



Ear to Asia podcast

Title: Searching for work life balance in South Korea

Description: South Korea has a reputation for very long work hours. Despite laws limiting the working week to 40 hours, overtime is rampant, fueled by a culture of "more is better." This relentless pace has resulted in overwork-related deaths and has played a part in South Korea having the world's lowest fertility rate. At the same time, the tradition of lifetime employment is fading, exacerbating job insecurity for many. So how did a work culture that puts such pressure on workers come to be? How can South Koreans find a way to a healthier work-life balance? And what needs to change in order to foster family growth while maintaining the nation's high standard of living? Human resource management researchers Assoc. Prof. Daejeong Choi from the University of Melbourne and Assoc. Prof. Sunghoon Kim of the University of Sydney Business School examine the complex dynamics underlying South Korea's work-life imbalance with presenter Sami Shah. An Asia Institute podcast. Produced and edited by profactual.com. Music by audionautix.com.

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Voiceover: The Ear to Asia podcast is made available on the Jakarta Post platform, under agreement between the Jakarta Post and the University of Melbourne.

Sami Shah: Hello, I'm Sami Shah. This is Ear to Asia.

Sunghoon Kim: South Koreans have entitlement to ask for parental leave. Of course there is structural issues. The law now says companies shall not discriminate or give disadvantage to those who ask for parental leave. But companies have ways to pressure employees not to take those parental leave.

Daejeong Choi: If individuals started thinking about their well-being, it will build up among the Korean people. We need to take care of ourselves rather than just getting ahead. But also Korean people are really ready for embrace those other values.

Sami Shah: In this episode, searching for work life balance in South Korea.

Ear to Asia is the podcast from Asia Institute, the Asia research specialists at the University of Melbourne.

If recent media reports are anything to go by. South Korea stands out in the industrialized world for the long and hard hours its workers are made to endure. Officially, the work week for South Koreans is capped at 40 hours with a maximum of 12 hours of overtime. A proposal in 2023 to increase the limit to 69 hours per week sparked a significant backlash, particularly from younger workers and labor unions, highlighting the ongoing tension between economic demands and personal well-being. A culture of overtime is deeply entrenched in South Korea, with many employees feeling pressured to work beyond their contracted hours.

Those expectations can lead to grave consequences, including overwork related deaths that officially claim about 500 lives annually, though the true number is likely higher. Meanwhile, the tradition of lifetime employment at a single company, once the norm in South Korea, is turning into a relic of history, with job insecurity adding to the high living costs that make life tough for many ordinary South Koreans. Those socioeconomic challenges are even more stark across the gender divide. So how can South Koreans begin to achieve a balance between the demands of work and their personal lives and aspirations? In a country facing a demographic cliff with its steeply declining fertility rates? What needs to change in the labor and employment spaces that would foster family growth, yet still maintain South Korea's comparably high standard of living. And who among the likes of government, employers, labor unions and other civil actors can workers count on to improve their lot? Joining me to examine the complex dynamics of working life and the pursuit of work life balance in South Korea today are human resources researchers, Associate Professor Daejeong Choi of the University of Melbourne and Associate Professor Sunghoon Kim of the University of Sydney Business School. Welcome tDaejeong and Sunghoon to Ear to Asia.

Sunghoon Kim: Thank you for having me.

Daejeong Choi: Thank you.

Sami Shah: Daejeong, I want to ask you this first. In the Western media, one can regularly find stories about the long working hours and their impact on workers in South Korea. Are these press reports giving us a fair portrayal or is it an exaggeration?

Daejeong Choi: Uh, I think there is a fairly good description of what's going on in terms of working hours in Korea. And actually, it's getting shorter, but still, I can see these pretty long hours compared to other Western countries.

Sami Shah: Sung Hoon Kim, do you agree? Is that the portrayal that's accurate?

