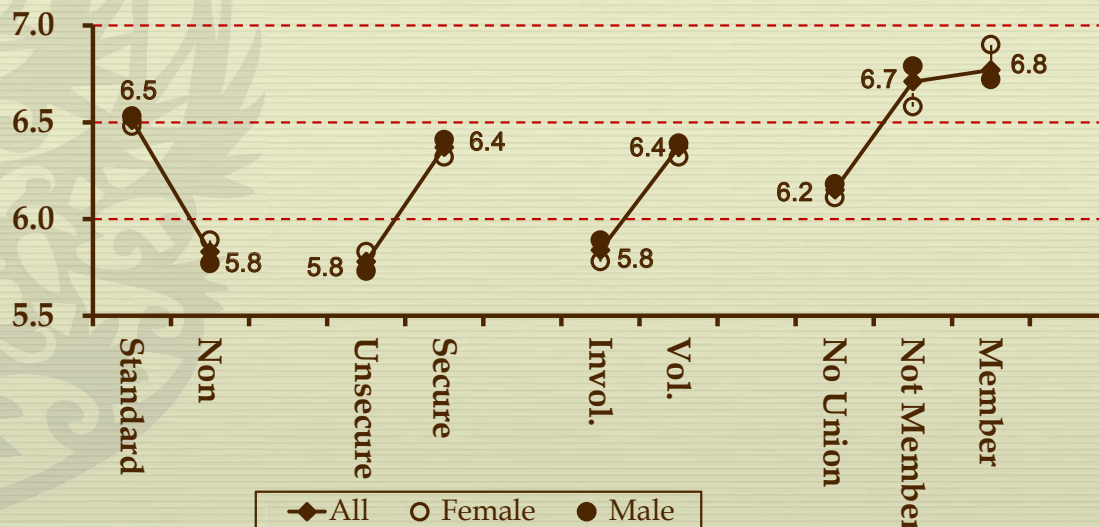
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Happiness of Wage Workers

Employment Type

- ☞ Standard/regular work standard work *vs.* nonstandard work
- ☞ Its choice voluntary *vs.* involuntary
- ☞ Subjective job security secure *vs.* insecure

Trade Union its existence & membership



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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>

