

The Lives of the Working Elders in Seoul

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Summary

Most of working elders are employed for labor intensive jobs such as security or cleaning. They work for long hours and sometimes experience prejudice against the old.

1. Introduction

One third of senior citizens living in Seoul are working.

Today, a growing number of elderly people engage themselves in economic activities for living. It is largely because they are unprepared for their long lives ahead of them due to involuntary early retirement. Compared to other OECD countries, Korea has a high economic activity rate of senior citizens. It also has a high poverty rate of the same group. It is expected that more and more grey people will have to work for living in the future. Therefore, the government should seek a way to take care of them.

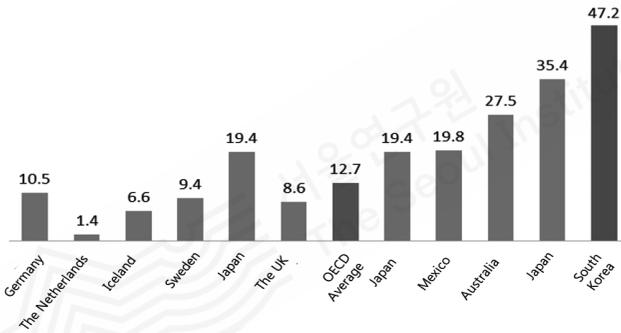
The research has discovered that majority of them had to work to pay for their living expenses. In other words, they were not financially prepared for their old age. At work, elderly employees were paid less than they used to in the past. They were also generally working in poor working conditions. The situation was no different for the self-employed: They made a petty amount of profit from their own business in spite of their life-long experience in their fields.

The purpose of this research is to understand working conditions of elderly workers and propose policy recommendations to increase their quality of lives.

2. Main Findings

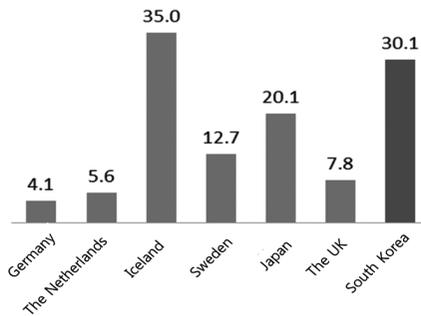
Steady rise in poverty among seniors

Senior citizens make up 12 percent of the population in Seoul; 40 percent of them still hold jobs. Many of these seniors find it necessary to work as they are unprepared to retire in a city where the population is rapidly aging. Poverty among seniors in South Korea runs at 47.2 percent, one of the highest in the OECD nations; 30.1 percent of people aged 65 or older still work, which is the second highest among OECD member nations. Poverty leaves those in their senior years with no choice but to work.



Source : OECD, 2013

[Figure 1] Senior Poverty Rate in OECD Member Countries

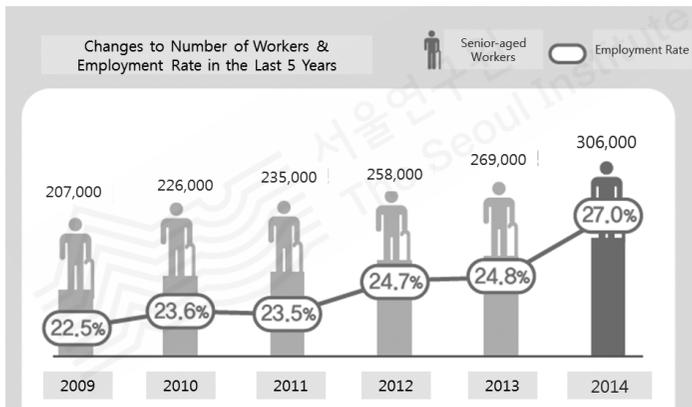


Source : OECD, 2013

[Figure 2] Labor Force Participation of Persons Aged 65 Years or Over

Increase in senior-aged employment, inadequate working environment

Employment among senior citizens has risen from 22.5 percent in 2009 to 27.0 percent as of 2014. During the same period, the number of senior-aged workers increased from 200,000 to over 300,000. One in 3 senior citizens in Seoul work after the age of 65. While poverty drives seniors into job market, their working conditions are poor. There are positive aspects to seniors holding jobs and working, but the crux of the matter is that most of them are forced to work to survive, and they often work in situations where their basic rights are not protected. Many of them are working for a living under less-than-adequate conditions.