Sunghoon Kim: Right. So data shows that it is true. So according to most recently available OECD data, OECD is basically the club of high income countries. Among those countries covered in the OECD data, South Korea is not the highest number of work hours. Actually, there are a few countries that has higher number of hours, such as Mexico. But South Korea is one of the really high number in terms of work hours. It says on average, one person in South Korea works 1872 hours per year, which is roughly 150 hours more than the average of OECD countries. And it is about 220 hours more than the average Australians work per year. So which means each week Korean South Koreans work 4 or 5 hours more than average Australians.

Sami Shah: And the proposed changes of raising it to 69 hours per week, which was met with huge resistance, isn't just the limit. I mean, the current president, Yoon Suk Yeol, is on record favouring 120 hours per week. Why is there this feeling, at least at the government level, that South Koreans aren't working enough?

Sunghoon Kim: Um, there's a long history of working extreme number of hours and especially older generations. My father, um, he was one of the typical, very diligent South Korean workers who went through this period of rapid growth, economic growth in 1970s and 80s. And in my younger days. I always remember he get out for work before 8 a.m., and he normally comes after 10 or 11 p.m., and he basically didn't have weekends. So in my memory he only took two days off per month, so not even weekend. And the annual leave for him was 3 or 4 days per year. So that was kind of culture many Koreans experienced in

the older generations, and it was viewed as a formula for success as a country and as a family, as an individual. So that is very a deep rooted culture of extreme number of work hours.

Sami Shah: Uh Daejeong do the employers have this expectation still that the workers will fulfill these cultural expectations?

Daejeong Choi: Yes. So as Sunghoon said, there is deep culture of working long hours. But as a background, South Korea started from scratch after the Korean War. So during the past seventy years or so, we made a huge success in economic development. And because of that, we achieved so many things in a short period of time. So the strong culture of working hard is that means that working longer hours, rather than working smarter or working more efficiently, most employers and the CEOs and top managers are still baby boomers or older generations, and they still have those traditional mindset if you work hard, which means if you work longer, then we can achieve more.

Sami Shah: The risk, however, that is created by these long working hours and lack of holidays is more than just, you know, for example, a father who misses out on Sunghoon's growth and childhood. There's actual physical health risks associated with that as well, right? Sunghoon?

Sunghoon Kim: Right. Clearly, it is a risk for the health. In general, those who do not have time to rest, they are more exposed to all sorts of different diseases that may lead to even death. So in South Korean media, there is stories of death caused by excessive number of hours of working, working day and night, without any day off for many weeks. Of course, there is no disease called extreme hours in medical term, but excessive number of hours without recovery period will work with other diseases people might have and which will lead to very unfortunate outcome.

Sami Shah: Including, for example, the risk of suicide.

Sunghoon Kim: Suicide. Unfortunately, South Korea now officially at the top among the OECD countries in terms of suicide rate. And what is really unfortunate is suicide is occurring more frequently in younger generations who are supposed to work hard and enjoy their lives. They are being pressured. And some of them choose to end their life because they feel so miserable. That's very, very unfortunate.

Sami Shah: Daejeong, what about the employers at their perspective on this? Do they not see the workers risk? Are they compensating workers adequately for these long working hours?

Daejeong Choi: Well, compensation is a very tricky problem. I don't think they have strong regulation on this, but, uh, let me add some thoughts about this, because working hours is not just a problem was started after graduation from school, because if you look at the childhood, they usually go to school. And then after school they go to another private school called hagwon. So usually small kids tend to come home. Night in the evening or ten even. They go to sleep like 11 even primary school students. So they used to that condition, deprivation of sleep. So it's sadly took for granted to work longer hours. So it's not, uh, suddenly after graduation, I'd have to work like one 20 hours. They used to their life to get into college, get into good school, good job. So it's more like a societal problem, cultural issue, rather than just a working condition -- employment. Because of that, employers naturally expect that working hard means they're working longer.

Sami Shah: Uh, one of the phrases you use was hagwon. Can you just explain that? SSunghoon.

Sunghoon Kim: So hagwon is probably the most comparable terminology in Australia is coaching school .

Sami Shah: Or cram schools like they have in China.

