Demographic pressure requires actions now to strengthen evidence based policymaking for better results in Korea, says OECD

The share of the population aged 65+ in Korea will exceed 20% and the OECD average by 2025 and is expected to exceed 35% by 2050. This will inevitably increase budget constraints through higher social and health care spending and lower tax returns -- requiring action now to strengthen policy-making practices and public sector efficiency, says OECD.

Government at a Glance: How Korea Compares provides a set of indicators on public finances, public employment, open and transparent policy making, administrative and regulatory burden and on the performance of two key sectors: health care and education. In this report, Korea is compared to a selection of OECD countries: the G7 countries (Canada, France, Germany, Italy, Japan, the United-Kingdom, the United-States) and Australia.

The report finds that Korea could maximize benefits, reduce unnecessary costs from administrative rules and regulations and increase public sector efficiency by making better use of performance information in the design, implementation and evaluation of public policies.

More systematic consultation of citizens and other stakeholders, through the use of digital tools and technologies, for example, could help address a relatively low level of confidence in public authorities.

While the Korean population makes extensive use of online government services to complete administrative procedures, Korea still lags behind top-performing countries such as Australia, Canada, France, the United-Kingdom and the United-States when it comes to engaging stakeholders in regulatory policy making.

This is partly because stakeholders are generally consulted at a late stage when a draft regulation already exists. Earlier consultation processes would allow potential problems and burdens to be identified.

Further efforts needed to improve the performance of the health and long term care system

The report also finds that Korea has achieved remarkable progress over the past few decades in increasing the life expectancy of its population (which is now above the OECD average) and access to health services by achieving universal health coverage in the late 1980s. But a rapidly ageing population means that efforts are needed to further improve the efficiency of the health and long-term care system. A large part of the growth in public expenditure on health in Korea over the past 15 years has been allocated to expanding capacity in the hospital sector. This is in contrast with the strategies used in most other OECD countries, which have instead tried to strengthen the primary care sector to deal more effectively with the growing burden of chronic diseases outside hospital.

While the number of hospital beds per population has decreased in nearly all OECD countries since 2000, their number has more than doubled in Korea. As a result, Korea now has the second highest number of hospital beds per population, after Japan.

The rate of potentially avoidable hospital admissions is higher in Korea than in most OECD countries for a number of chronic health problems such as diabetes and asthma.

Looking ahead, the main challenge for the Korean health system will be to shift its focus from an expansion of hospital services to more effective and efficient ways of addressing the health needs of a rapidly ageing population in primary care.