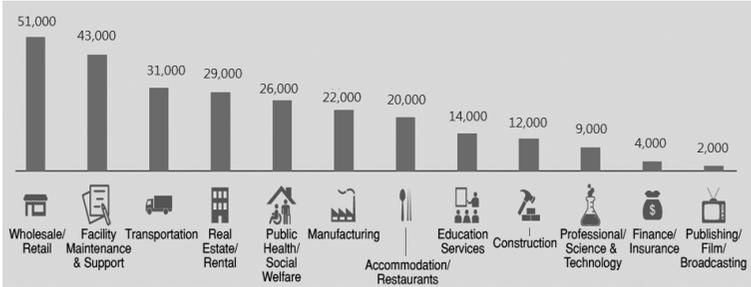
[Figure 3] Number of Senior-aged Workers & Employment Rate in Seoul

Source : Statistics Korea, Survey on the Working Population by Year

Higher percentage of self-employed/non-professionals

In the meantime, the percentage of those who are self-employed or non-professional has risen. The highest in this category is Wholesale/Retail, numbering approximately 51,000 persons, followed by Facility Maintenance & Support (43,000 persons) and Transportation (31,000 persons). It is estimated that

most senior-aged wage workers are engaged in simple labor.

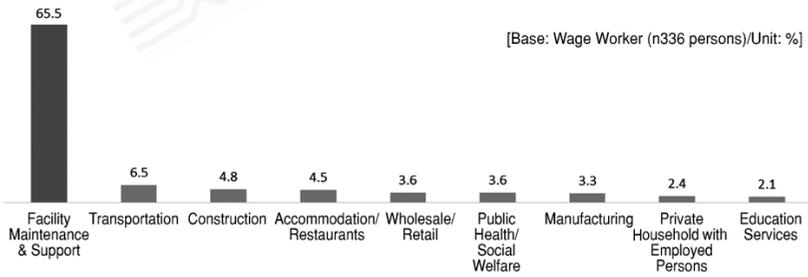


[Figure 4] Number of Senior-aged Workers in Seoul (By Industry)

Source : Statistics Korea, Employment Survey by Region, 2nd Half of 2014

Senior citizens working in poor situations mostly engaged in simple labor

A survey that looks at the industry make-up of the senior workforce indicates that 65.6 percent of senior citizens are engaged in “Facility Maintenance & Support”. This is followed by Transportation (6.5 percent), Construction (4.8 percent), and Accommodation & Restaurants (4.5 percent).

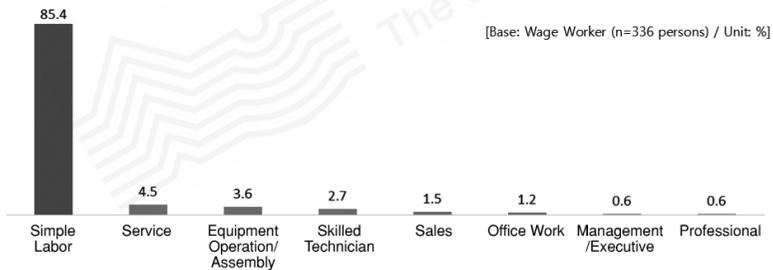


[Figure 5] Industries where Senior Citizens Work, Based on Standard Industry Classification

About the Survey

Objective	Identify working conditions and status of senior citizens in Seoul and study psychosocial awareness
Target	1,000 workers aged 65 or over in Seoul
Period	April 20 - May 22, 2015
Method	Visitation of households for one-on-one interviews / Proportionate stratification by region, gender, and age of workers
Description	Quantitative analysis of working conditions such as working hours, income, reason for working and field of work; Qualitative analysis of jobs, satisfaction with life, etc.

They are mostly concentrated in simple labor (cleaning, security) accounting for 85.4 percent of all job classifications. These simple labor jobs include: security, cleaning, delivery, care-giving, domestic help, and driving (community/ kindergarten/private school buses, etc.).



[Figure 6] Types of Work Based on Standard Occupational Classification (Top-tier Classification)

Senior security guards & cleaners work for long hours in poor condition

Some 41 percent of senior citizens working in Seoul are security guards or cleaners. Among those who are on shifts, 98.6 percent are senior male workers. The average worker works 18.26 hours a day. These workers have poor situations without any official guidelines on working hours, breaks, meals, and conditions for nighttime work.