Sunghoon Kim: Right. So after the regular schools you go to coaching school, um, it covers not only the academic task but also, um, could it be some piano lessons, could it be taekwondo, some physical exercise lessons? Everything could be covered under hagwon, and it's almost like something every student, uh, young student, even primary school student need to do well.

Sami Shah: Well Dejong, you mentioned the productivity aspect, and that's something that is particularly interesting. One of the big learnings of COVID is just because you're in an office from nine in the morning to five in the evening, doesn't mean you're any more productive than if you were working from home for four hours in the entire day, right? Is this commitment or this demand on presenting working hours? Does that translate into actual productivity, or has there been any testing on this?

Daejeong Choi: That's a very important question. And then I was some thoughts at the moment. One is that productivity is very hard to define. So if you look at the productivity, who is the accountable for that productivity? Usually in Korea, "we" rather than "I" do this work. So we means that we have to work together. So if there is a certain condition where I one person take the full responsibility or accountability for a product, then it makes sense. But in most situations we work together as a collective, as a company, as a group. So which means that we have to work together, come to office, we see each other. So that with this mindset, kind of collectivist culture mind, that's one reason for people want to see and then actually physically work together. And then the longer time we spend together, that means that the stronger trust or bond we have so that we expect we will work better.

Sunghoon Kim: Um, the South Korean economy, up until even now, um, manufacturing sector has been very, very strong. So the economic growth has been mainly based on manufacturing. It is still very manufacturing oriented economy. Of course, now there is very sizable finance or entertainment industry out there, but still, it is one of those countries with strong manufacturing sector. And in the context of manufacturing, especially low value manufacturing in the 1980s and 70s, hours, work hours is translated into the number of products you assemble and in terms of the payment systems and culture and practices, more often than not employee wanted to actually work more number of hours because there's legally specified normal work hours, and beyond that you can claim 1.5 times the wage. So there's incentive to work longer hours. And if there's no legal limit there, then, well, you want to give good life to your family. You want to do as much as you can to support your family. Your kids need to go to hagwon and that cost a lot of money. You need to take care of your aging parents, so all you can do is to do your best to make more money. And once you get past this normal work hours, now every hour is 1.5 times of wage. Then you just test to your limit. That has been sort of culture.

Sami Shah: One of the other big cultural changes that has taken place as being the commitment to a single employer. Historically, people stayed with a single company until retirement. They were given job security and a guaranteed income, and the company was given a level of dedication from its employees and its staff that it appreciated as well. Is that system sustainable today? Do we see the same thing, or are the younger workers in South Korea being more flexible, jumping from employer to employer more?

Daejeong Choi: Daejeong uh, I think from employee perspective, younger generation, uh, definitely want to have more flexible working conditions. And then if their expectations are not met, they are willing to move to different organizations. That's definitely coming but from labor market perspective, there is not many options. Actually, there are few Chaebols which is top five companies, and then if you give up those job security, then you can move down second tier companies, but which you need to sacrifice a lot of working conditions or pay levels. So because of that, many younger generation want to be entrepreneurs or even K-pop stars or movie stars, some entertainment industry. Some more innovative entertainment industry is booming up, that's one of reason. But if you think about big traditional industry, the economic system and labor market doesn't support or doesn't provide many options comparable to each other. So it's very structured and then hierarchical labor market. So that's why it's very hard to move up or down. And then so every entry requirements needs good education or some high education at good quality college. Yeah, that's the imbalance between what employees want and what current market can provide in South Korea. So it will be much more changes happening in the near future.

