

Understanding South Korea's Birth Rate Collapse: From Overeducation to Underpopulation

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Imagine a country where maternity wards are empty, primary schools start closing due to a lack of students, and the labor force shrinks sharply so that economic growth starts to stagnate. Far from our imagination, South Korea is already living through the consequences of its population decline. In 1960, the average Korean woman had six children, a reflection of the post-Korean war baby boom and agricultural livelihoods, where large families were seen as economically beneficial (Lee, 2018). Fertility began to decline in the 1970s, driven by governmental birth control policies and urbanization, where high living costs and limited space in cities pushed families to have fewer children (Lee, 2018). Today, the fertility rate has declined to 0.75, which is the lowest rate in the world (UN, 2025). Even Japan that was long at the bottom of the fertility rate table, exhibits a rate that is almost double that of South Korea.

This is not merely a demographic issue, but it raises

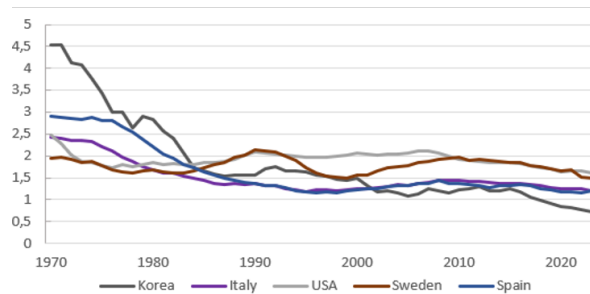


Figure 1: Total fertility rate in OECD countries

the question how Korea can sustain itself. A stable birth rate is crucial to maintain a productive workforce and secure public welfare. If the number of the working-age population continues to fall, by 2044 nearly 24% as projected (Son, 2024), the pension system faces the risk of a collapse. With simultaneously over 43% of Korea's elderly already living in poverty, the highest share among all OECD countries (OECD, 2023c), such a collapse would worsen social inequality and will push even more seniors into financial hardship.

But this crisis is not just about numbers. It is rooted in the social and economic structures that shape people's lives: an unforgiving work culture, high education costs, and gender inequality (OECD, 2024). To understand what former President Yoon Seok-Yeol has called a "national emergency", one should understand in the first place, why it is necessary for South Korea from an economic perspective to increase the birth rate.

When Demographics Threaten Growth

The current fertility rate of 0.75 children per woman is far below the replacement level of 2.1 that is needed to maintain a stable population (UN, 2025). As a result, South Korea's population, peaking at

52 million inhabitants, has begun to shrink and is projected to drop to 38 million by 2070 if the current rate persists (OECD, 2024). A shrinking population does not just mean fewer children in classrooms, but also fewer labor forces powering the economy in the long-run. Forecasts show that by 2044, Korea's labor force could shrink by nearly 24%, threatening long-term economic growth and global competitiveness (Son, 2024). In addition, with fewer skilled workers entering the job market, sectors relying on human capital, such as advanced manufacturing, digital services, and RD, face potential slowdowns in innovation capacity and technological diffusion. For a country like South Korea whose growth has historically depended on the highest RD spending globally relative to its GDP and an export-oriented industrial base (OECD, 2024), such demographic pressure introduces serious risks to maintain economic momentum.

At the same time, the country is aging at a record pace. The share of elderly people, meaning Koreans being 65 or older, surpassed the mark of 20%, wherefore South Korea has now reached the stage of a "super-aged" society, and this could reach 40% by 2050 (BCG, 2024). In 2020, there were 4.5 working-age people for every person aged 65 or older. But due to the increasing rate of the elderly population, that number is expected to drop to just 1.4 workers per retiree by 2050 (Statistics Korea, 2021). This shift showcases that a significantly smaller workforce will be available to fund pensions, healthcare and social services for a much larger elderly population. And with over 43% of seniors living in poverty, there is growing demand for public welfare programs (OECD, 2023c). This creates a double burden: more spending on the elderly, with fewer