[Table 1] Working Hours, Wages of Senior-aged Cleaners & Security Guards

Category	Gender Ratio	Daily Working Hours	Working Days per Week	Weekly Working Hours	Work on Weekends or Public Holidays		Average Monthly Income	
					Yes	No		
All	M	71.4%	11.60	5.67	64.27	76.0%	24.0%	Won 1,466,900
	F	28.6%						
Cleaning, Security	M	98.6%	18.26	3.76	66.41	97.8%	2.2%	Won 1,309,400
	F	1.4%						
Other Wage Work	M	60.6%	9.21	5.34	49.33	54.5%	45.5%	Won 1,172,200
	F	39.4%						

Senior workers prefer the easily-accessible taxi industry, where there are few age restrictions

In Seoul, 21.6 percent of taxi drivers were 65 years or older (as of 2014). The survey revealed that transportation (6 percent) is the second most common industry for seniors, after security guard jobs. However, there is increasing anxiety with regard to senior drivers as their vision and hearing deteriorate, undermining their ability to quickly respond to dangerous situations. Even so, the increase in the number of older drivers is inevitable, and it is therefore necessary to create adequate and working situations for them.

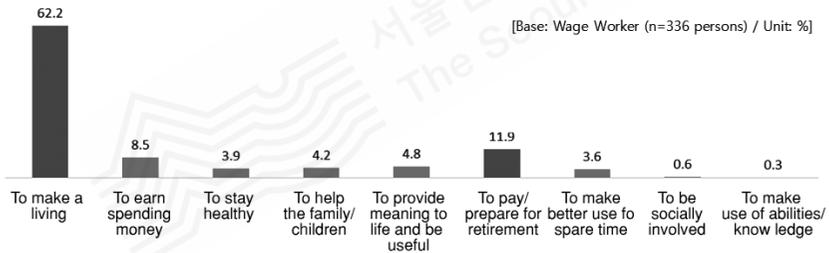
Seniors are working in situations where rights are often neglected

On average, senior wage workers work 12.9 hours per day, and 4.6 days a week. They work an average of 56.4 hours per week. For their services, they earn a monthly average of 1,228,000 Won less than 40 percent of a regular wage worker, who makes a monthly income of 3,200,000 Won (Ministry of Employment & Labor, 2014). Senior citizens are driven by their economic needs to job market, but their labor rights are often neglected. Most of the respondents (62.2 percent) said

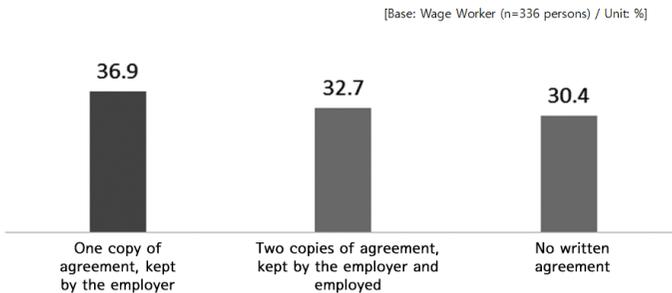
they are currently working “to make a living.” This is followed by “to pay/prepare for retirement” (11.9 percent) and “to spend money” (8.5 percent). It was found that many senior-aged workers started working without negotiating their terms of employment, such as the length of employment, or without signing legal agreements. A large number does not have their basic working rights protected.

[Table 2] Working Hours & Wages of Senior-aged Wage Workers (By Employment Status)

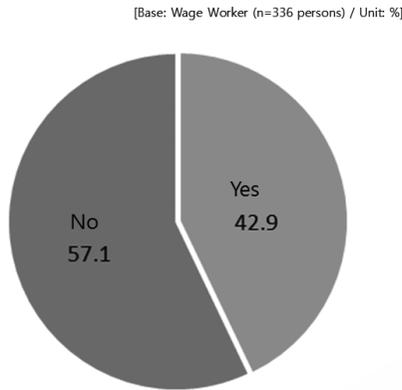
Category	Number of Cases	Working Hours per Week	Monthly Average Income
	336 persons 100.0%	56.4	1,228,000 Won
Wage Worker	Regular Worker 175 persons 52.0%	61.8	1,309,000 Won
	Temporary Worker 125 persons 37.2%	53.1	1,172,000 Won
	Day Worker 36 persons 10.7%	41.9	1,030,000 Won



