



CASE STUDY

Seoul 50+ policy – Republic of Korea



Technological progress, globalisation and demographic changes have a pronounced effect on labour markets.¹³⁰ Ageing and the automation of jobs – megatrends of the next decade – will create great opportunities, but also daunting challenges. How will life-long learning and continued labour market participation work when jobs are disappearing? Furthermore, the needs of newly retiring urban populations are markedly different from those of previous generations. These trends challenge labour markets, pension systems and social policy, in general, and place a heightened fiscal burden on welfare states. The Seoul Metropolitan Government (SMG) is trying to address these challenges with its Comprehensive Plan for 50+ Assistance (hereafter, Seoul's 50+ policy). Seoul's 50+ policy provides life training, emotional support, cultural experiences and also retraining for continued social opportunities for newly retired populations. As part of the initiative, Seoul has redefined what “work” in the 21st century means.

130. See the OECD Future of Work project: www.oecd.org/employment/future-of-work.

Trend 3: Inclusiveness and vulnerable populations

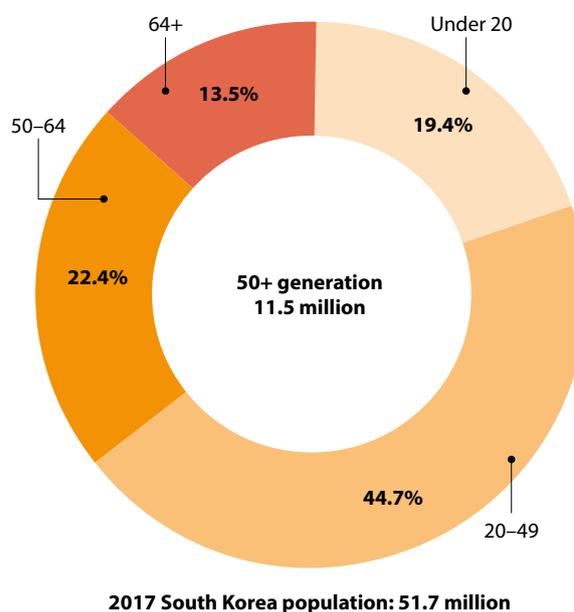
THE PROBLEM

Korean society is rapidly proceeding towards the centennial society, with the elderly demographic of the population soaring. The country has experienced both sharp declines in fertility and substantial gains in longevity (United Nations, 2015). In 2000, Korea became an ageing society with 7.2% of the population over 65+, and an aged society (14.02%) in 2017, and will become a super-aged society by 2026 (20.8%) (Kim and Jane, 2017). The nation's rate of ageing is three times faster than that of countries that entered an ageing society phase before Korea. As the working-age population continuously decreases, potential intergenerational conflicts emerge due to the growing fiscal burden on healthcare, social welfare and pensions. A 100-year life in the context of 25-30 years of pre-pension economic activity is not feasible under current socio-economic structures.

Simultaneously, a large post-war demographic group, which constitutes the main labour force behind Korean economic growth, is reaching retirement age. This wave of retiring baby boomers is creating a serious social problem – one that is also a personal crisis. Retirees may live up to 50 years following retirement: what should they do with the second half of their lives?

These baby boomers are highly educated professionals from previous generations with differing values. They have also been the main force behind the economic development and democratisation of Korea. Their experiences, capabilities and participation in the labour market are seen as the solution for an aged society. However, the 50+ generation is insecure about their future and quality of life, as opportunities for employment and social interaction decrease after retirement.¹³¹ Retirement benefits for many do not permit recipients to enjoy the same living standards as before, or worse, place them at risk of falling into lower-income strata. Few baby boomers have made adequate financial preparations for retirement (Kim, 2012). Furthermore, those retiring in their 50s and early 60s – the 50+ generation (an age group between 50 and 64) – are excluded from various welfare policies, placing them in an especially vulnerable position. Currently the 50+ population comprises 11.5 million people, representing 22.4% of the entire population of Korea. In Seoul alone, this age group accounts for 2.19 million people (Figure 56).