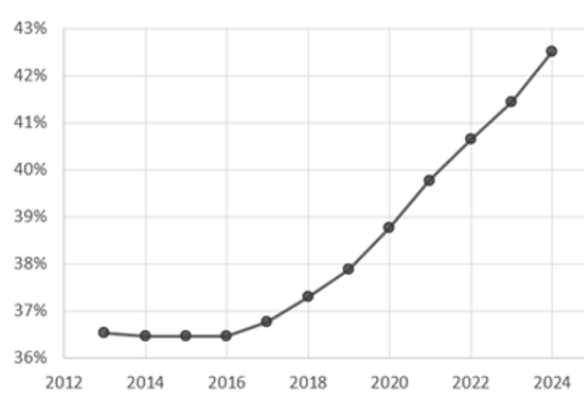


Figure 2: South Korea – Age dependency ratio (% of working-age population)

working taxpayers to fund it. The fiscal warning signs are clear, but the political will to respond decisively has to match their urgency. To be able to cope with the “national emergency”, it is crucial to understand the root causes of the fertility crisis, as will be elaborated on in the following.

Living Costs, Long Hours, Little Support

To better understand South Korea’s fertility crisis, it is important to look at the structural and economic causes that make parenthood increasingly difficult. Start with housing: In Seoul, the average price per square meter for a newly built apartment now exceeds 13 million won (USD 9,600) in 2024, skyrocketing 27% in just one year (Statista, 2025a). For young couples, this means homeownership is no longer a starting point for family life, but an unattainable goal. Without secure housing, marriage is often delayed, and with it, the decision to start a family.

Then there is time: workers in the Seoul metropolitan area spend an average of 101 minutes per day commuting (Lee et al., 2024). Long travel times, paired with demanding work hours, leave little en-

ergy for family life, let alone the emotional commitment of parenting.

Add to this the structure of South Korea’s labor market. As of 2024, nearly four in ten workers are in non-regular jobs—temporary, contract-based, and often excluded from key benefits like parental leave or housing support (Statistics Korea, 2024). This discrepancy between high educational achievement and underwhelming job quality causes widespread uncertainty. Instead of confidently stepping into adult life, many young Koreans remain in a lingering transition, postponing marriage and parenthood until they feel financially and emotionally stable to take that leap. What we are witnessing is not merely a lack of desire to form families, but a lack of institutional support that makes it possible. Until South Korea’s institutional framework changes to reflect how people actually live today, many will simply hesitate to commit to parenthood, and for some, that pause becomes permanent.

When Parenthood Becomes a Burden

Institutional barriers and financial constraints are only one part of the problem. Diving deeper into the causes, the roots behind the fertility crisis become one of gender roles, societal expectations, and educational pressure.

Economist Gary Becker argued that families weigh both financial and time costs when deciding to have children or not (Bergstrom, 1989, pp. 1138–1140), but in Korea, the math rarely works out, as there are many other decision variables aside from that. For example, South Korea’s emphasis on academic achievement has led to a societal shift towards raising a single “perfect child” (Lim, 2025, pp. 1–2). Admissions to the top three prestigious SKY universities – Seoul National University, Korea University,

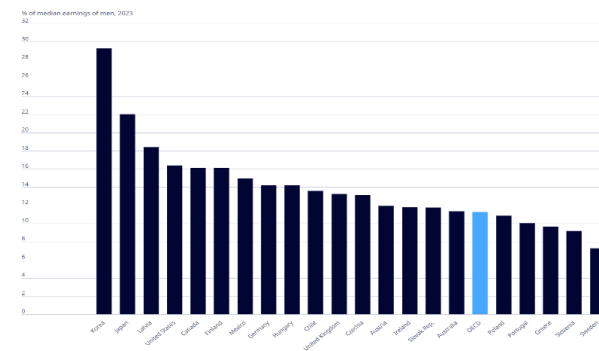


Figure 3: Gender wage gap in OECD countries

and Yonsei University – is highly competitive, leading families to invest in private tutoring, known as hagwons. Approximately 71% of Korean high school students engage in private tutoring that is held after school (Lim, 2025, p. 2). The investment can make up over 20% of household income, which makes the notion of having multiple children financially daunting (Lim, 2025, p. 3).