Sunghoon Kim: Right. So, uh, in my understanding, historically, uh, this South Korean system called lifelong Employment System, that assumes that one employee will join a company right after the school and stay until they retire. I think it's fair to say that Koreans learn from Japan. So up until, um, 1980s, the South Koreans employment system quite resembles to this system of lifelong employment in Japan. But in 1990s it began to get more inspiration from so-called Western countries, and the system of compensation used to be very strongly seniority based, and now many companies have this more performance oriented pay systems that give less weight to the number of years you serve the company. So over time, the tendency to stay for one company for a long time has been declining in South Korea. But if you compare South Korea to other countries except Japan, South Korea is still very, um, have this culture of staying in one company for a long time. So according to data now, on average, 7 or 8 years is a norm. Of course, the statistics could be deceptive. So in some companies you still spend more than 20 years. Recently emerging industries like game industry or be more cutting edge finance sectors. People may not stay more than 3 or 4 years because that was the norm in the industry.

Sunghoon Kim: But if you compare Korea to other countries, still Koreans, uh, at least mentally think once they join the company, they should be loyal to their employer. And employer select employees, they try to see whether that person would like to stay many years with them. And still, this seniority-based pay is well observed in South Korean wage systems. Although officially many companies now even explicitly scrapped out the seniority based system, still, the data says your wage goes up as you spend more number of years in one company. So that means if you decide to move out and join another company, you might be economically disadvantaged unless you can prove your market value very well. And the retirement package, um, in Korea now there's a national pension, but traditionally retirement packages given by the company based on the level of your last three monthly salary and there has been a seniority based increase of pay. That means if you stay long in one company and at the point of retirement, if your salary is high, then your retirement benefit will be big enough. But if you change your employer and if you fail to accumulate those high level of number of years and high level of final stage payment, your time and plan will be ruined.

Sami Shah: Daejeong. Is there a mandatory retirement age? Um, how does the retirement work there?

Daejeong Choi: Usually people are expected to retire by age of 60 or 65, usually public sector 65, private sectors usually 60. But that's the implicit norm. But if you look at reality in chaebol, big conglomerate companies, people retire as early as 50, early 50s and Korea for males they have to finish military obligation. Usually they start their work career age of 26 or 7, which means that they have about 30 years of working and then finish of age of 57 or 8 or 60. Then they going to another 30 years, 20 to 30 years to support their after retirement and living.

Sami Shah: One of the things we've seen in Australia is how retirement ages have been really affected by economic pressures. Is it affordable in Korea right now to retire Sunghoon?

Sunghoon Kim: It is not. Korea, I think, is one of those high income countries now because the cost of living is high, but also quality of life is not that low and life expectancy is very high. Um, so high life expectancy and um, the medical system also healthcare system is running well, that means you are more likely to live longer than if you have to retire around the 60s or even before 60, that is a problem. In terms of mandatory retirement age, there was a new regulation came in in the year of 2016. Before 2016. Companies can specify that okay 55 is a mandatory retirement age for this company.

Sami Shah: And that's individual to each company. They can make the choice?

Sunghoon Kim: Right. They could make it clear in their document that okay 55 is mandatory retirement. After that we could offer um, some additional years for you. But that's not guaranteed, right. Companies have incentive to set this age limit, uh, partly because of this seniority based wage increase. So there's almost automatic increase of wage over time. So if you keep individuals longer, that means you have to give them a lot more pay. So it was kind of systems to push people out so that they can create vacancy for the younger generation. Of course, companies can choose not to have any mandatory retirement age. It is not illegal not to have mandatory age. But if company have mandatory retirement age, it should be 60 or higher, that's the law at the moment. Now the government is discussing whether we could move this up even further to 65 or even 70. But the thorny issue always is the level of weight. So if the norm of automatic seniority pay increase should be there, then for the companies point of view, it's big financial burden. So now there's an idea of wage peak system. So at a certain point, companies can legitimately maintain or even reduce the pay to highly experienced workers. So it's a kind of deal so you can stay here with lower pay if you accept it.

Sami Shah: Daejeong, one of the things that you mentioned was how much better it seems to be for people to just stay in one company for a long period of time. Changing jobs from one company to another doesn't seem to result in kind of the the income growth that it might in other markets. How precarious is employment, though? Because if you are expected to stay in one company, but the job itself isn't stable, that would create a whole other new set of pressures. Is employment in South Korea precarious in this current market?

Daejeong Choi: In my view, I have to say, depending on which employer you.

