Policy options for low fertility relief in South Korea:

Analysis on determinants of effectiveness in pronatalist policy.

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# Introduction

South Korea has been struggling to find effective policies that can pull the country out of the low fertility quicksand it has been stuck in since the first low fertility shock of 1989, when the Total Fertility Rate (TFR) fell to 1.57.

Dropping fertility rates are a difficult to solve problem in most developed countries, and it is crucial that it be solved, because low fertility, in combination with a rising life expectancy, causes demographic pressure to rise in afflicted countries. Countries experience an aging society, where an ever-shrinking working class provides care for a growing elderly population. An increase in fiscal expenditure on elderly care causes taxes to increase and requires the working population to earn more money, without reaping the benefits, causing societal pressure and intergenerational resentments to grow. Because it is unlikely that the life expectancy will drop, relieving the speed of the falling fertility rates is the most effective method to relieve the demographic pressure in these countries on the long term (Yi, 2006).

Due to parents being unable to combine their work and family life, there is a gap between desired and actual fertility. For most couples in developed countries, the desired family size lies around the “two-child” norm, while actual fertility lies below that number (Chesnais 1996; Sleebos, 2003). Good policy is needed to increase fertility and lower this work – care incompatibility.

## Lack of research

However, research on pronatalist policy (“provision of marriage incentives, child allowances, housing priorities for larger families, and access to childcare services” (Chesnais, 1996, p. 738)) has been limited, and the research that exists is often limited in concise conclusions, because analyses are rarely cross-national (Neyer, 2003).

Inter-country differences make it difficult to compare policies on effectiveness. Different countries have different historical legacies, which make different societies, which in turn require specified policies. Furthermore, means to increase fertility are numerous and often embedded in policies designed not for explicit pronatalist goals. Intentions might be for the policy to reduce unemployment or poverty, or to tackle a labour shortage, it might be to change or maintain gender relationships or to cut social expenditure (Neyer, 2003). Findings are often inconclusive, contradictory, or trivial, because of methodological differences between studies (Sleebos, 2003). Few datasets are longitudinal, while most are cross-sectional. Some studies analyze a single type of policy instrument, while others evaluate the actual value of welfare benefits at the level of state or country (Sleebos, 2003). Many studies focus only on short term implications of policies (Neyer, 2003), reflecting the scope of the average politician’s term.

## Reasons for Low Fertility

Despite a lack of conclusive research, however, there are still ways of determining which policies are most likely to have a positive effect on the TFR of a certain country. Differences make comparisons limited, but not useless. A country searching for improvement of their policy will value research that can show that a certain approach has proven relatively effective, especially when this policy was effective in similar circumstances as the country in question, or when that policy has proven effective in multiple countries.

To find out which policies will be effective to raise fertility, it is first necessary to determine what the causes are for low fertility. In OECD countries, causal factors for the dropping fertility rates include material and psychological benefits provided by children, the direct and opportunity cost of having children, the general economic environment in a country, difficulties faced by youths, changes in women’s economic roles and labour value, lifestyle factors like the amount of autonomy or individualism a person feels, diffusion of alternative forms of relationships, and societal and cultural norms like family responsibilities and welfare and tax systems (Sleebos, 2003).

Caldwell, Caldwell & McDonald, (2002) claim that “Nearly all the methods likely to be used to raise fertility have been implemented over the last half-century by either France or communist Eastern Europe (Bourgeois- Pichat 1974; McIntosh 1981; Höhn 1988; Heitlinger 1976; Gauthier 1991, 1993, 1996). (p. 14). East Germany was one of the countries increasing fertility by encouraging high female labour participation, extensive coverage of family allowances and special allowances for single mothers, as well as a wide availability of nurseries and day-care facilities at the workplace (Chesnais, 1996). These policies were quite effective, but required great fiscal spending to work, and did little to increase long-term gender equality and fertility. Labour-opportunities for women were still largely confined to gender-specific work, such as secretarial work and retail jobs, and younger women would get competition from older, more experienced women who had built experience during the war. With an abundance of prosperous young men, getting married early and starting a family became the logical choice (Maoz, Doepke, & Hazan, 2008).

Furthermore, most European countries are disinclined to mimic East Germany, because of the fascist origin of these policies. On the contrary, the bad memories of authoritarian regimes, which controlled their citizens at the time of the Second World War, like Nazi Germany, Fascist Italy, Franquiste Spain, and the postwar European communist regimes, notably those of Romania, the Soviet Union, and former East Germany have discouraged European countries from adapting stronger pronatalist policies. Rather, countries often choose to consider family planning a personal matter, not to be interfered in by the state (Chesnais, 1996).

Besides a fear of going back to the oppression of former regimes, policies that are too controlling in their attempts to increase fertility are unpopular for another reason. Many countries believe that population control, like the market; will follow Adam Smith’s invisible hand, which is why no liberal democracy would ever spend as much on raising fertility as was done by the authoritarian regimes. Low fertility, although expected, has not yet caused many immediate problems, and few countries have yet to experience declining population. Many societies think of the problem as passing, like the period of low fertility in the 1930s and the 50s baby boom, or doubt that it will cause any problems. Countries also often find it inappropriate to argue for higher fertility, as the world population is still rapidly increasing. There is also a lack of proof that certain policies actually work, which has allowed politicians to largely ignore the problem. Caldwell, Caldwell and McDonald (2002) say that, “For the present, governments have sufficient intellectual support to be able to argue that such expenditures on raising fertility are not only too great but unlikely to prove effective.” (p. 19). These reasons cause governments to give little attention to explicit pronatalist policies, causing much population policy to be coincidental, without explicit demographic rationale (Heitlinger, 1991). This also means that scaling down social policies is likely to lower fertility levels (Caldwell, Caldwell & McDonald, 2002).

For most governments, a bigger priority than increasing fertility is adjusting to the growing amount of elderly, a result of mortality reduction and the post WWII baby boom. Even though raising fertility would be a good solution to this problem on the long run, governments are inclined to focus on more policies that are ad hoc to take care of their elderly citizens, like pension systems, old-age care systems, and health systems or health insurance. These policies require large government investments, which are hardly denied. However, low fertility is the biggest cause of societal aging, more so than the higher age at death (Kim & Choi, 2008), and only fertility elevation will help relieve demographic pressure on the long run.

## Gender Equity Theory

Gender equity[[1]](#footnote-1) may be the answer to fertility elevation. It should be noted that globally, the first big drop in fertility in a country typically happens when gender equality increases, and new contraceptive measures, like the pill, or legalized abortion are made available (Caldwell, Caldwell, & McDonald, 2002). Yet developed countries, where this first wave of lowered fertility has passed, show a reversal in the causal relation between fertility rates and gender equality. In developed countries, fertility is increases when gender equality is higher (Kim & Choi, 2008, p. 320), and low fertility is stopped when gender equality and maternity protection is established (idem, p. 337). It is this causality that determines whether policies are effective in increasing the TFR of a country or not. McDonald (2000) explains,

“The thrust of the argument is that very low levels of fertility in advanced countries today can be explained in terms of incoherence between the levels of gender equity applying in different social institutions. In countries with very low levels of fertility, it is postulated that the levels of gender equity in institutions that deal with people as individuals, such as education and market employment, will be high while, on the other hand, the levels of gender equity applying in institutions that deal with people as members of families, such as industrial relations (the terms and conditions of employment), services, government transfers, and the family itself, will be low. (McDonald, 2000, p. 1)

Increasing gender equality (equity) is thus likely to increase fertility, and especially Sweden serves as an example. Neyer (2003) says, “Hypotheses that more gender-equal relationships may have a positive effect on fertility (McDonald 2000a, 2000b; Chesnais 1996) are supported by research on fathers’ uptake of parental leave in Sweden.” (p. 2). Also, a combination of feminism, neo-Malthusianism (emphasis on sex education, access to free contraception and later also to abortion), and de facto, though no longer explicit, pronatalism made it so that Sweden became “the country with the highest fertility in West- ern Europe is also the country in which empowerment of women is most fully realized.” (Chesnais, 1996, p. 737).