Figure 56. Ages of South Korea population



Source: Presentation made by the Seoul 50+ Foundation of the Seoul Metropolitan Government, Seoul, 2017.

In Europe and elsewhere in the world, the standard reaction to this demographic shift has been to increase the retirement age, keeping older people in the labour market for longer periods. Korea has also recently amended existing legislation on retirement, raising the minimum normal retirement age to 60 in 2013. At the same time, older workers continue to work well beyond their retirement. The effective age of labour force exit is, on average, around 72 for both men and women,¹³² which is higher than many other OECD countries. Yet, it is common practice in Korean companies to set a mandatory age of retirement well below the age of 60, often as low as 55. Consequently, the average age of actual retirement, particularly in the private sector, stands at 53. To make matters even more complicated, job availability is constantly shifting due to automation and globalisation, while Korea also works to tackle high youth unemployment. In other countries with similar issues, the trend to ensure “continuous employment” makes older workers accept lower wages – often significantly lower (Ujjikane, Kuwako and Schneider, 2016).

AN INNOVATIVE SOLUTION

Originating from civil society and brought to the public sector by the current Mayor of Seoul, Park Won-Soon, the Seoul 50+ initiative stems from the idea that the retirees

131. Data taken from a 2015 needs assessment of the 50+ generation.

132. See www.oecd.org/els/emp/older-workers-scoreboard-2016.xlsx.

Box 26: WHAT IS THE 50+ POLICY?

It represents a convergence of social welfare, employment and life-long learning policies geared towards the needs and characteristics of people aged between 50-64, enabling them to remain active, work and participate in community life.

Source: Seoul 50+ Foundation of the Seoul Metropolitan Government, Paris, 2017.

need support to create new life models for themselves (see Box 26). While ageism is rife in Korean society, the initiative has taken an innovative and bold approach by embracing the older generation as an active social actor.

In 2016, after more than two years of preparation and pilots, the city announced its “Comprehensive Plan for 50+ Assistance”. In 2015, the city had conducted a needs assessment of the 50+ generation, and found that the three main concerns were feelings of insecurity, lack of work and nowhere to go. Thus, the 50+ policy focused on providing a platform for “Learning and Exploration”, “Jobs and Social Engagement” and “Culture and Infrastructure”. The main mission of Seoul’s 50+ policy was to create a new life vision for Seoul’s 50+ generation. This entailed improving the life quality of the generation, producing a shift in perception among older people, and enhancing social participation and sharing in society. As a whole, the initiative tried to prepare the city and its inhabitants for a new model of an aged society.

The nucleus of the innovation is a comprehensive 50+ infrastructure planned across Seoul. This includes the establishment of the Seoul 50+ Foundation (the coordinating body), and several 50+ campuses