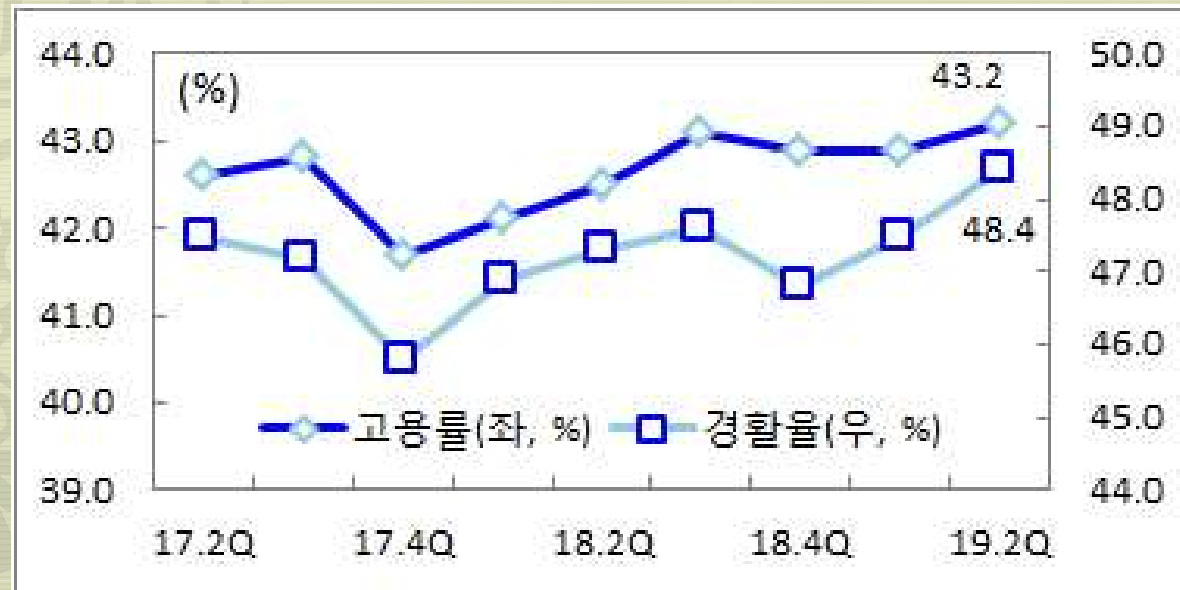
More and better jobs to the young

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Youth Hope Ladder of 2019

👉 Government to strengthen support for young adults

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

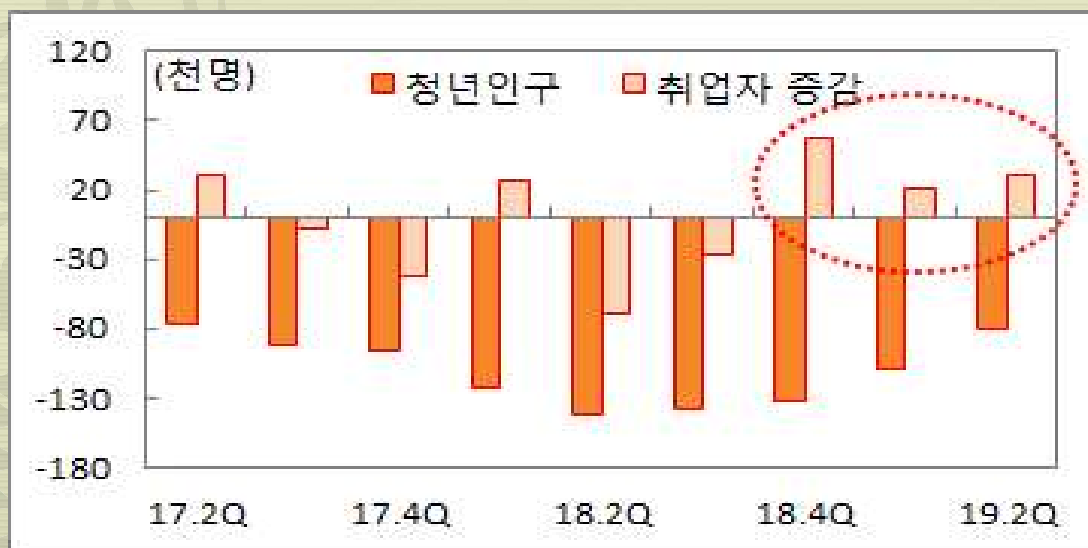


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Youth Hope Ladder of 2019

👉 Government to strengthen support for young adults

Decrease in youth population while more youth employment

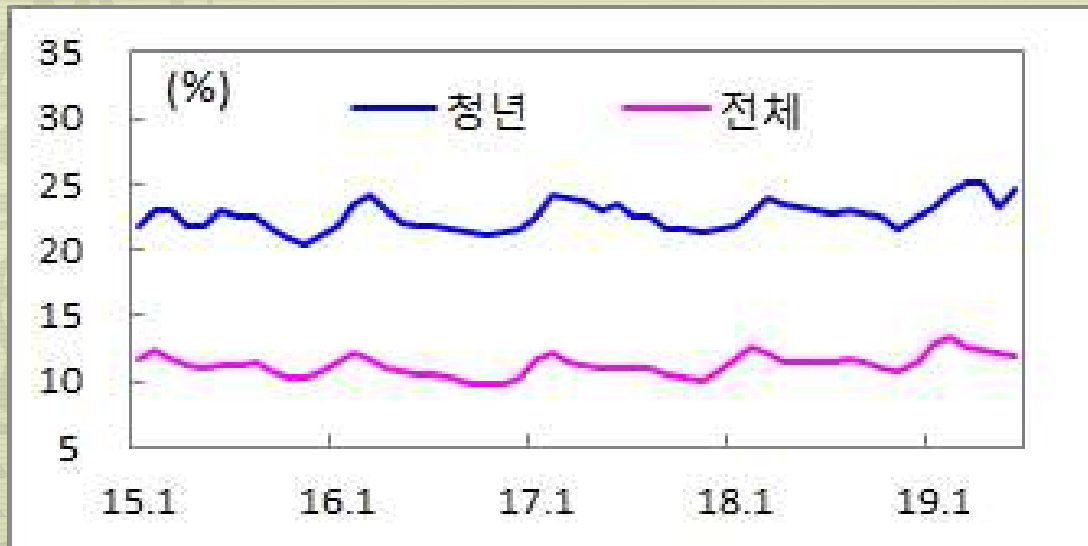


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Youth Hope Ladder of 2019

👉 Government to strengthen support for young adults

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



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Youth Hope Ladder of 2019

👉 Government to strengthen support for young adults

Negative recognition on Class Mobility

		Negative	Neutral	Positive
Class Mobility	19-24	53.2	24.0	22.7
	25-29	61.7	20.6	17.7
	30-34	66.7	21.2	12.1
Inclusiveness for the disadvantaged	19-24	41.4	40.4	18.2
	25-29	48.7	37.8	13.5
	30-34	48.0	41.4	10.6

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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

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Youth Hope Ladder of 2019

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☞ Policy effect?

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Thanks!

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