Academics on Korea come to the same conclusion that gender equal policies are most likely to help increase fertility levels. It is extra important that the fertility drop in Korea is alleviated quickly, because of a tempo effect. According to Kim & Choi (2008) around 2020, the amount of people over 65 will exceed those of under 15, and population aging will become more rapid (p. 317). They also say that the link between fertility and gender equality policies will become the core of overcoming low fertility (idem, p. 337). They say that the pronatalist policy developed in Korea since 2003 was only a population policy, but it cannot be said that this was a policy considerate of women or mothers. However, pronatalist policy is inevitably a women’s/gender policy, as childbirth is inseparable from women (idem, pp. 14-15). Sung & Lee (2017) point to the OECD report of 2016, which noted that for Korea to maintain sustainable growth, Korea’s relatively low female labour participation rate and fertility rate, should be elevated. According to Sung & Lee, both these rates can be elevated with a gender equal population policy (p. 62).

Scholars on the Korean low fertility problem often point to other developed countries to serve an example of gender equal policy. Chin et al. (2012) states that there is not enough communication with international policy makers. Kim & Choi (2008) suggest using countries that have strong state feminism, like Denmark, Sweden and The Netherlands, as example (p. 322), while Yi (2009) points to France as example, where family policy has been significant to increase the countries TFR (p. 16).

## Ambiguous suggestions

But what makes a policy gender equal? Policies that allow fertility elevation are well researched by South-Korean scholars, but the results are lacking in detail. Although many texts conclude that Korean pronatalist policy should be more gender equal, and that Korea should look to other developed countries for examples of effective policies, this is too broad a conclusion to allow the most effective policies to be implemented by the Korean government. Pronatalist policies and their effects differ greatly from country to country, and small changes in policy can change the effectiveness of that policy. It is inevitable that policy is somewhat changed when implemented by the Korean government, because different countries work in different ways. However, too much change will make the policies less effective, and might even work counterproductive to increasing Korea’s TFR. Thus, the Korean government should keep duplicated population policies as similar to the original as possible when implementing them in Korea, as small changes can greatly affect a policy’s effectiveness.

Texts on the effectiveness of fertility elevation policies in low fertility countries provide insight into what exactly the details of the most effective policies are. Korean scholars have analysed the biggest problems in Korean policy, and provide suggestions on what policies are likely to ameliorate the situation. What are the biggest policy problems that are obstructing fertility elevation in Korea? What policies do scholars on the Korean fertility problem suggest to elevate fertility? What are the important details of these suggest policies? Finally, is it likely that these policies will then have the desired effect when implemented in Korea?

To answer these questions I have reviewed academic texts on pronatalist policy in Korea, which analyse what the deficits of Korean pronatalist policy are, and suggest policies for fertility elevation in Korea. I have updated the demographic data where necessary, to verify that the mentioned deficits and suggested policies are still relevant to the current situation in Korea. I have compared these suggestions to texts on the effectiveness of the suggested policies in countries other than Korea, in order to define what details make these policies effective, and what may make them lose effectiveness.

As a backdrop, I first provide a short overview of Korea’s fertility policy to date. I then discuss what scholars on Korean pronatalist policies have found to be the biggest policy deficits, and what policies these scholars suggest to effectively elevate Korea’s total fertility rate. I finally analyse the suggested policies on what details scholars estimate to be important in ensuring effectiveness. In conclusion, I provide an outlook on Korea’s compatibility with the suggested policies, and discuss research limitations and suggestions for future research.

# Chapter 1

Pronatalist policy has only been implemented by the Korean government since the mid-2000s, but welfare policies have assisted needing families since 1961 (Chin, M., Lee, J., Lee, S., Son, S., & Sung, M., 2012). During the 1970s and 1980s, the Korean government implemented policies to decrease the TFR, as high fertility was expected to undermine the country’s economic growth (Chin et al., 2012). Korea’s TFR fell from 4.53 in 1970 to below replacement rate by 1983. For some time, it was expected that the fertility rate would automatically increase when the IMF crisis passed (Yi, 2006). However, Korea’s fertility continued to fall until reaching a TFR of 1.08 in 2005, at that time the lowest in the world.

To recover from this all-time low, and to prepare the country for an aging society, the Korean government established a committee to promulgate the First Basic Planning for Low Fertility and Aged Society (2006-2010). This plan “aims to foster environments in favor of child- rearing, to establish the base for improving quality of life in the aged society, and to secure power for economic growth in low fertility and aged society.” (Lee, 2009, p. 63).

The Korean National Assembly passed the Framework Act on Healthy Families in 2004, and the Ministry of Gender Equality (Yŏsŏngbu) was expanded to become the Ministry of Gender Equality and Family (Yŏsŏnggajokpu) in 2005 (Chin et al., 2012). All administrative work concerning family matters was thereby transferred to the newly established Department of Family Policy in the Ministry of Gender Equality and Family, becoming the first government department to be exclusively in charge of family policy in Korea (Chin et al., 2012).

The First Basic Planning for Low Fertility was followed by the Second Plan (2011-2015), with the aim of “steady recovery of fertility rate and consolidation of the social system for the aged society” (Lee, 2009, p. 63), and then by the Third Plan (2016-2020) with the aim to “increase of fertility rate to the average level of OECD countries and successful adaption for the aged society.” (ibid.).

It is unlikely that the Third Plan will have a more positive effect than the First and Second Plans did. Despite the fact that KRW 80 trillion has been invested over the past decade, the effect on fertility has been negligible and a need to investigate the reason for this remains (Sung & Lee, 2017, p. 61).

## Policy effects

It is difficult to know the exact effects policy has had on Korea’s TFR, because of the immeasurable amount of elements affecting the TFR. Not just policy, but economic status, politics, and even personal mood affect a person’s choice to have children or not. Especially on such short term, conclusions as to which effect the pronatalist policy has had are limited. We can however distinguish trends in fertility, and see the effect of policies on many of the elements affecting that fertility, to indicate policy success.

In 2005, thanks to the newly implemented policy, the number of children increased for the first time since 1994, from 438 thousands to 452 thousands in 2006 and 497 thousands in 2007, increasing TFR from 1.08 in 2005 to 1.13 in 2006 and 1.26 in 2007. The only exception was in 2000, when the number of births increased for a short period.

This slight increase did not continue however, as it was mostly the result, not of policy, but of ‘post-baby boomers’, who were born in the period between 1979 and 1982, reaching the age group of 25-29, and getting married (Lee, 2009). The childbirth encouragement policy, started in the mid-2000s helped raise Korea’s TFR to 1.30 in 2012, but the TFR declined again to 1.05 in 2017 (Explore Korea through Statistics 2018, 2018).

Unlike the (excessively) effective antinatalist policy the Korean government implemented in the 1960s, the pronatalist policies that have been implemented since 2005 have had limited effects. However, it should be noted that these policies have done much in terms of creating the groundwork for Korean population policy. Many systems and conditions useful for controlling demographic trends have been constructed. For example, the number of public and workplace childcare facilities has increased from 4,405 in 2003, to 17,650 in 2007.

The Korean government now provides general support for working families, plays an active role in encouraging a family-friendly work environment, and strives to support multi-cultural families (Chin et al., 2012). Nevertheless, Korea’s TFR has reached a new low of 1,05 in 2017, making it the country with the lowest fertility rate among OECD countries. Although policies have had many positive effects, they have not yet been able to sufficiently alleviate Korea’s fertility trend yet. However, Korea is well known for the fast pace of its development (Kim, 2017), and with good policies, future problems may be abated.

# Chapter 2

The effects of the First, Second and Third (current) Basic Planning for Low Fertility on Korea’s TFR have been negligible (Sung & Lee, 2017, p. 49), and a need for more effective policies remains. Because pronatalist policies usually require high expenditure, and give little short-term results, policies must be chosen depending on the causes of low fertility (Yi, 2006, p. 13). Many scholars have analysed why Korean pronatalist policy is failing in its attempt to recover from the country’s low fertility rate, and have identified the most pressing policy problems. In the following chapter, I discuss their findings on what causes low fertility in Korea, and on why Korean population policy is failing to ease its drop in fertility.