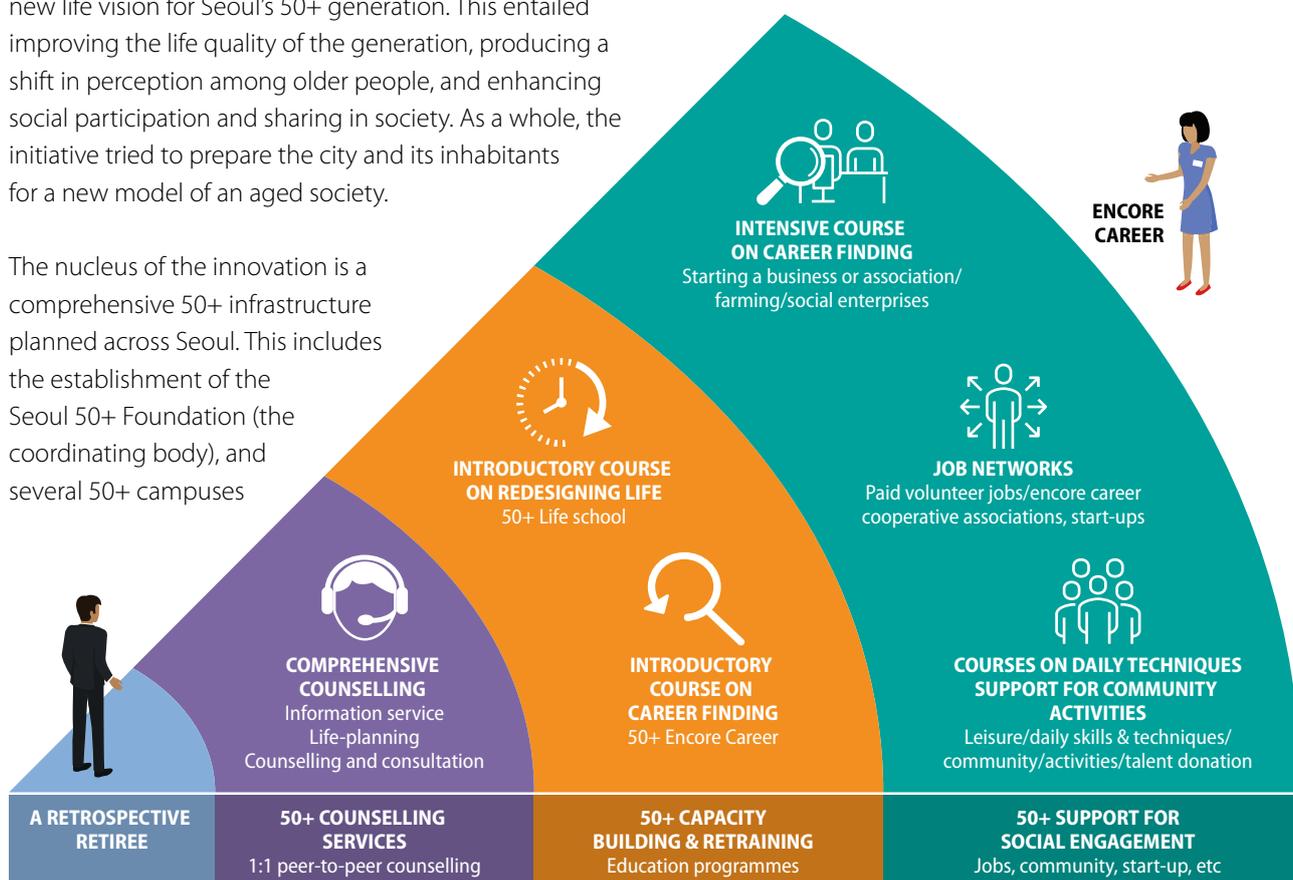
Figure 57: A 50+ campus

Source: Seoul 50+ Foundation of the Seoul Metropolitan Government, Paris, 2017.

and centres built on multi-sectoral collaboration.¹³³ Nineteen 50+ centres are planned for city districts by 2020 and four centres are currently in operation. As each city district has different characteristics – ranging from densely populated neighbourhoods to university or office areas – the centres will reflect specific, local features and needs. The campuses (see Figure 57) are bigger one-stop-shops offering tailor-made services including counselling, education and new job models, and

133. Seoul alone cannot provide all the services needed, even with the help of the 50+ community. The Seoul 50+ Foundation has signed MoUs with more than 30 organisations to develop a variety of programmes and create quality 50+ opportunities through partnerships.

Figure 58. The 50+ policy service model



Source: Presentation made by the Seoul 50+ Foundation of the Seoul Metropolitan Government, Paris, 2017.

Trend 3: Inclusiveness and vulnerable populations

promoting intergenerational exchange. Six 50+ campuses are planned by 2020 and three are currently in operation.