Daejeong Choi: Work.

Daejeong Choi: With. So that's why I meant labor market is pretty hierarchical, which means some of the big companies chaebol, they provide really good or much better working condition, much less precarious job, more stable or secure jobs. That's why people want to get into a good college education, getting to that job so that they can feel more secure about their job security. If you don't get those jobs, then your job is probably pretty precarious. So that gets back to the problem with the private education or all the pressures in education, childhood, getting into college, college entrance exam. So that is a very intertwined problem in the society because that will determine your quality of life.

Sami Shah: And that's just depending on whether you can stay or work in a company and a corporation. That doesn't seem to be the only form of employment we have these days. The gig economy is a very common thing. Unskilled laborers have an entire separate set of challenges. How does that precariousness then, and other pressures work out for them? Sunghoon, do you feel that they are not spoken about enough when we discuss the work hours?

Sunghoon Kim: So, as Daejeong said, there's a very clear hierarchy of jobs and there's first year job and clearly second tier job. And unfortunately it is not easy to move between these. So once you fall into the second tier job category, perception is [that] it's almost impossible to move up the ladder. So you will be stuck into this precarious job or wage category. And that includes gig work and small and medium sized companies. About 20 years ago, if you are hired by large corporate chaebol large conglomerate, of course you will be paid more than small and medium sized firm, but the difference was about 20 or 30%. But now it is almost double if you include all those benefits and everything. So there's huge difference. So unless you could secure this well-paid, secure job, it's very difficult to live in a good area. But you may be pushed out to leave in a not so prestigious area, travel to find a job. Um, so you can make a living. But if you fall into this second tier job category, you have to endure the life that doesn't look like the one you can see in K-drama.

Sami Shah: You're listening to Ear to Asia from Asia Institute at the University of Melbourne. And just a reminder to listeners about Asia Institute's online publication on Asia and its societies, politics and cultures. It's called the Melbourne Asia Review. It's free to read and it's open access at melbourneasiareview.edu.au. You'll find articles by some of our regular Ear to Asia guests and by many others. Plus you can catch recent episodes of Ear to Air Asia at the Melbourne Asia Review website, which again you can find at melbourneasiareview.edu.au. I'm Sami Shah and I'm joined by human resources management researchers Associate Professor Sunghoon Kim of the University of Sydney and Associate Professor Daejeong Choi of the University of Melbourne. We're talking about the complex dynamics of working life and the pursuit of work life balance in South Korea today. We were discussing the cost of living and how that is affected so much by the different pressures put on the average South Korean. What does social mobility look like in modern South Korea today? Economic and social. In fact, de Jong, is it easy.

Daejeong Choi: In one sense? Probably not. It's very hard to move up and down. So everybody agrees that it's big competition throughout the life. If we don't win the competition, then your quality of life will be poorer than others. So that's why people try hard to win the competition. And then the cost of that heavy competition is in balance between working life, longer hours and then other dark side of society. So hopefully the mobility become much easier. But as it is, I will just say no.

Sunghoon Kim: So according to some data, South Koreans mobility between social classes or economic classes, um, could be probably higher than still many other countries. Uh, even it might be better than the US. However, compared to what many Koreans remember, the level of mobility they experienced in the 1980s and 70s, Korea after 2000, especially after 2010, is a lot more rigid. Subjective perception is it's almost impossible to break the ceiling. So after Korean War, South Korea sort of restarted everything. Right. Almost everyone started at the same starting line. And so people observe that from which family doesn't matter, as long as you work hard, you could go to the good university. And as long as you work hard, you could make good money and good life. And then after 1990s and after 2000, it's increasingly clear that if your family have resources, you could have additional education that will put you into a higher tier job. If your family have connections, you might have an opportunity to do an internship in a high profile company that will lead to better paying jobs more easily. And university entrance exam is still quite fair because students should do their performance individually. But if your family has resources, you could go to even more expensive coaching schools and tutors. And that will obviously help you to achieve better. So the data shows that top tier universities have significantly higher proportion of students whose home postcode is

very wealthy area. So in the past, South Korean education, especially university sector, was known for a mechanism to increase the mobility. So even if your family has nothing, as long as you go to a good universities, that's the ticket for a good life. But now University Capital University seems to be a mechanism to perpetuate the social inequality that already exist.