## Decline in Marriage Rate

Korea’s fertility decline is directly caused by the decline in marriage rate, and an increase of the mean age at first marriage (Cho, 2006). Although it is normal for developed countries to experience a drop in marriage rate as welfare increases, this does not usually result in such a significant drop in TFR as Korea has suffered. A similar drop in marriage rates has led to an equally significant rise in cohabitation rates in the US and in Europe, and an increase and normalization of children born out of wedlock (Chin et al., 2012). In Korea, however, couples cohabitating, and childbirth outside marriage is not yet normalized (Yon, 2017), and many people who get pregnant before marriage get artificial abortion because of societal mistreatment and lack of protection (Yi, 2006).

A decreased marriage rate is however not a simple problem to solve, as these phenomena in turn have many different causes of their own. Yi (2006) says that the causes for marriage postponement and refrainment are sociocultural and economic, as well as the changing values towards marriage. Employment and income insecurity, marriage costs and the burden of a patriarchal marriage are combined with a fear of women to be forced to give up their job after marriage, due to an incompatibility between work and family life. A change in values has led marriage to become les obligational than it used to be, and limited chances at meeting someone of the opposite sex exacerbate the postponement (Yi, 2006).

Oh & Kwon (2018), also state that socio-cultural factors like withholding from marriage and marriage postponement had the biggest effect on both the TFR and the CBR (Crude Birth Rate) [[2]](#footnote-2), and claimed that an change in values was the cause of this. A switch of Korean society in values to post-modernism, which prioritizes self-expression and autonomy, in turn causes this change.

## Economic burden

Economic burdens play a big role in making the decision to marry and to have children, and many couples lack economic security to take these steps. According to Kim, Nam, Lee, and Bae (2016), “The problem of youth job shortage is the main factor of low fertility rate and be fixed primarily.” (p. 24). Koreans have the second-longest working hours after Mexico among OECD countries (OECD, 2019). Yi (2006) says that low fertility cannot fully be blamed on economic reasons, but that income insecurity, apartment arrangement, and the pressure to give one’s children a good education do affect fertility. People are likely to choose quality over quantity and of those couples who only want one child, 9,9 % stops there because of childcare costs, and 18,2 % because of the cost of education. For those who choose to stop at two children these percentages lie even higher (Yi, 2006).

Sung & Lee (2017) state that the education cost makes up 7,4% of the average household expenses, high for an OECD country, and 2.0% of the GDP is spent on education, which is the highest among OECD countries, only second to Chili. At the same time, the government’s fiscal expenditure on elementary, middle and high school is only 2.0% of the GDP. Low among OECD countries, and proof that much of the expenditure goes to university level education (pp. 60, 61). Furthermore, 50,5% of working women said the reason for not having (more) children was the burden of childcare costs.

In Korean society, where single-income households are the norm, this economic burden usually lies with the husband. Women are expected to stop working and perform child-care and household work, but this expectation does not always match the wishes of women. Especially high-educated women are reluctant to give up their career in order to raise children, resulting in marriage postponement.

For those couples who do marry, but deviate from the traditional breadwinner model, government policy is lacking. There exists an incompatibility between increasingly gender equal circumstances in the labour market, while traditional gender roles continue in family spheres. Women are working jobs that are more important with increased responsibility and workload, which leaves them with less time to care for children. When their traditionally assigned work as a mother and homemaker is not taken over either by their spouse or by (government) institutions, they are forced to make compromises, which often means choosing a job over having children.

This incompatibility is extra problematic because a part of the couples choosing to postpone childbirth or abstain from having children is not doing this by choice. The choice to have or not have children largely depends on the direct, and opportunity cost of childbearing (Kalwij). Direct costs of children are financial burdens, like money for clothes or childcare services. The opportunity cost of childbearing is for example a woman having to quit working to care for her children. The opportunity cost is high if there is much to be given up in order to have children. Men often have better paying jobs, and are thus rarely chosen to pay the high opportunity cost and become homemaker. Highly educated women with better jobs, as opposed to the housewife in the traditional breadwinner model, also have a high opportunity cost to pay when choosing to have children, which results in that they often postpone childbirth, or choose to not have children at all (Lee, 2006). The mother-worker incompatibility results in a higher age of marriage and first birth, and a lower total fertility.

## Family policy

To relieve families of the direct-, and opportunity burden having children causes, and to make worker and caretaker roles compatible, the Korean government has implemented family policy measures like child or family benefits, child-care services, and parental leave policies.

“However”, Kim & Choi (2008) say, “there are still problems for women to combine labour with care” (p. 337). In 2005, 60,6% of women stop working when married, 41,2% because of childbirth, and women usually spend 2 to 3 times as much time on housework as men (Yi, 2006). According to Kim (2017), “Korean men spend the fewest hours on unpaid work among OECD countries” (p. 748), of those who are not economically active, 65.85% of women, spend their time on childcare and household work in 2018, opposite only 2.91 % of men (Korean Statistical Information Office, 2019).

### Child benefits

Child benefits, child subsidies and family allowances are all names for financial, or tax benefits payed to families as public compensation for the direct cost of having children. Kim & Choi (2008) state that parenting allowance etc. helps lift the economic burden of care work to an extent, but care work is still basically counted as being a women’s responsibility.

### Childcare

To alleviate the opportunity cost of having children, the Korean government has maternity and parental leave policies, and a childcare policy, which aim “to facilitate the combination of employment and child rearing” (Kalwij, 2010, p. 517). However, if women want to continue working, the help and childcare infrastructure is quantitatively and qualitatively insufficient (Yi, 2006). The current system does not consider working hours, and there is a lack of trustworthy childcare facilities. These facilities are especially lacking for parents of children of elementary school age (Sung & Lee, 2017, p. 59). In a 2017 social survey by Statistics Korea, 45.9% of the questioned chose the burden of childcare as a difficult factor for women’s employment (Korean Statistical Information Office, 2017).

Although grandparents also used to be a care resource, only 23% of parents used relatives as unofficial childcare in 2015 (Yi, 2015). According to Kim & Choi (2008), concerns about elderly care worsen the fertility problem. Instead of using their parents as care resource, the elderly become a burden. Couples have to worry about caring for their parents, as well as their own future care. What is important here is that this care burden again falls on women. As women live 7 years longer than men do on average, this means that an aging society doubles the burden for the female population, with more wage labour as well as more caring labour (Kim & Choi, 2008).

### Parental Leave

Besides childcare policies, parental leave policies are also lacking,

“parents with children aged 8 or younger are eligible to take a maximum of one year of childcare leave at 40% of their pay, which is capped at ₩1,000k per month (Yoon 2014). … However, more than four out of ten eligible women did not take the leave, and in 2012 only about half of those who took it returned to the same workplace after one year. Although both fathers and mothers can take the leave, less than 3% of the beneficiaries were male.” (Kim, 2017, p. 749)

A big increase of usage of parental leave by fathers was primarily caused by the introduction of the “Father’s month” (Appaŭi tal) policy. This policy says that when both parents take up parental leave sequentially, the second user will receive 100% of their ordinary wage for the first 3 months, up to ₩1,500k, and for those who also do this with their second child and up this is increased to up to ₩2,000k (ibid.). Among those who choose to take up parental leave, the percentage of men taking parental leave increased to 8,5% in 2016, which is 56,3% more than the previous year, showing that parental leave uptake by fathers is steadily increasing. The amount of men, as opposed to women, however, still only rose by 2,9%, showing that male uptake is still severely low (Sung & Lee, 2017, p. 59).

## General Gender Equality

The reason Korea’s family policy is ineffective in raising the countries TFR seems to lie in the fact that these policies are not sufficiently gender equal. Kim & Choi (2008) say that policies are aimed too much at pronatal goals and economic merit, instead of aiming at increasing gender equality. Feminism often gets absorbed in the global political and economic debate on flexible work, fertility encouragement, and familial harmony policies, which can worsen inequality (p. 336). The nation has treated women as being subservient to progress, and efficiency has become the first priority, making society production oriented and male oriented (idem, p. 321). Whether someone contributes to society is seen as dependant of their production area, where labour in the formal economic area is seen as productive, and women working in this area receive benefits, care labour is not seen as contributing (idem, p. 322).