This infrastructure provides support and cultural spaces for the 50+ generation to interact among peers, drive changes and generate needs-based services for one other (see Figure 58). It goes beyond traditional policy interventions, providing more comprehensive support and dealing with the practical and emotional side of life transitions (e.g. offering cooking classes for retired men or overall life-transitions courses for the newly joined). Half of the courses offered at the campuses are initiated and designed by the 50+ generation and the target group also provides peer-to-peer counselling (see Figure 59). As the older generation becomes a large market segment for services, Seoul's 50+ policy helps the demographic group locate demand and generate self-initiated projects and work opportunities. In essence, the social capital of the target group is used to cope with ageing issues in society.

Furthermore, Seoul 50+ tries to redefine what work in Korean society means for an entire generation that has dedicated itself to rebuilding the country after the Korean

War. The initiative tries to connect the population's broader interests and social aspirations with job opportunities and new types of employment in the form of an "encore career". This implies continued work opportunities across projects, not just "belonging" to a single employer. This approach also enables the 50+ demographic to build social connections and find new ways to serve their communities. It allows them to make the most of this time of life, while also continuing to earn an income, acquire new personal meaning and have a social impact. The Seoul 50+ policy creates and promotes new 50+ job models for the public and private sectors, by expanding socially meaningful job models through paid volunteer jobs ("Boram jobs") and operating 50+ start-up venture competitions, incubation and encore out-placement programmes.

NOVELTY

The comprehensive nature and scale of the Seoul 50+ policy is unique. Other countries have initiated similar projects, such as Germany's Bundesprogramm Perspektive 50plus¹³⁴ (2005 to 2015), but not to the same level or extent.

134. See www.perspektive50plus.de.

Figure 59: Peer-to-peer counselling



Source: Seoul 50+ Foundation of the Seoul Metropolitan Government, Paris, 2017.

178,032

2016-2017 CAMPUS VISITORS

1,825

SOCIAL SERVICE VOLUNTEER JOBS

70

COUNSELLING CASES PER DAY



Figure 60: 50+ statistics as of November 2017 *Source: Seoul 50+ Foundation of the Seoul Metropolitan Government, Paris, 2017.*

RESULTS AND IMPACT

As of August 2017, 50+ programmes have registered more than 15 000 people, the 50+ generation has organised 112 communities, 600 people have participated in 13 different “Boram Jobs” streams and 50+ campuses have provided more than 303 courses (see also Figure 60). While these numbers are not large compared to the size of the target group, years remain before the full institutionalisation of the programme. However, the initiative is already scaling. Other local municipalities are benchmarking 50+ campuses and centres of the Seoul Metropolitan Government, and the national government has announced a cross-ministry plan to establish social infrastructure for the third act of life. Success will depend on the ability of national ministries to operate across fragmented interventions in an effective manner.

USER PERSPECTIVE

Prior to launching the Seoul 50+ initiative, the city conducted a needs assessment of 1 000 residents aged over 50 in Seoul. This was followed by a series of consultation processes with stakeholders to clarify roles and responsibilities among existing welfare entities. As the programme evolves and develops, with input from the 50+ generation itself, feedback from users is integrated into the approach. At the end of August, the OECD team met with a selection of 50+ peer-to-peer counsellors, community leaders and programme participants, all of whom saw great value in the initiative.

CHALLENGES AND LESSONS LEARNED

Vulnerable groups rarely carry a voice within the political system, so strong political proponents are needed. The Mayor of Seoul had to defend the initiative in its early days, with opponents of the programme stating that investments should go instead to those currently facing poverty.

As the current 50+ generation differs from prior retiring cohorts, a user-centred approach was essential. However, not all user needs are resolved – especially those relating to the long-term financial security of groups entering old age. There is also a disconnect in terms of the services and models people should adopt after they reach the age of 65, with different organisations (i.e. Seoul Welfare Foundations and elder welfare institutes) responsible for the latter in the city.

In general, it is difficult to fit a new policy into existing silos. Whether it concerns employment, lifelong learning or welfare, effort is needed to distinguish a new policy as something different, and to ensure co-ordination with existing policies in order to create synergies. Paradigm shifts take time. The initiative therefore needs space to evolve to ensure a “business-as-usual” mind-set does not take over.