

# The Eldercare Debate in East Asia: Sustainable “Solutions” in Modern Aging Societies

By: Alexis Kim

Faculty Mentor: Professor You-me Park  
Georgetown University



GEORGETOWN UNIVERSITY  
Center for Research & Fellowships



## Introduction

Populations across the globe are rapidly aging, creating an imminent need for improved social safety nets and eldercare policies. As labor forces shrink compared to burgeoning retired populations, countries seek new ways to fund social safety nets to maximize elderly citizens' quality of life at a minimum economic cost.

This dilemma is pronounced in East Asian countries: these nations are aging at a rapid rate and have social considerations such as filial piety that have historically impacted approaches to care labor. Recent shifts away from family-based eldercare towards more institutionalized care highlight growing economic pressures and changing conceptions of productivity.

This research compares the economic and demographic roots of changes in eldercare in Japan and South Korea.

## Proportion of Elderly Population

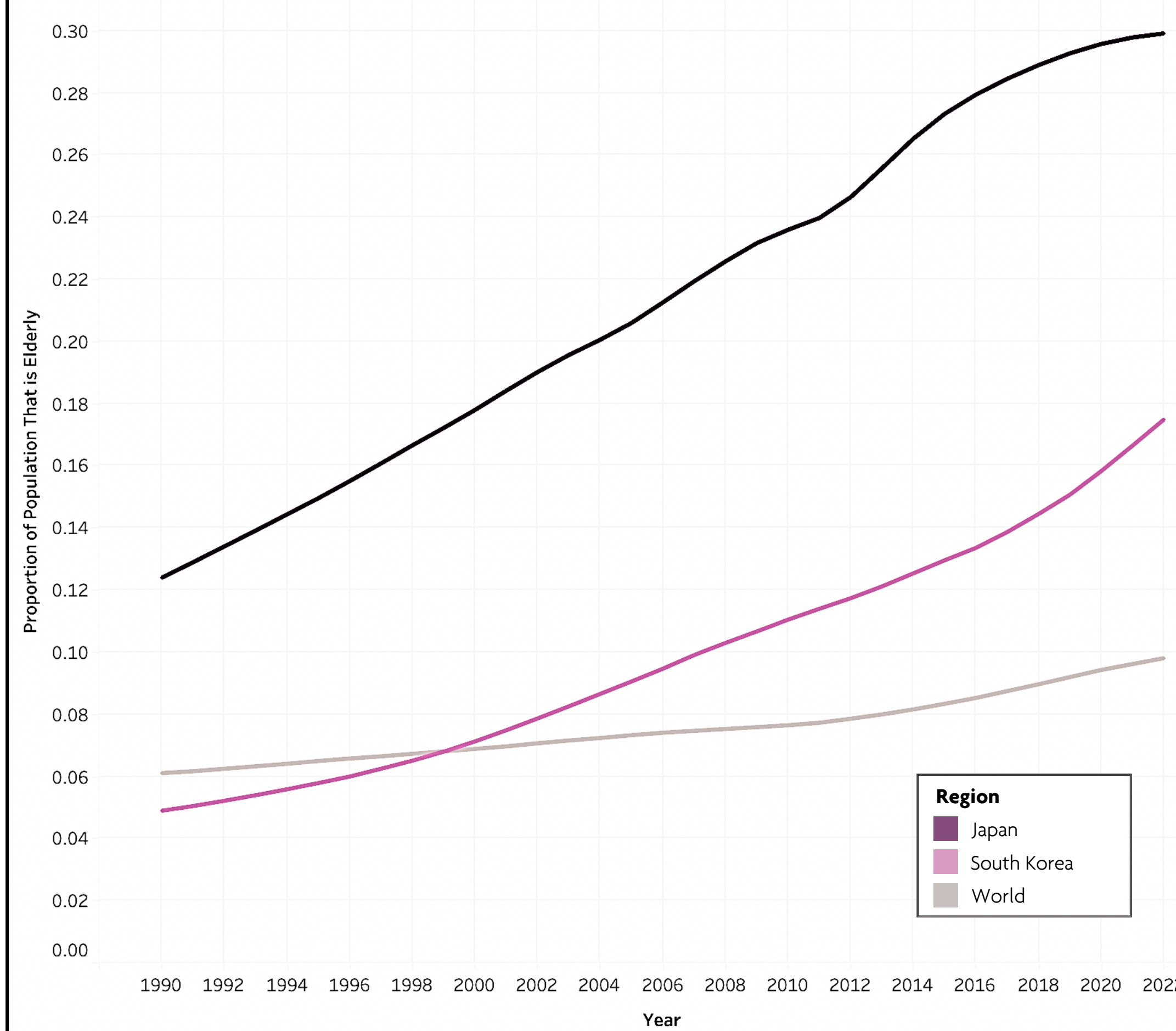


Fig. A: Proportion of Elderly Population [1] The World Bank

## Demographic Trends

Various demographic data points reveal broader trends in the populations and economies of Japan and South Korea. To capture these trends, this research considers the total population, labor force size, GDP per capita, labor force participation rate, fertility rate, median age, life expectancy, employment rate, unemployment rate, dependency ratios, and the size and proportion of the elderly population of the two nations.

Examining the proportion of the population that is elderly clearly demonstrates the advanced age of both Japan and South Korea. Figure A presents this data for both countries and the world population. This graph depicts the advanced age of both countries, illustrating the pressing nature of developing effective eldercare policies. Furthermore, the significantly aged Japanese population corroborates other data which depict South Korea as slightly behind Japan in terms of aging.

## Methodology: Policy Analysis

Japan and South Korea have adopted state-operated long-term care insurance (LTCI) systems. Citizens contribute by paying a premium decades before they become eligible to receive benefits. These premiums then subsidize care for the elderly and disabled.

This allows the budget to grow proportionally to the number of care recipients. Despite this scalable model, the LTCI systems in both Japan and South Korea are under strain. The proportion of elderly citizens is too large for the current systems, which depend on government reserves that match the premiums paid by citizens.

Both nations must enter a period of evolving eldercare policy. LTCI represented a moment of change for approaches to eldercare. While this change established a network that could grow with the burgeoning elder population, the current levels of demographic change will render the LTCI systems insufficient. Legislative action is necessary to find a sustainable approach to financing eldercare.