Like this, childbirth and childcare are just seen as obstacles, barricading people from productive work, and pronatalist policy is actually working against its own purpose by prioritizing fertility elevation over gender equality (idem, p. 322). For example, the infertile support policy, which only targets those at a low-income level, may be counted as a welfare policy, but is not a gender equal policy. That fertility is prioritized can be clearly seen in the fact that the Ministry of Gender Equality has been reorganized to include the fertility issue and has become the Ministry of Gender Equality and Family (idem, p. 340). Nurseries becoming the core of women’s policy is in this same context. The care policy holds greater weight in the Ministry of Gender Equality and Family than gender equality does, contradicting the purpose this Ministry once had. There is an emphasis on the usability of women in society, while at the same time; women are seen as the cause of low fertility.

The current developmentalist and instrumentalist view of women does not allow the pronatalist policy to influence the TFR positively (idem, p. 322). This therefore asks for a solution to social structural problems like women’s relative poverty, discrimination, exclusion etc., together with a pronatalist policy from a gender equality perspective (idem, p. 322).

# Chapter 3

Alleviating the rapid fall of Korea’s TFR will be possible only with effective policies. Since the “1.57 shock” of 1989, policies have been thoroughly researched on effectivity in Korea’s specific situation. Several policy options have proven effective in countries other than South Korea, and Korean academics often suggest that Korea also implement these policies. This chapter analyses which policies Korean academics suggest the Korean government implements to slow the fall of the TFR.

Scholars in Korea, just as many foreign scholars, generally agree that increasing gender equality in society as a whole is the best policy to slow the falling TFR. Kim & Choi (2008) say the right way to handle the problem of low fertility is to make a link between population and women’s policy and increase compatibility (p. 339). To propel population policy to go hand in hand with gender equality policy, it is important that above all, Korea’s production and welfare system, which is built with men-centrism, is changed and state feminism is developed to the level of OECD countries (idem, pp. 322, 340). They say that the problem of low fertility is a public problem, which must be resolved by the whole of society (idem, p. 339). They suggest using countries that have strong state feminism, like Denmark, Sweden and The Netherlands, as example (idem, p. 322).

Sung & Lee (2017) state that fertility elevation should not be seen as welfare, but as an investment (p. 61), and that fertility elevation should not be part of the Ministry of Health & Welfare, but of a separate division, like the Department of Population Policy, to ensure continued policy, regardless of governmental changes (idem, p. 62). Although the crude birth rate (CBR) is affected by short-term policies, the TFR is not significantly affected (Oh & Kwon, 2018, p. 77). Oh & Kwon (2018) point out that promotion policy of local governments should be accompanied by long-term socio-cultural environment policies along with economic support policies (ibid).

Yi (2006) says that a multifaceted approach is necessary (p. 13) and that many policies need to be implemented at the same time (idem, p. 14). Eventually, many different policies, like population policy, family policy, women’s policy (gender equality policy), welfare, health, education, labour, housing, and tax policies should be organically integrated, and these policies should be implemented by the (central, regional) government, private organizations (religion, media), and businesses (idem, p. 13). Yi also suggests looking toward other countries to provide an example. Specifically France, where policy had brought the TFR from 1.7 in 1990, to almost replacement level fertility, and Japan, where policy efforts allowed the TFR to maintain the level of 2004 in the year following (idem, p. 16).

Kim & Choi (2008) emphasise the need for an all citizen-inclusive gender equality policy, saying that the problem of low fertility is not only a problem of low-income households, but also a national problem (p. 334). Yi says that policies often emphasize only on the quantitative aspect of the population, by focussing too much on increasing fertility. In a focus to ensure fertility elevation, governments sometimes implement policies that reduce ultimate quality of life, and as a result will unintentionally reduce fertility. Policies should be devised to increase ultimate health and life quality, and aim for societal equity. For example, big families must not be disadvantageous in residual societal systems. Policy should not be focused on some hierarchy (economical status, income, and field). Similarly, policy should decide what to target based on what causes low fertility and what is effective on a reasonable level. Birth order, number of children, age of children, income level, area etc. can be considered for such levels. (Idem, pp. 13, 14)

Because governments will not stop lengthening lifespan, social spending is sure to remain high (Yi, 2006, p. 16), but a combination of not only pronatalist policy and female labour policy, but also policy for utilizing the elderly population, migration policy, and a social security reform can relief population aging somewhat (p. 6). Securing jobs for the elderly should however not be graded as a means to achieve a national goal, but as a means to increase ultimate quality of life (idem, p. 13).

## Marriage and Cohabitation

Seeing as the first reason for low fertility is marriage postponement, an effective way to increase fertility would be to encourage marriage. Yi (2006) suggests policies that remove the obstructing factors that keep people from marrying, by implementing sex education, encouraging a positive view on marriage, creating gender equality in private spheres (like equal distribution of household labour), and reorganization of textbooks in university. Youth employment should be promoted and apartments should be made to fit supply and demand. Furthermore, reduction of marriage costs and improvement of marriage culture should make marriage more tempting, and eventually elevate fertility.

Kim & Choi (2008), take a somewhat different stance than Yi. Instead of putting emphasis on increasing the marriage rate, they state that it is more important to allow women to have children in any situation, like unmarried, marriage, after divorce etc., as is common in countries like Denmark and Sweden. For this to be possible, the state must comprehensively provide a gender equal societal sector, which is able to guarantee women’s decision-making authority and health concerning reproduction. For this to be possible, the state must comprehensively provide a gender equal societal sector, which is able to guarantee women’s decision-making authority and health concerning reproduction.

To increase fertility among married couples, Yi further suggests health support for pregnant and post-partum women, expansion and tax reduction of child care infrastructure as well as tax reduction of further education. Childbirth must be supported in an unbiased way, and the social security network must be expanded. Finally, improving work and childcare compatibility will allow for more marriages and more children. Yi further suggests a school reform and tax reduction to lower the burden of expensive education, which is keeping many parents from having (multiple) children.

## Education Costs

Sung & Lee (2017) state that an education reform is needed to lower the costs of education, and thus the financial burden of having children, but they warn that this will be expensive, and will have to be implemented on the long term.

Mani (2018) says that,

“Compared to other OECD countries, a high share of education expenditures in Korea is borne by private households making said expenditures a pressing social issue – fully 64 percent of tertiary education spending came from private sources in 2015. The share of private spending in elementary, secondary and post-secondary non-tertiary education is much lower – 14 percent in 2013 – but total private expenditures related to schooling are rising and reached a record high in 2017.” (Heading: Education Spending, first paragraph)

“Overall, public spending on education has increased significantly in recent years, causing the share of private expenditures to drop by 24 percent between 2008 and 2013, according to the OECD. Per UNESCO, public education spending as a share of GDP grew from 4.86 percent in 2011 to 5.25 percent in 2015. While that is pretty high for a developed economy, government spending per tertiary student still remains below OECD average.” (Idem, third paragraph).

Finally, Sung & Lee (2017) say there is great need for flexible workplaces to allow parents to combine their formal job with childcare and housework. They warn that when work and family life cannot be combined, people will be forced to choose either one or the other, resulting in a lower employment rate among women, as well as a lower fertility rate.

## Family policy

Yi (2006) says that just like how the cause of fertility cannot be confined to women, so too can pronatalist policies not have only women as their target. For example, work - family life compatibility is important, as is a family support network for childbirth and childcare. Support of the employer is also important (p.14). Sung & Lee (2017) also say that work - family life compatibility policies, parental leave policies and childcare policies cannot be seen as policies for women, but should instead be seen as policies benefitting all of society, both men and women (p. 61).

Yi (2006) explains that to make women’s pursue of self-actualization possible at the same time as childbirth and childcare, a family friendly socioeconomic environment must be created. For this, values like the transfer phenomenon of women’s household and childcare burden, created by patriarchal culture, should be converted to a system of family burden between men and women, and relevant social structures and environments should be improved (p. 14). Also, policies that allow the combination of work and childcare must be universally applied, so that working women are not forced to choose between marriage and childcare on the one hand, and employment on the other (idem, p. 15). Not just economic support, but also education to change consciousness, social infrastructure expansion, and education and labour reforms must be included (idem, p. 13). In conclusion, fertility policy must be arranged and pushed forward in a gender, generation, employee-employer integrated dimension (idem, p. 14).

Kim et al. (2016) note that in the 1980’s, the theory that the employment rate and birth rate were inverse proportions dominated within the OECD countries.