Sami Shah: When you talk about class differences, which we're now discussing, one of the things that comes up very often in South Korea is the impact of Chaebols. Can you tell us a little bit about what a chaebol is, and how is it defined, and what has its influence on the Korean labor landscape being single?

Sunghoon Kim: So chaebol, um, literally, it means the group of money. It is a conglomerate. Some find its root to the Japanese company groups. But after, uh, World War II, Japanese major company groups went into different pathway. Whereas Korean companies group maintained this tradition of family ownership. So Samsung is a global company, obviously in many ways it's global company, but it's still owned and managed by Lee families. LG has their own family, owners and managers and all those major chaebol, this conglomerate has their own family ownership, and those families not only own the company, but also manages the company at the moment. And in 1970s when South Korea, its economy was made kind of quantum jump. South Korea didn't have money, capital didn't have technology. So what South Korean government did was to get the money and technology from outside and allocate those resources into very enthusiastic, promising family businesses. And Lee family was one of those, and Koo family was one of those that turned into Samsung and LG. In today's standard, it may be viewed as corruption because there's such a close connection between the government and these owning families. Now, things has changed a lot. But still, um, you can never dream to be the really top person of Samsung unless your family name is Lee. And what's interesting is this family based succession is not only happening in the chaebol, but also in mid-size or even small sized companies that somehow became a norm and tradition in Korea. So even newly merged industries like game industry, they are inheriting their companies to their children. And at least in the case of South Korea, it worked well because these owners family, they educate and train their children very carefully during their young age. They got education in top tier universities with very systematically trained. It's like training the prince and then systematically inherit the company through their second or third generations. So almost all top leaders of chaebols are now second or third generation of the founder.

Sami Shah: Daejeon, South Korea is celebrated for its rapid economic growth and development. Yet gender equity appears to be far out of reach. Is that fair to say, and how challenging is it to correct that?

Daejeong Choi: Um, as I said, that after the Korean War, the most prioritized value of Korea is efficiency. How quickly we can build our economy so other values like equality or harmony were sacrificed or even ignored. People have little room for their mindset or their capacity to take care of these other values. But now in globalization, we know that better values, better society, where world and then how we can make career more sustainable. There are many, many groups or political parties or lobby groups working on those values. So hopefully it will get better. And then compared to even 20 years or ten years, it's much better now.

Sunghoon Kim: Um, so South Korea is very clear, number one, in several ways among the OECD countries. And gender pay gap is one of those. So gender pay gap um, recent data says it gap in South salary is about 31-32%, which means on average, female make about 70% of what a male makes. The second place in the OECD data is Israel with 25%. South Korea is 32%. It's way up there. And in terms of whether women will likely to have managerial positions. According to the data, its second place is 14%, just next to Japan is 12%.

Sami Shah: There is an impact, though, that this has. One of the big obvious ones seems to be the fertility rate. The fertility rate in South Korea is the world's lowest at 0.72 nationally. How does that pressure on women in the workplace -- what effect does it have on the fertility rate then? Daejeong?

Daejeong Choi: So this is kind of timely discussion because I was in Korea two weeks ago. And then at the time, news media talks about Korean government tried to build a new organization dealing with the fertility issue. And then there's debate between having those formal organization versus fertility, as, uh, individual choices. So we need to better build the better society where people feel like I'd like to have my children. So far, we talked about a lot of dark side of society altogether. That affects the fertility issue, because I don't want to have my baby, my children, to have this competitive or negative impact from the Korean War.