## Elderly Poverty Rate

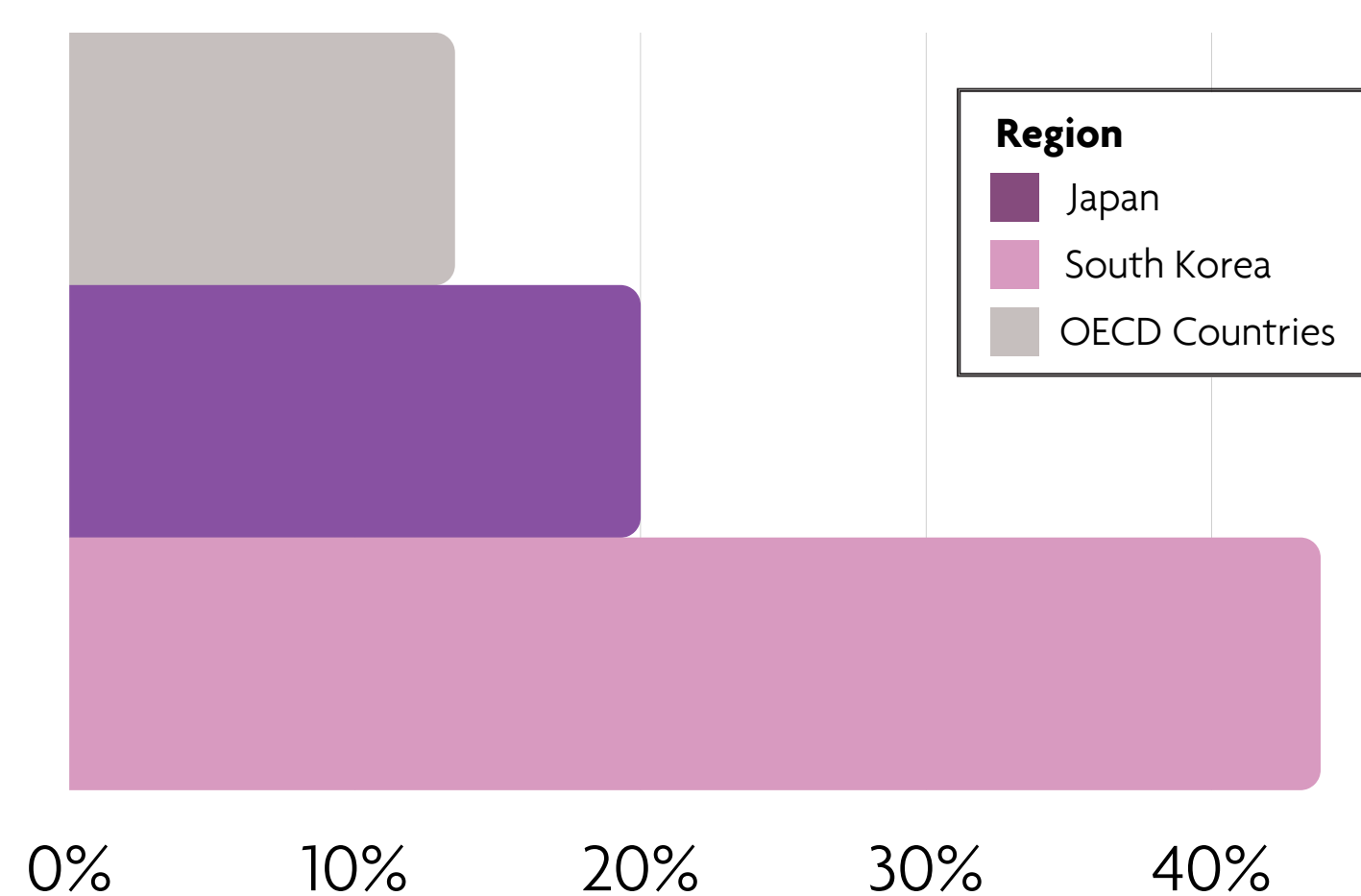


Fig. B: Elderly Poverty Rate [2] Ministry of Health, Labour and Welfare of Japan & Kang, Park, and Cho

## Elderly Employment

Figures B and C show that although the employment rate for older adults is only slightly higher in Japan than in South Korea, the elderly poverty rate in Korea is over double that of Japan.

## Conclusions

The “problem” of eldercare is one of the most pressing global topics today. However, in discussing the potential solutions to the eldercare “problem,” one reaches a fundamental roadblock: there is seemingly no solution — whether economic or social — to this “problem” due to capitalistic mindsets hyper-fixated on productivity. Elders, by definition, are retired, unproductive sectors of the population. This creates an air of shame around elders and eldercare labor, effectively closing the door to finding a proper solution to address the severe dearth of attention and money spent on care. One thing is clear: the issue is not a lack of money, but rather a lack of willingness to prioritize care labor over other forms of spending.

Budget-tightening tactics raise another question: what is the government saving the money for? The fundamental purpose of government is to safeguard its citizens, yet the sustainability mindset we apply to eldercare policies is incompatible with this goal. As populations grow older, the government must also change to better serve the needs of its changing citizenry.