“However, in the case of Sweden, the employment rate of female was 72.5%, the birth rate was 1.91 children, in the case of USA, the female employment rate was 62.3%, and the birth rate was 1.88 children. Therefore, countries such as North European countries, Australia, Netherlands, New Zealand, and Great Britain, where ⅔rds of the female population are employed, and where the birth rate per female exceeded 1.7 children, show a high employment rate and a high birth rate contradict the former hypothesis. (Jeon Hye Sook, 2015)” (Kim et al., 2016, p. 24).

Kim & Choi (2008) note that in Sweden and Denmark, women’s economic activity is facilitated through the public service system and maternity leave system. This system enforces men and women to participate in both formal-labour and care-labour. According to Kim & Choi, the nation should protect women’s decision-making authority and health rights, and provide gender equal societal support to facilitate this.

Chŏng (2018) says that Korea’s labour participation rate was only 50% in 2000, and has not been able to exceed 60% since then. Korea’s fertility rate has also not exceeded 1.3 since 2001 (p. 27) (Figure 1). Chŏng says that these two rates are correlated, because Korea’s low compatibility between worker and caretaker roles causes women to avoid childbirth (idem, p. 28). Chŏng points out, that other countries with extremely low fertility have been able to increase their TFR by increasing the female employment rate (Figure 2). Korea will also be able to follow this example, but only if income, medical attention, living space and education can be guaranteed by society. However, if women are forced to enter the labour market to survive, but no gender equal compatibility between care and work is achieved, then the fertility rate will plummet even further (idem, p. 29).

Figure 1 Fertility rate and Female Labour Participation rate of Korea (1963~2016) (X-axis: female labour force participation rate (FLPR), Y-axis: TFR). Adapted from “The Characteristics and Prospect of Policy Responses to Low Fertility and Population Aging: From the Perspective of Gender Equality” by Chaehun Chŏng, 2018, Pogŏnbokchip'orŏm [Health and welfare policy forum], 261, 22-34.

Figure 2 Fertility rate and Female Labour Participation rate of Germany, Sweden, England and France (1970~2015) (X-axis: FLPR, Y-axis: TFR. Adapted from “The Characteristics and Prospect of Policy Responses to Low Fertility and Population Aging: From the Perspective of Gender Equality” by Chaehun Chŏng, 2018, Pogŏnbokchip'orŏm [Health and welfare policy forum], 261, 22-34.

Sung & Lee (2017) say that in order to increase compatibility between worker and caregiver roles, societal views on women’s labour activities and corporation culture must be improved, and that the customary long working hours need to be reduced. A more flexible work system needs to be spread, and men and women need to be able to freely use their parental leave, et cetera. Especially parents combining work with childcare need to be guaranteed no disadvantage in terms of promotion, when using the work and care compatibility system to deal with personal affairs (p. 59).

On the subject of child benefits, Oh & Kwon (2018) say that the higher the child benefit is the higher the CBR becomes, which shows that benefits do have an effect on low fertility (pp. 76-77). Yi (2006) says that countries like France and Sweden have been able to elevate fertility by implementing long-term policies that offer financial support for childcare and by increasing the quality and quantity of childcare facilities (p. 16).

Kim & Choi (2008) agree that relief for child expenses and childcare improvement are important, but that the formation of gender equal conditions is most deciding for fertility (p. 338). They note that the current policy does focus on child allowance, support for infertile couples, and childcare facilities, but focuses excessively on fertility elevation. Too much focus on allowance for childcare can put constraints on women’s universal rights. For example, in France, low-paying working women will trade work for childcare. A gender equal policy is necessary (ibid.).

Sung & Lee (2017) say that the role of private organizations in providing childcare should be expanded, and that expanding childcare facilities allows women to continue working and has to happen from a dimension of elevating national economic power (p. 61). They further say that it is necessary to give more information on workplace childcare facilities, in order to even out the male-female ratio of users. These facilities should also be expanded to include before-, and after-school care facilities (idem, pp. 61, 62).

Kim & Choi (2008) press that gender equality must also be increase in private spheres. Men must be encouraged to take part in household and childcare work, and a policy must be designed that integrates men into the private sector.

To allow parents time off work to take care of family matters, parents are given parental leave. Korea’s parental leave policies have been expanded over the past few year, but according to Sung & Lee (2017), a job reform of employment customs in companies is necessary to realize the use of parental leave by fathers. As the problem of utilizing substitute workers is directly connected to the parental leave system, it is important that companies participate actively (p. 59).The current parental leave system is unable to work effectively, as this system is only legally prepared, while society overall is often still unable to accept the use of parental leave (idem, p. 60).

## Conclusion

According to the texts discussed here, there is enough to be improved about Korea’s pronatalist policies. Scholars are mostly agreed that gender equal policies are most likely to help Korea’s situation. Policies must be multifaceted, long-term, and focus on creating motive and increasing ultimate quality of life, rather than fertility. Better family policy must go hand-in-hand with a job reform, and the societal view on the necessity of marriage for childbirth should be loosened. These suggested policies, although overall agreeable and promising, fail to highlight what exactly the details of these gender equal policies and job reforms are supposed to be. The texts say that examples of effective policies are to be found in other OECD countries, and that Korea is advised to follow their lead. However, country-to-country differences are large, and so is the difference in TFR. Research on pronatalist policy effectiveness shows that small changes in policy may affect policy performance. It is thus constructive to look further into the mentioned foreign policies, and determine their exact contents in order to design a more detailed future policy plan for low fertility countries like South Korea.

# Chapter 4

Like the studies on Korea, many studies on foreign countries have also concluded that countries where gender equity is highest, fertility rates are stabilizing. This does however not mean that all countries are as dedicated to following what the studies advise. Many of the studies regarding low fertility point at other OECD countries in general and advise to follow their example, but there are big policy differences between these countries, as well as big differences in policy effectiveness. To identify a more precise plan for population policy in Korea, it is necessary to analyse what policies other countries have implemented exactly, and which of these policies have actually been effective to ease those countries’ fertility decline. The next chapter will expand on the policies suggested by scholars on Korea’s low fertility problem, and discuss the details of the policies that have proven to effectively elevate fertility rates, or at least ease the fertility decline, in low fertility countries, in order to design a more detailed policy plan for fertility relief in South Korea.

## Immigration

An immediate and perhaps obvious solution to the problem of demographic pressure would be to increase a country’s workforce by allowing more immigration. This policy is helping many countries ease their short-term fertility decline. However, it is limited in its long-term effects on the age structure (Caldwell et al., 2002), and will bring with it the substituting difficulties of integration, especially to countries that are not yet multi-cultural. Integration of too many immigrants is expected to cause many problems in Korea’s generally homogenous society, which makes immigration unlikely to become the answer to Korea’s low fertility problem.

## Marriage and Cohabitation

As Korean fertility is greatly connected with the marriage rate in the country, increasing the marriage rate is sure to ease fertility decrease. However, as noted by Kim & Choi (2008), normalizing cohabitation, and in turn, out-of-wedlock childbirth will help elevate the fertility levels. There is assumption that Korea is culturally not ready to accept cohabitation and out-of-wedlock births, but when looking at other Asian countries, this statement seems oversimplified. Raymo, Park, Xie, & Yeung (2015) say that “In Korea, attitudes toward cohabitation are changing (Ahn & Im 2004), but the prevalence remains low and the data required for systematic study have yet to be collected. In contrast to Korea, where attitudes toward cohabitation are quite conservative (Eun & Lee 2005), young Chinese and Japanese appear to have relatively positive (or at least neutral) attitudes toward cohabitation (Raymo et al. 2009, Yeung & Hu 2013b).”

The Korean government can do much to help generate a change in culture. Archaic policies maintain a system where housewives are financially dependent on their husbands, and the way the labour market is designed in Korea, with long hours and an expectation of full time employment, discourage a natural change in culture towards normalization of cohabitation. Normalizing dual-earner households and more flexible working conditions, and improving childcare and government systems to accommodate this, as well as other measures to encourage a break from the traditional breadwinner model, will allow Korean society to become more accepting of cohabitation.

## Education costs

Many European countries allow students cheap or sometimes even free education, regardless of their grades or their parent’s income. This is made possible by a larger fiscal expenditure on education, which makes sure the costs are divided among the entire population of the country, instead of just parents.

 Korean couples are discouraged to have children because of the high education and childcare costs. To lower private education costs and remove this hurdle for parents, plans to have the nation, or in other words, taxpayers, carry a larger part of the financial burden should be continued.