Sunghoon Kim: Um, we started our conversation today with this idea of excessive work hours in Korea and the culture of loyalty to the employer. Under that kind of culture and cultural norms, it is very difficult for a woman to have good expectations to be promoted, because what employer expect is total commitment to the company over 70 or 80 hours per week of work. So many employer actually says, uh, we'd like to hire men or promote men over women if we can, because they can expect them to be a lot more committed to the work, make themselves available whenever company want them to work. Whereas female, they might need to take off, day off, or even one year off for their parental leave. So that will affect the organizational efficiency and effectiveness. So companies are a lot more careful when they want to promote married women.

Sami Shah: And what does research tell us about how men's working lives are impacted by fertility rates? Daejeong.

Daejeong Choi: So the fertility issue can be more, maybe more associated with the cost of living in Korea, I think from male side, so if I have a child, then it is natural for many couples that our child need to go through all the private education to win the competition to a good college. So if I have child, then cost of living will be much higher then I cannot afford it. So I decide not to have it because I'm not certain if I can win the competition, or if I can afford my child to have that kind of opportunity. So that's another big issue.

Sunghoon Kim: So there's some evidence that housing affordability is linked to the fertility rate. So if it is so difficult to own a house, that means you have to work longer hours and work full time, both sides, men and women should work full time completely, without losing any income by having some break as a parent and in labour or something. Then it pushes them to delay having child and cost of childcare and education. So, um, South Korea is almost number one in terms of education spending. So about 8% of total GDP is spent on education. And compared to any other country in the world, South Korea spent the highest amount of money privately to education. So that means this younger generation grew up seeing how much their parents spending on them. They got scared. If I get married, have child, can I do this? I'm not sure that is what many young generations are saying.

Sami Shah: We've now discussed the problems. Now let's change our attention towards potential solutions. What is being discussed or implemented to change the social and political dynamics towards better work life balance outcomes for ordinary Koreans. Daejeong.

Daejeong Choi: One is a diversity issue. So the older generation means that plus fertility issues, which means that we will see much less younger generation at work. So there has been increase in foreign workers from other Asian countries into Korea. So it's not one race, only Korean society anymore. We need

to learn how to live diverse background, diverse people of different cultural backgrounds. But compared to Australia, especially so, Korea has had only one single race and they all looked the same. So that means that we don't need to think about how to live with people looking differently. But now they see. So hopefully that triggers people to think about, "We need to aware of this issue." The other issue is that always talk about efficiency. Competition is the most prioritized value in society. Maybe we need to push back on those values, bringing other values with big strategic plan for the next 30 years. And then yeah, hopefully, hopefully those discussion moving forward with the political system and then legal system and the economic system.

Sami Shah: Sunghoon, what are the options for individuals or families? We've seen that not much is currently being done by some of the larger stakeholders. On an individual level, what can a worker do?

Sunghoon Kim: Uh, some changes has been introduced at the institutional system level. So for instance, government beginning around 2006, they began to introduce some support for the childcare, some additional subsidies given to the companies when companies voluntarily give some additional flexibility to employees' hours. And this parental leave has been introduced about a decade ago now, um, actually beginning the second half of this year, it will be expanded. It used to be up to one year. Now it will be a year and a half. Parental leave and more systematic support for the parental leave taking by male, not only by the mom, but also father. So there's some changes happening, but not at the pace, as we want to see, partly because these fertility rate crisis or abrupt dropping of the fertility rate, it started about 2005 and six. And those who were born after 2005 has not been in the labor market yet. So, well, those in academics, we we see what is coming. It's unavoidable. Big wave is coming, but people didn't see it in their face. So within next five years when they begin to come into the labor market, people will realize that, okay, younger generation, we do not have enough number of people into the labor market, whereas we will have a lot more aged person who can still work. So probably within 2 or 3 years there will be very active regulatory change will be coming. I think one recommendation I can give to the individual is to actually check what has introduced as the law and regulatory support these days. So you may not realize that, but there has been some additional support introduced but not well advertised yet. So if you feel you need to get support, there are actually Koreans have entitlement to ask for parental leave. Of course there is a structural issues. Um, so the law now says companies shall not discriminate or give disadvantage to those who ask for parental leave. But companies have ways to, um, pressure to employees not to take those parental leave.