[Figure 7] Reasons for Working



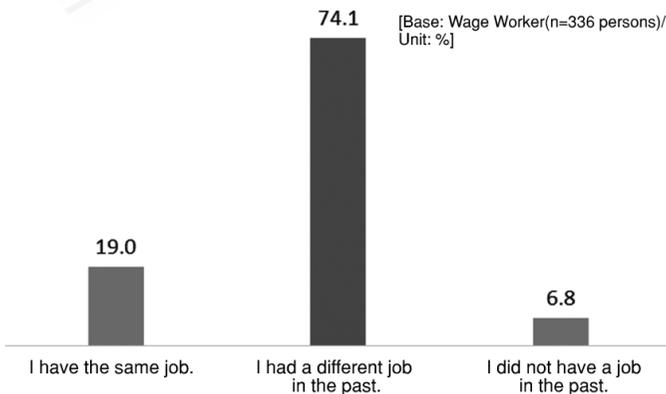
[Figure 8] Discussion of Length of Employment



[Figure 9] Discussion of Length of Employment

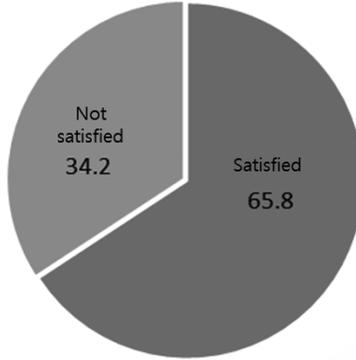
Current job is different from their past careers but satisfied to have a job

In the survey, 74.1 percent indicated that their current jobs are different from their careers. Very few work in the same industry as they had before retirement. Although overall working conditions and wages are below standard, 65.8 percent responded that they are satisfied with their current job in that they have a job, whereas other seniors do not.



[Figure 10] Comparison of Previous & Current Jobs

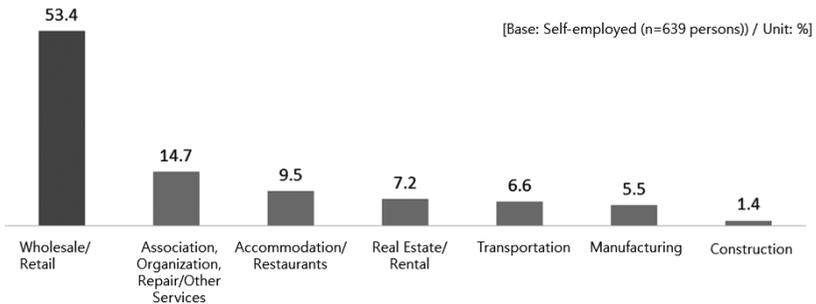
[Base: Wage Worker (n=336 persons) / Unit: %]



[Figure 11] Satisfaction with Current Job

Life is equally difficult for the senior-aged self-employed

Most senior-aged self-employed workers are in wholesale/retail, sensitive to economic changes. Among seniors who are self-employed, 53.4 percent are in “Wholesale/Retail”, followed by “Association, Organization, Repair/Other Services” (14.7 percent), “Accommodation/Restaurants” (9.5 percent), and “Real Estate/Rental” (7.2 percent).



[Figure 12] Industries Engaged in by the Senior-aged Self-employed, Based on Standard Industry Classification

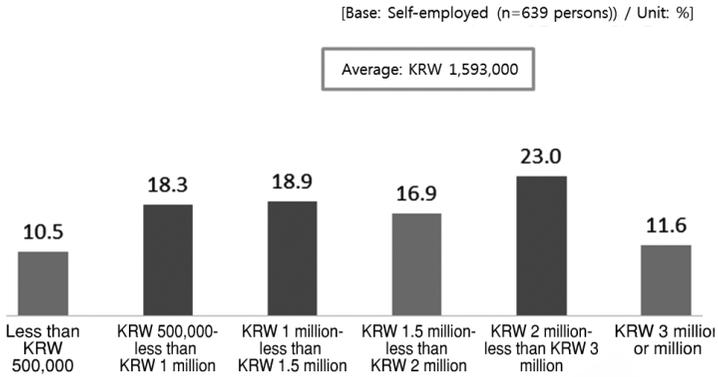
Upon closer look, 36.8 percent work as store salespeople while 5.3 percent are involved in door-to-door or street sales, or telemarketing.