## Family Policy

The most promising policies to positively affect the TFR are those that allow women to combine mother- and worker-roles more effectively. Kalwij (2010) states that in European countries, “increased expenditure on family policy programs that help women to combine family and employment—and thus reduce the opportunity cost of children—generates positive fertility responses.” (p. 517).

Rindfuss, Guzzo & Morgan (2004) researched 22 developed countries[[3]](#footnote-3) around the world and came to the same conclusion,

“Those countries that minimize the incompatibility between roles and facilitate the efforts of women who want to do both are likely to see increasing fertility”, while “Conversely, those countries that do little to minimize this incompatibility are likely to see greater proportions of women further postponing childbearing.” (p. 419).

Rivkin-Fish (2010) states that “Women coping with this structural contradiction tend to reduce their childbearing, whereas in contexts where family-work balance is structurally promoted through public policies and business practices, fertility remains higher” (p. 704).

Neyer (2003) explains the European status quo concerning this correlation,

“In the Scandinavian countries the negative correlation between female labor-force participation and TFR is now insignificant; in most continental European countries (West Germany, Austria, the Netherlands, and Great Britain) it has become weaker, but it is still significant. In the mediterranean countries the significantly negative relationship continues to persist (Kögel 2002).” (pp. 6, 7).

Because of this difference in policy, “the current TFR in Northern Europe of 1.7 contrasts with levels of 1.3 in more patriarchal Southern Europe” (Caldwell et al., 2002, p. 14). In Italy, inadequacy of public support accorded to families, especially those with children, accounts for Italy being “the country where the discrepancy between couple’s childbearing intentions and the realization of those intentions is the largest in the European Union.”(Chesnais 1996).

A part of the nations in Europe chooses to spend very little on population policy in general, and one of the nations following this choice is Britain. Britain has no explicit population or family policy, following the country’s deeply rooted laissez-faire philosophy. The pronatalist policies of the 20th century often undermined the free choice of individuals, especially women, who would be sent back to their homes, effectively reestablishing male dominance in the family and society (Chesnais, 1996). In Britain, interests, values, and ideologies having to do with family are highly divergent, including a strong feminist stream, which perceives the family as a repressive patriarchal institution. Despite Britain’s liberal policies, however, good local housing policy and a highly flexible labor market, which allows part-time jobs, appear to be factors that have kept Britain’s fertility rate relatively high for a Western European state (Chesnais, 1996). Although Britain has no explicit pronatalist policy, combining work and care is made possible through flexible jobs and the availability of childcare.

Northern Europe’s success, as well as Southern Europe’s failure at making caregiver - worker roles compatible lies in its family policy measures. Neyer (2003) claims that the impact that family policy measures have on the TFR of a country seem to be conditional to some important features.

First, “the significance of family policies with respect to employment lies in the extent to which these policies ensure women’s access to paid work irrespective of their caring tasks, just as much – or even more so - as it lies in the extent to which these policies allow women and men to abstain for employment for care reasons.” (p. 13).

Second, “since in all Western societies care is primarily a task assigned to women, a key aspect of family policies is the extent to which they relieve women of their care obligations” (ibid.). This means that, “the distribution of care labor between the public sector, the market, men, and women is vital for the extent to which policies contribute to alleviating women from care work and care responsibilities.” (Idem, p.14). This also includes reducing the direct cost of childcare “through a redistribution of the costs between parents and society” (ibid.). Thirdly, “social benefits that compensate for income loss for caring mothers need to be sufficient to guarantee a livelihood.” (ibid.).

Sleebos (2003), claims that combining certain measures would make for the most effective policy for reducing the mother-labourer incompatibility,

“If individuals have the means to purchase services that reduce the workload consequent on maternity, it will be easier to combine employment and fertility. The same applies where childcare services are cheaply available or are freely provided by the state. Women are also likely to feel more secure in temporarily absenting themselves from work to have children if their right to return to work is written into laws, and if their absence from work is compensated by generous parental leave arrangements. When state schemes of parental leave are not available, combining work and family will be easier where working hours are flexible and part-time jobs are widely available.” (p. 48).

### Child benefits

While some countries grant transfer payments to each child equally, in most countries the amount of payment depends on the number of children in the family and/or their age. Countries where payment depends on the number of children seek to support families with more children, rather than families with only one child. This difference in benefit is to prevent poverty or maintain status levels, rather than promote pronatalist intentions (Neyer, 2003). Countries in which payment depends on the age of the child assume that children of different ages incur different costs. Here, older children are usually assumed to be more expensive (Neyer, 2003). A recently published report commissioned by the Directorate-General for Employment, Social Affairs and Equal Opportunities of the European Commission states that, family-based tax concessions and family allowances that differentiated by parity “are often based on (and may reinforce the notion of) a traditional breadwinner model by reducing the incentive to work for both spouses.” (Policies to reconcile labor force participation and childbearing in the European Union, 2006, p.390).

As Kim & Choi (2008) and the European Commission’s report (Policies to reconcile labor force participation and childbearing in the European Union, 2006) mentioned, child benefits may also make women trade work for childcare, if it is more lucrative for them. Neyer (2003) adds that “the cash-for-care systems[[4]](#footnote-4) in France and in some Scandinavian countries have contributed to an increased gender division of caring work and a decrease of women’s re-entry into the labor market after childbearing, because it is usually the mothers who withdraw from the labor force to take care of the child(ren) (Leira 2002).” (p. 27).

Child benefits are still a big part of family policy, but benefits alone will not positively influence fertility. “Esping-Andersen (2002b, 53, Table 2.7) shows that from the mid-1980s to the mid-1990s the increase in social transfers to families with children in several European countries did not necessarily lead to an increase in their disposable income. Esping-Andersen even concludes that “the income position of families with children continues to decline in many countries regardless of a rise in per child transfer” (Esping-Andersen 2002b, 52).” (As cited by Neyer, 2003, p. 30, 31). Kalwij (2010), in analyzing 16 European countries, further shows that,

“An increase in child subsidy through a family allowance program’s increased generosity has no significant impact on the timing of births or on completed fertility …. This finding can be explained by the fact that a family-allowance policy subsidizes the direct costs of children and not the opportunity costs of children, which have arguably become much more important for fertility decisions in recent decades during which changing gender roles have increased the demand for policies that facilitate women’s economic empowerment” (p. 516).

Sweden shows the importance of benefits going together with other parts of family policy. Sweden, which is known for effectively increasing its fertility rate with the right policies, does provide parents with family allowance, but does not only give financial support. “Apart from direct financial supports, access to creches and daycare facilities for preschool children (below age 6) of working parents is nearly universal.” (Chesnais, 1996, p. 733).

Contrarily, post-unification Germany, which gave generous financial benefits to married couples to compensate child expenses,

“is insufficiently supportive by Western European standards. Institutions complementing the childrearing function of the family, such as nurseries, are notoriously scarce, kindergartens are expensive, and school hours are ill-suited for meeting the needs of working mothers, since most schools function only in the morning. The patriarchal ideal of women staying at home, taking care of their husbands and children, still influences public policy and contributes to a socio-psychological environment that is not conducive to childrearing.” (Chenais, 1996, p. 736).

McDonald (2012) summarizes,

“Direct financial incentives can be effective in raising fertility (Lutz 1999; Milligan 2002). Direct financial subsidies assist with the costs of children, whereas policies that enable women to combine work with childrearing reduce opportunity costs (Ermisch 1989). Opportunity costs rise with a woman's wage, whereas direct costs of children are less responsive to rising incomes, except insofar as wealthier parents have higher discretionary expenditure on children. This means that as the wage rate rises, women will be more likely to favor the combination of work and childcare than to favor staying at home and receiving a direct cost subsidy for children. The conclusion from this discussion is that the full range of incentives and supports is required (financial, services, workplace arrangements) because they are all beneficial in differing degrees to women according to their potential wage and to their work preferences. They also need to be provided in as nearly universal a system as possible so that parents are not faced with disincentives if benefits are withdrawn when they change their labor force participation or income level.” (p. 503).