For women, the situation is even more demanding. The nation exhibits the widest gender pay gap amongst OECD countries, with women earning approximately 29.3% less than males. (OECD, 2023a). This disparity not only reflects structural inequalities, but also imposes substantial career costs on women, particularly those who become mothers. Paradoxically, 69.7% of Korean women attained tertiary education, which is one of the highest globally (OECD, 2023b). However, this academic success does not translate proportionally into the workforce, as evidenced by the persistent wage gap and underrepresentation of females in C-level roles (Song, 2022).

In response to these inequalities, a radical feminist movement amongst women in their 20s and 30s known as the “4B movement” has emerged in

2019, standing for no marriage (bihon), no child-birth (bichulsan), no dating (biyeonae), and no sex (bisekseu). For supporters of 4B, choosing not to marry or have children is a way of protecting themselves from a system they see as unfair and limiting (Lee et al., 2021, pp. 633-635).

Although modernized in many ways, South Korean family life is still shaped by Confucian traditions, containing hierarchical and patriarchal values around marriage and gender roles (Lee et al., 2021, pp. 634–635). Unmarried couples or single parents often face lack of social acceptance, limited support and legal hurdles in society. In South Korea, marriage is still seen as a prerequisite for having children. However, marriage itself is often regarded as stressful and outdated, as expectations around caregiving and rigid gender roles make it feel less like a partnership and more like a lifetime obligation. As a consequence, the number of marriages recorded in South Korea dropped by 40% over the last ten years (KSIS, 2024). Unmarried couples are often left out when it comes to government support. For example, hospital bills and IVF treatments are only covered for those who are married (MacKenzie, 2024). When starting a family feels like a social risk rather than a personal joy, many decide it is simply not worth it. In the end, it is not just about whether people want children, but whether society allows them to. Therefore, policymakers have started to rethink their approach to tackle the fertility crisis.

Current Efforts and Opportunities

Faced with the lowest fertility rate in the world, South Korea has begun to shift its population policy from short-term financial incentives to broader structural reforms. But to maintain its population, Korea would need a fertility rate of 2.1 children per

woman starting in 2024, which is nearly three times the current rate of 0.75 (Madgavkar et al., 2025).

Recognizing that cash incentives such as baby vouchers are not enough, the government has promoted parental leave in the past years. In 2023, the parental leave benefit cap was raised from 1.5 million to 2.5 million won per month in order to make time off more financially viable for young families (Choi, 2024). In addition, couples who both take parental leave within the child's first year are now eligible for a "father bonus", an extra benefit designed to encourage more equal sharing of childcare. However, in 2023, over 70% of mothers used parental leave, fewer than 7% of fathers do, underscoring persistent cultural barriers around gender roles at home and at work (Statista, 2025b).

Beyond family policy, infrastructure is getting attention. The GTX underground high-speed rail, planned for completion by 2035, aims to reduce average commuting times in the greater Seoul area from 80 minutes to just 19 (Kim et al., 2024). While it is unlikely that high-speed trains shift birth rates, better mobility could ease housing bottlenecks and improve access to affordable family-friendly living outside the city center.

Another pillar of reform is immigration. While Japan has quadrupled its intake of skilled foreign professionals since 2012, South Korea's numbers have remained stagnant (McKinsey Company, 2023). To maintain a functional economy and prevent further contractions on the national pension fund, where by 2050, only 1.4 workers will support each retiree, Korea must increase its intake of foreign labor. Programs to bring in foreign domestic workers have been launched, but broader reforms, including streamlined visa pathways and long-term residency

options, are still pending. Change is happening, but whether it is enough remains uncertain.

Rethinking Society for a Sustainable Future

South Korea has started to tackle its demographic crisis with bold ideas, from faster trains to foreign labor. Yet deeper cultural challenges remain unsolved. Long commutes may be shortened and pension funds may be patched, but what about the career penalty women face for becoming mothers? Or the academic pressure that makes raising even only one child feel like a high-stake project? In June 2025, South Korea elected the new President Lee Jae-Myung after President Yoon Seok-Yeol got impeached. A time of political turmoil, but perhaps also an opportunity for broader societal change. If South Korea effectively wants to reverse the population decline, it must go beyond short-term policy changes. It needs a new social contract. One that values care work, supports diverse families, and makes room for personal choice without career penalty. The time for small adjustments is over. What is needed now is action that matches the scale of the crisis and the courage to rethink what kind of society people want to build lives and chase their dreams in.

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