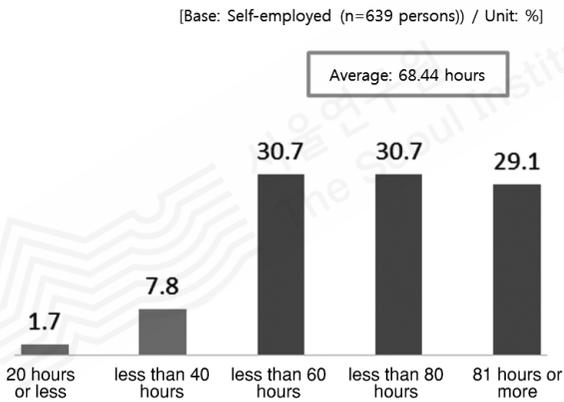
[Figure 13] Types of Work for the Self-employed, Based on Standard Occupational Classification (Top-tier Classification)

Self-employed seniors work for long hours with higher income than senior-aged wage workers

Self-employed seniors work 10.9 hours on average per day. The largest number of respondents (62.1 percent) said they work between 9 to 12 hours, followed by 13 - 16 hours (18.0 percent) and 5 - 8 hours (15.0 percent). They work 6.2 days per week on average. According to the survey, 89.2 percent said they work for 6 - 7 days. It was found that senior citizens who are self-employed work 68.4 hours per week on average, which is longer than the working hours of senior-aged wage workers (56.3 hours). An average monthly income is 1,593,000 Won. Self-employed senior citizens earn approximately 370,000 Won per month more than senior-aged wage workers 1,228,000 Won. Their income exceeds the average monthly income of all working seniors 1,460,000 Won by 130,000 Won.



[Figure 14] Average Monthly Income of the Senior-aged Self-employed

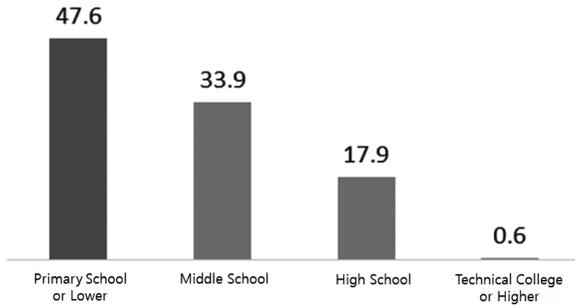


[Figure 15] Average Weekly Working Hours of the Senior-aged Self-employed

Self-employed senior females have poor working situations

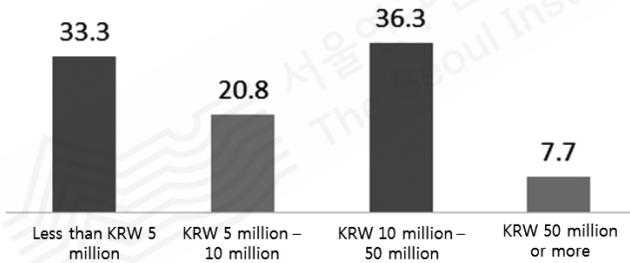
Most self-employed senior females have lower-level education and work alone. Some 30% of self-employed senior citizens are female. 47.6 percent of whom have low education levels (primary school or lower) and are in the wholesale/retail business. These seniors (78.6 percent) work alone for a minimum initial investment (less than 5 million Won, 33.3 percent).

[Base: Self-employed Female (n=168 persons)] / Unit: %



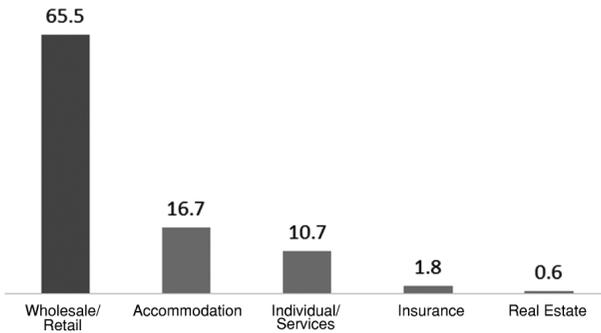
[Figure 16] Educational Level of Self-employed Senior-aged Females