### Childcare

Rindfuss et al. (2004) say that “the most prominent strategy for reducing the incompatibility between the work and mother roles is some form of child care”(p. 416) and that “the incompatibility between work and mother roles is affected by the availability, acceptability, accessibility, quality, and cost of child care.” (Idem). Heitlinger (1991) agrees by saying that “if child care is purchased, especially if it is subsidized, the links of the argument from female employent [*sic*] to fertility behaviour are weakened.”(p. 359). Sleebos (2003), further reports that “Castles (2003) also finds a strong positive relationship between total fertility rates and formal childcare availability, in particularly [*sic*] for children below the age of three, across OECD countries. Del Boca (2002b) also reports “a positive relation between availability of child care and fertility in Italy” (p. 44).

Although good childcare policy is generally effective to improve both caregiver – worker role compatibility as well as increase fertility rates in Europe, not all countries have given it the same priority, and there are big differences in childcare policy.

Neyer (2003) says,

“From an organizational point of view, the state is the main suppliers [sic] of childcare in Europe, either through maintaining a major part of childcare institutions or through supporting childcare services by financing childcare providers. … In many countries, in particular in the Catholic ones, the Church is still a significant provider of institutional childcare, even though its contribution to childcare supply has diminished over the past forty years. In some countries, like the United Kingdom, Western Germany, and the Netherlands, non- profit organizations have played a considerable role in offering childcare services for children of all age groups. In the Netherlands, the employers have come to play the major role as suppliers of childcare (Hemerijck 2000, 198ff.).” (p. 24)

Neyer continues, “Voluntary and private organizations as well as child-minders have gained in importance as suppliers of childcare.” (ibid.).

The rapidly growing elderly population of Korea seems to hold solutions for the combination of labour and care by providing childcare for their grandchildren. Rindfuss et al. (2004) note that “acceptability can vary by provider.” (p. 416). For example, in a country like Japan, where great emphasis is still placed on the mother’s responsibility to stay home with young children, women using public childcare may be frowned upon. However, “married women living with their mothers-in-law are both more likely to work and more likely to have higher than average fertility (Morgan and Hirosima 1984), suggesting that the mother-in-law is an acceptable provider of child care.” (ibid.). In Korea however, three-generation households are becoming less and less common, and elderly often depend more on the nation than on their family for their own care. In this situation, needing to care for grandchildren, without receiving similar care from their children may cause resentments. When families provide elderly care, it is often again the women who provides this, which would strengthen, rather than weaken, the traditional breadwinner model.

In the United States, as well, childcare effects fertility. Sleebos (2003) states that, “Blau and Robins (1989) found that greater availability of child-care encourages fertility, and that higher child-care costs have the opposite effect, in the United States.” (p. 44).

Caldwell et al. (2002) state,

“The anomaly of the United States, which records both the industrialized world’s highest fertility and lowest government support for families, is partly explained by the access of many families to affordable child care (Rindfuss and Brewster 1996: 264), arising from the wage structure and probably also by illegal immigrants working (it might also be noted that Hispanic migrants have raised the US TFR by 0.2 points).” (p. 14).

Neyer (2003) says, “While researchers embrace public childcare provisions as a means of supporting mothers and families, they are divided in their opinion about the impact of the subsidized privatization of childcare.” (p. 26). It is usually argued that these policies provide parents with more choices of childcare. However, choices are not equal. What childcare services are offered may differ between municipalities, which are often held responsible for their own childcare provision (idem, p. 24). Metropolitan areas, because of the rules of supply and demand, naturally have more to offer in terms of childcare. These differences in childcare cost especially give low- income families, families with several children, and single mothers a reduced choice. The financial burden also often causes increased gender division, as it is often the woman, rather than the man, who remains home to provide childcare when childcare facilities are insufficient. The risk of increasing social and economic cleavages is especially big in countries where childcare is being de-centralized, marketized, or moved to private initiatives, without first establishing basic care provisions (Neyer, 2003). The article ‘Policies to reconcile labor force participation and childbearing in the European Union’ (2006) mentiones that “In several countries (France, Ireland, the Netherlands, the United Kingdom, Norway, Bulgaria and to some extent Italy) parents assess childcare services as expensive and as a serious barrier to female [labour] participation.” (p. 390).

Neyer (2003) notes that “in the Scandinavian countries, Belgium, and France childcare policy is directed towards an encompassing system of childcare for children of all age groups. Coverage is high for all age groups and backed by social rights to childcare.” Especially Sweden has a high coverage of public childcare centers throughout the country, which allows equal availability of qualitatively high childcare facilities for everyone.

### Parental leave

Good parental leave policies allow parents to continue employment, and may lower the opportunity cost of having children. Research on Europe has shown “that the length of parental leave as well as the benefit structure may have an impact on the timing of birth and on parity progression. The results further indicate that the length of the parental-leave period taken by the mother and/or taken by the father influences the transition to a subsequent birth.” (Neyer, 2003, p. 2). Neyer notes, “Despite the fact that parental-leave policies seem to affect the timing of births and the transition to subsequent births, we lack evidence that these effects on childbearing behavior may have a long-term impact on the level of fertility.” (Idem, p. 3). However, parental leave does have a clear impact on whether parents continue their employment while they have children, which may in turn affect subsequent childbearing. Furthermore, “Oláh (2001) shows that couples in which the man fails to take parental leave with the first child have a lower propensity to have a second child than couples in which the father did take (some) parental leave.” (Idem, p. 2).

Whether parental leave policies are successful in facilitating reemployment and in turn a higher TFR, seems to depend on several factors. Firstly, long periods of parental leave seem to discourage re-entry into the labour market, while short or moderate leaves are associated with increases in women’s employment (Neyer, 2003). Secondly, highly educated women, or women with higher career positions are more likely to return to employment after taking parental leave, and it is rare for women to start working for the first time after childbirth. This can be explained both by considering the higher opportunity cost payed when quitting a well-payed job, as well as by considering the higher costs often needed for child-care, which are necessary for parents to pay to be able to continue working. Continuing employment after childbirth is also easier when the place of employment allows for more flexible workhours or part-time work, as this lowers the need for child-care services. Finally, cultural attitudes to working mothers and day-care facilities, as well as the personal desire for a mother to be with her child play a role when choosing to continue working or not (Policies to reconcile labor force participation and childbearing in the European Union, 2006).

Neyer (2003) claims that “Governmental intentions of introducing and amending parental-leave regulations have varied considerably across countries and over time” (p. 17), resulting in many different policies across Europe. Length, flexibility and benefits differ, with most countries giving only unpaid parental leave or paying a, usually low, flat rate, and usually with the condition that the parent is in insured employment. Neyer states, “In all countries maternity leave is a social right. Mothers on maternity leave are protected against dismissal and have the right to return to the same workplace.” (p. 16). Universal rights to maternity benefits are only granted to mothers in Finland, Norway, and partly in Sweden and Denmark, but benefits are usually lower when the mother was not employed pre-birth (Neyer, 2003). Furthermore, “Finland, Norway, and Denmark offer extended leaves and benefits as an explicit alternative to the use of public childcare” (Neyer, 2003, p. 17).

“Parental leave can be organized along family or individual lines” (Policies to reconcile labor force participation and childbearing in the European Union, 2006, p. 391). In the case of the former, parents can decide for themselves who will make use of the leave, if one parent does not use their leave, the right expires (Policies to reconcile labor force participation and childbearing in the European Union, 2006). It can be reasoned that the individual right to a parental leave encourages men to take up their leaves more than a familial right, as this diminishes the higher opportunity cost usually payed by men when using a leave. Although parental leaves are expected to increase gender-equality, the amount of women who re-entry the labour market in Europe maybe as low as 50%, and the take up of parental leave for men seems to be a lot lower, and shorter, than for women (ibid.).

Neyer (2003) writes that Sweden is exemplary when it comes to equal uptake of parental leave policies, and extensive research on the effect of father’s uptake of parental leave on fertility in Sweden shows positive results. “Only Sweden, Denmark, Norway, and to a lesser extent Finland, have geared their labor-market, gender, and care policies to reducing gender inequality in employment, income, and care (Hernes 1987; Bergqvist et al. 1999)” (Neyer, 2003, p. 21). Neyer states that, thanks to these policies, fathers seem to be more prone to take at least some parental leave in Scandinavian countries.