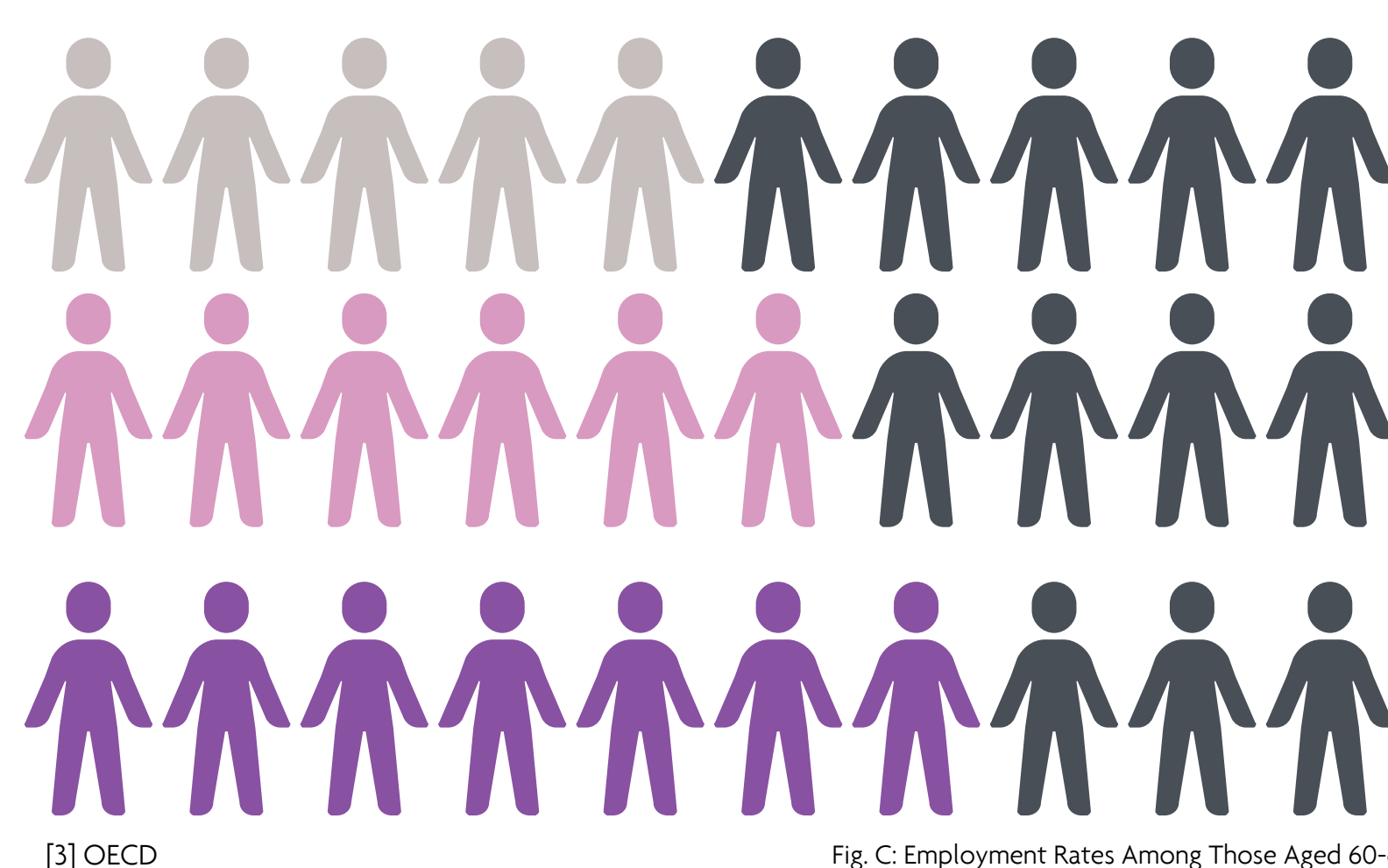
Ultimately, this comparative study demonstrates a critical aspect of eldercare: there is no “solution” to this form of care labor because it is not a problem in the first place. One cannot find a “solution” to the “problem” of eldercare by throwing money at temporary band-aids to maintain the status quo. There are demographic shifts occurring worldwide that are inevitable, and once people begin accepting this new reality, they can begin to view eldercare not as a problem that requires a solution, but rather as a new fact of life into which people ought to invest new infrastructure.

## Methodology: Social Comparison

Various traits highlight the differences between the two cultures.

- **Elderly Employment:** Although both countries have been encouraging elders to work, the two countries view jobs for the elderly differently. In Japan, they are seen as ways to maintain physical and mental health, while in Korea, they are viewed as a way to fill unwanted, low-paying positions as elders are pushed out of more lucrative office positions.
- **Perceptions of Death:** Although many cultures view death as a taboo subject, Japanese society is more accepting of death. This perspective can be seen in unique traits of nursing homes such as baby workers, intergenerational living systems, and personal, casual relationships between caregivers and their patients. On the other hand, South Korean culture builds barriers between the elderly — those seen to represent impending death — and the rest of “normal” society. Though both Japan and South Korea have been facing caregiver shortages, only South Korea pays families for replacing the duties of an eldercare worker, highlighting the Korean view that caring for an elder is a heroic gesture deserving of a reward.
- **Technology:** Both Japan and South Korea utilize technology in eldercare, but the approaches to these technologies differ. Whereas technology is utilized to help facilitate safe, healthy, and independent living for senior citizens in Japan, South Korean technologies aim to replace human care and interaction.

## Employment Rate for People Ages 60-64



[3] OECD Fig. C: Employment Rates Among Those Aged 60-64

## Methodology: Funding

The LTCI system represents a fundamental shift in policies regarding the economics of eldercare. In the past, the pay-as-you-go (PAYG) pension system was sufficient in ensuring that elders could secure care. Under a PAYG system, elders receive retirement benefits from contributions given by current workers. This system is commonly utilized by Western countries such as Italy and France.

Despite being so widespread, the PAYG system becomes less sustainable as the elder dependency ratio increases. Thus, South Korea and Japan implemented the LTCI systems with the goal of scalable government support of eldercare in mind.

## References and Acknowledgments

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