[Base: Self-employed Female (n=168 persons)] / Unit: %



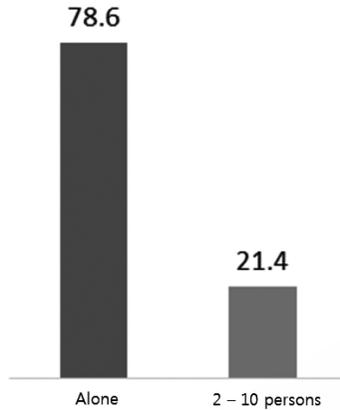
[Figure 17] Initial Investment of Self-employed Females

[Base: Self-employed Female (n=168 persons)] / Unit: %



[Figure 18] Type of Occupation for Self-employed Females

[Base: Self-employed Female (n=168 persons) / Unit: %]



[Figure 19] Number of Workers in Businesses Owned by Self-employed Females

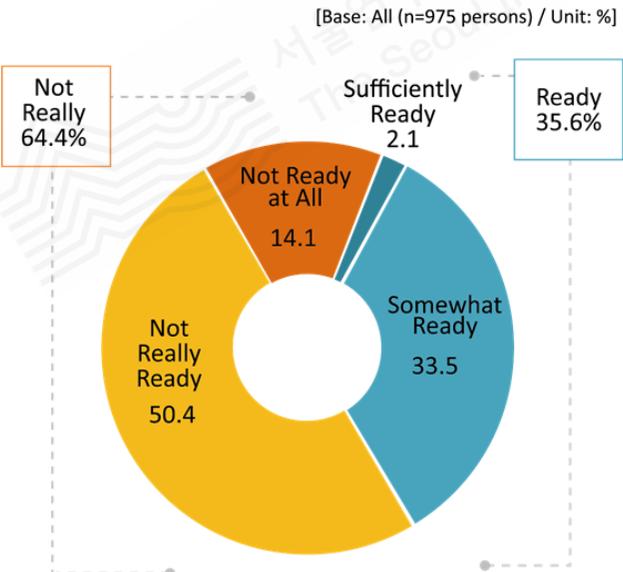
Overall, seniors have inadequate retirement plans

This research shows that a large number of senior-aged couples suffer from insufficient retirement planning. Seventy percent of married senior citizens live with unmarried children. Some 58 percent of senior citizens live with their spouse, while 17.9 percent of wage-working senior citizens and 20.5 percent of self-employed senior citizens live with their children. The percentage of those living alone is equal for those who are self-employed and those who are wage workers (11.9 percent each).

64.4 percent of seniors feel that they are not ready for retirement. Only 35.6 percent said they are ready for retirement (“Sufficiently Ready”, “Somewhat Ready”). A greater number of people - 64.4 percent - said they were not ready (“Not Ready at All”, “Not Really Ready”).



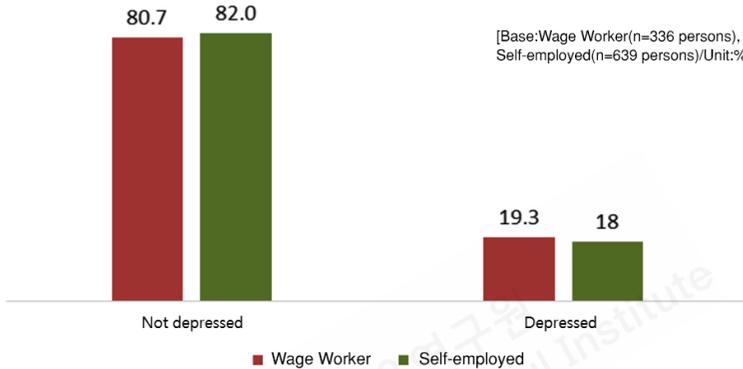
[Figure 20] Types of Senior-aged Worker Households in Seoul



[Figure 21] Retirement Preparedness of Senior-aged Workers in Seoul

Most seniors are mentally healthy but worried about physical health

Regardless of employment status, it was found that 80 percent of senior-aged workers in Seoul were not depressed.