Finally, cultural habits play a role in the effectiveness of parental leave policies. “Japan stands out as a country largely unresponsive on this dimension (Joshi 1998: Table 2).” (Rindfuss et al. 2004, p. 418). The most significant reason for this is the traditional idea that caretaking and housework is a woman’s job. Besides the direct image of the stay-at-home father, men often also have a higher opportunity cost to pay when opting for parental leave and childcare. Men are often in a better position to enjoy high education and better job opportunities than women are, and parental leave uptake for men is generally lower when education is higher (Policies to reconcile labor force participation and childbearing in the European Union, 2006). Thus, like many other things, this cultural habit can be influenced by policy, and fertility will rise and fall accordingly.

# Conclusion

Low fertility is a common problem among developed countries, including Korea. To slow the fall in fertility rate, the country has invested increasing expenditure on population policy. However, results have been minimal, and the TFR has fallen to a record low of 0,98 in 2018 (Yonhab news, 2019). Scholars have thoroughly researched why Korea’s policies have had so little influence on the fertility rate, and have attempted to design a more effective policy plan. Gender equal population policy has been effective in increasing the TFR of certain OECD countries, and scholars on Korean fertility generally conclude that gender equal population policy is likewise expected to be the best option for Korea. Korean policies should duplicate the working policies in other OECD countries, to allow a similar result.

However, OECD countries differ greatly in population policy, and some have been much more successful in raising fertility than others. On the one hand, Northern Europe has generally succeeded in elevating fertility to near replacement level, by implementing individual-based, gender equitable policies. On the other hand, Southern Europe is failing in fertility elevation, due to policy that facilitates the traditional breadwinner model. In Sweden, among other countries, policies are not explicitly pronatalist, and thus allow focus to lie on increasing ultimate quality of life. This approach is proving to be more effective at elevating fertility than explicit pronatalist policies.

## Maintaining fertility levels without population policy

There are also examples of countries where a steady fertility rate is achieved without much spending on population policy. In the United States, immigrants allow fertility to remain stable. Immigrants, together with the wage structure also allow an alternative to public childcare. As Sung & Lee (2017) point out however, in Korea, childcare teachers often lack trustworthiness because of their low salary and training, so this solution would be incompatible to Korea’s case.

Britain has been able to maintain relatively steady fertility rates by a combination of a flexible labour market and sufficient childcare facilities, which enable the combination of work and childcare, and a good local housing policy. This is made possible by a laissez-faire philosophy and a strong feminist stream. Korea does not have a history of such liberalist or feminist streams, and it is unlikely that Korean policy would follow Britain’s example.

Sweden also shows that not explicit population policy, but a focus on increasing general gender equity and ultimate quality of life is more effective in increasing the country’s TFR. Why then, should Korea try to ease their fertility decline by implementing all these policies? The first reason is that, although Sweden’s focus is on increasing quality of life, the policies which can achieve this are the same as the policies that are most effective in increasing fertility. Or rather, when ultimate quality of life increases, fertility also increases. Increasing fertility is thus as good a reason as any to promote these policies. However, there are plenty of other reasons the suggested policies should be considered. For one, "Social policy is an integral part of democratic development, and gender equality lies at the heart of social policy as a tool to enhance and promote democratization." (Inoguchi Kuniko, as cited by Coleman (2008). "It is essential that women be empowered to contribute their full potential to society and the economy - that is the only way to ensure sustainability in social development and economic growth." (ibid.). Furthermore, these policies allow politicians to promote the most effective and efficient ways to improve fertility under the often much more popular pretense of increasing gender equality.

## Policy details

Policy details are greatly deciding for policy effect, and it is important to know exactly what policies are used in those countries where policy has proven effective at increasing fertility. Research on policy effectiveness shows us that effectiveness, as mentioned by the scholars on the Korean low fertility problem, depends mostly on how gender equitable policies are.

First of all, normalizing cohabitation and out-of-wedlock childbirth is expected to increase fertility. Although Korean culture is reluctant to accept these situations, policies that allow cohabitating couples and their children to live unobstructed by archaic systems, will be able to increase the speed of this normalization.

Second, education costs are a hurdle for many couples, and discourage couples from having (more) children. Placing a bigger part of this burden on the nation by increased subsidization of education will lift a burden off the shoulders of (future) parents, and increase fertility.

Third, family policy which allows the combination of work and childcare for men and women is the most effective way to stimulate fertility. Overall, the effect of child benefits seem negligible, or even counterproductive, when implemented without sufficient childcare and parental leave policies. However, when the opportunity cost of having children is accounted for, and child benefits can lower the direct cost, many hurdles fall away and a slower fertility decline can be expected. Child benefits should not be a replacement for childcare, as this will decrease gender equality. Especially lower-educated women will be inclined to trade work for childcare, because women usually have a lower opportunity cost than men, and lower education exacerbates this. These women will logically choose to stay at home, rather than participate in the labour market, because childcare costs can be evaded by caring for the children personally, and formal work does not compensate these costs satisfyingly.

Childcare policy is the most deciding policy for caregiver – worker compatibility. The effectiveness of this policy is dependent on the availability, acceptability, accessibility, quality, and cost of child care. Lower availability of childcare facilities, and differences in childcare cost and quality are disadvantageous to low-income households, who will have less choice, and may be forced to provide childcare themselves. To ensure availability of childcare for everyone, privatization should thus be pushed back until public childcare is affordable, universal, as well as qualitatively and quantitively sufficient throughout the country, to ensure accessibility for all (future) parents. Grandparents are becoming less and less acceptable as childcare providers, and will encourage neither gender equity, because of the elderly care often required in turn, nor fertility.

Parental leave policies require a change in labour culture to truly work, because long, inflexible working hours keep parents from utilizing these policies. Jobs with flexible workhours and sufficiently paid part-time jobs with promotion opportunities should be increased, but these changes will not be easy to implement. However, a change in labour culture can be encouraged by good policy. Parental leave should not be too long, as this discourages a return to the labour market, and an individual right to parental leave, rather than a policy that lets only one parent use this leave, will encourage men to utilize their leave, and increase gender equity. Encouraging fathers to utilize their parental leave will in turn encourage companies to facilitate usage, and normalize more flexible working hours.

## Limitations and suggestions for future research

Scholars on Korean low fertility, and low fertility in general agree that gender equitable pronatalist policies are most likely to increase fertility in developed countries. This thesis has analysed the details of effective pronatalist policies in order to allow a more effective policy to be designed to ease the decline of fertility rates in South Korea. Small changes in policy, or a different combination of policies can significantly influence said policy’s effectiveness. When policies are duplicated, it is thus important that details are kept as similar to the original as possible.

As this thesis is largely based on secondary research, it is reliant on the accuracy of the data provided in the discussed texts, and limitations may apply. Future researchers may look further into the applicability of the discussed policies in Korean society in specific, to determine more explicitly the effects these policies will have when implemented in South Korea. Determining which policies are most urgent and most efficient to ease Korea’s fertility decline will also be important in designing a concrete policy plan. Further research on pronatalist policy effects in general, and more specifically in countries similar to Korea will also help determine what the effect of the suggested policies will be. Finally, it will be helpful to put the subject of fertility elevation in the broader context of policies that increase gender equality and ultimate quality of life, as these two aims greatly influence the effect pronatalist policies exercise on fertility.

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1. The terms ‘equity’ and ‘equality’ have subtle, but important differences. While equity aims to give equal chances, equality aims for equal treatment. This can be disadvantageous to those who start life in a more difficult situation. Fertility elevation, which concerns many problems that are gender specific, requires gender equitable policies, while gender equal policies would be insufficient. For example, only women can get pregnant, and thus require different, equitable, treatment. In the fertility debate, it seems that gender equality is the term most commonly used. However, judging from the contents of these texts, the term gender equality is used, but gender equity is intended. This thesis will therefore treat the term gender equality to mean the same as gender equity. [↑](#footnote-ref-1)
2. Changes in the CBR are not determining for long term fertility effects. However, Oh & Kwon (2018) mention that the CBR can be important in research on the short-term effects of policies (p. 77). [↑](#footnote-ref-2)
3. The countries are Australia, Austria, Belgium, Canada, Denmark, Finland, France, West Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, and United States. (Rindfuss et al. 2004) [↑](#footnote-ref-3)
4. A system that gives financial provisions as an explicit alternative to childcare. [↑](#footnote-ref-4)