Sami Shah: So is this kind of pressure then? Is it resulting in an emigration, or are South Koreans leaving to work in more amenable labor markets abroad?

Sunghoon Kim: Right. That's part of the reason we see, uh, some of the very young, energetic, smart. Uh, Koreans, uh, come to Australia for working holidays and try to stay in Australia. And South Korea is known for sending out so many international students to English speaking countries, to Australia not that much, but in the US, other countries, parents send their kids there high school or middle school? Primary school. They want to make sure their kids get English so that they can play in the global market rather than in the domestic market, but probably within ten years, younger generations in Korea will realize that a lot more job is available to them. That is partially happening in Japan, actually.

Sami Shah: Well, I want to use that comparison. You've mentioned Japan a few times. It's something that has influenced South Korean work culture. How does South Korea now today compare against Japan and China, both when it comes to these issues and concerns.

Sunghoon Kim: So it's a very interesting similarity you can actually see between these Confucian influenced countries like Japan and China, even Taiwan, heavy investment in child education and heavy completion, high tier job market and rapidly dropping fertility rate seems to be going. Together in China actually now realize they are in serious danger of population decrease. You might know that a few years ago, President Xi Jinping introduced some policy and regulation that bans this coaching school. So they also realized that this burden of education, burden of competition for the good job market, undermines the motive to have family and have a child. It's a similar issues you can actually observe in China, in Japan. In Korea, it's a bit more intense. So problem will be a bit more visible in a couple of years. But I think in terms of labor market for younger generation, it will look actually better in just a couple of years simply because there are not many. So we are talking about AI, how AI may displace jobs and reduce jobs, but actually in South Korea, fertility rate actually reduced the supply of labour dramatically. Robot is replacing a lot of jobs and on the paper it reduces the employment in some factories. But it seems to be okay because supply of labour is coming down. What Koreans learn from Japan is that immigration is very important, but it may not be that easy for a country of this single ethnic, uh, cultural background can change themselves quickly.

Sunghoon Kim: So Japan has a longer history of admitting immigrants, but they still have challenges to make a multicultural society. Probably South Korea will experience similar challenges. And so, according to data, there are about 2.5 million foreign citizens living in Korea. About half of them, maybe 1.5 million are in workplace. It's only about 4% of working population. So it is not huge yet compared to other countries like European countries where you have a lot more immigrants there. So in South Korea, immigrant workers are exception rather than the norm. But in some cities where manufacturing traditional manufacturing sectors are, you begin to see more than 10% of populations are immigrants. So in ten years, I think there will be a lot more multiculturalism in South Korea, at least in some areas, not every cities. I think there will be some cities emerging as a bit more kind of model city of multiculturalism. And probably young generation realized that they have less competition in the job market. But older generation, um, South Korea has had a relatively lengthy baby boomer period beginning 1960s to 1970s, about 20 years. So in coming 10 or 20 years, these baby boomers will get out of the job market, but they still have a need to generate income to cover their costs of living. So a lot more work from the government and companies should do to accommodate or make the most of this aged population who can still work.

Sami Shah: Daejeong, any final words?

Daejeong Choi: For me, I want to say, people in Korea, it's time to take care of their well-being rather than just competition. I know the context. I know the culture where most of our friends live now. And then it is unavoidable to sacrifice their personal well-being over pay and education and the competition there. That was me. But living in Australia or US more than 15 years now. So if individuals started thinking about their well-being, it will build up having some atmosphere among the Korean people. We need to take care of ourselves rather than just getting ahead winning the game. Maybe that's not as big as you want to see, but that's a good starting point. But also, Korean people are really ready for embrace those other values.

Sami Shah: Our guests have been Associate Professor Daejeong Choi of the University of Melbourne and Associate Professor Sunghoon Kim of the University of Sydney Business School. Thank you so much, both.

Sunghoon Kim: Thank you.

Daejeong Choi: Thank you.

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