[Figure 22] Level of Depression

One of the greatest difficulties in life is “Health” issues, according to 25.35 percent of senior-aged wage workers and 39.1 percent of self-employed seniors, followed by “Current Financial Difficulties” and “Life & Finances after Retirement.” One of the greatest concerns for senior-aged workers is their own health as they need to keep healthy to continue working.



[Figure 23] Satisfaction with Life



[Figure 24] Difficulties in Life

3. Conclusions & Policy Recommendations

Working conditions for senior-aged workers need improvement

We need to improve jobs provided for senior citizens by different city departments. The national government programs for senior citizens are divided between the Ministry of Employment & Labor and the Ministry of Health & Welfare. The line of command and organizational structure should be improved so as to integrate and implement programs at the city level. Furthermore, it is crucial that the providers abandon their views that the programs are charity and recognize that the programs are to create good working conditions for ordinary citizens who wish to work.

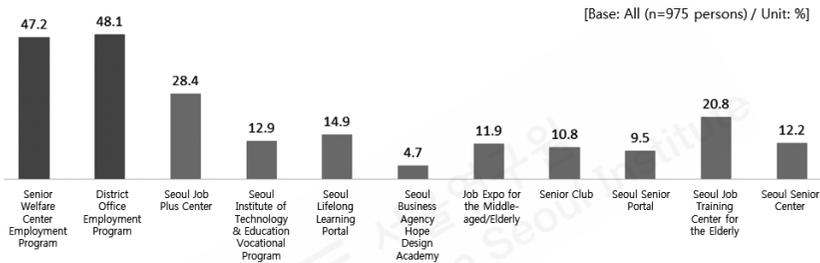
In that context, more practical policies are needed to meet the needs of senior citizens. Senior citizens need easier access to essential information. To make this happen, the information on jobs and policies for seniors needs to be integrated and provided via a consistent channel. Designation of an institution to handle issues related to jobs for seniors and develop training programs is also needed.

Designate a dedicated body to handle policy on jobs for seniors

We suggest installing “control tower” to maximize policy effectiveness. Such an organization can be made more efficient by integrating the relevant departments

that handle job programs for senior citizens or by modifying their roles and responsibilities. Currently, the Bureau of Community Welfare and the Bureau of Employment Planning are in charge of such policies. These channels should be integrated for easy access.

A framework and system can be put in place for working seniors and promoted by making access to information easier. The survey revealed that potential users were unaware that such policies even existed. It is therefore necessary to improve public access to the relevant policies and information.



[Figure 25] Percentage of Senior Citizens Aware of Job Policies for Seniors, by Channel

Eliminate discrimination through an age-integrated approach

To ensure that policies recognize senior citizens as ordinary people who wish to work, we need to change systems that discriminate against working seniors and alert the national government. Relevant regulations need to be enacted or revised to make it mandatory for seniors aged 65 or older to join the national Employment Insurance and Industrial Accident Compensation Insurance schemes. For those employers that fail to sign a written employment agreements that specify official working hours and fail to meet the minimum wage requirements, administrative guidance should be imposed, thereby eliminating discrimination against senior citizens. In addition, there must be efforts to renew social awareness of senior citizens and the need to recognize them as equal to “ordinary” citizens, instead of focusing on their ages.

Develop training programs for the employers of senior citizens

Employers need a new approach to working seniors. An education system is needed to help change negative attitudes regarding working seniors and stereotypes of the elderly. Employers who hire senior citizens will need continued training and assistance programs as well, which, along with campaigns, should be designed to help eliminate discrimination. Senior internships or senior recommendation programs can be a good way to stabilize the supply of human resources to the job market.

Policy efforts are required for systematic preparations for life after retirement for senior citizens & those nearing retirement age

The Seoul Metropolitan Government should provide and support mandatory retirement preparation and training programs. And the city should provide training to baby boomers, citizens nearing retirement and senior citizens who wish to work. By utilizing current resources such as the Seoul Senior Center or the 50+ Foundation, job training and placement services can be improved for retirees and those nearing retirement. The city also needs to utilize other resources (e.g., vocational training centers and leisure facilities) to offer training and employment opportunities to those with a wide variety of talents and needs. Seoul should consider enacting an ordinance that will require large businesses in Seoul to offer retirement preparation programs. It should also consider starting regular programs on retirement preparation for employees of the Seoul Metropolitan Government and its affiliated institutions.