

## Macro Roundup Article

**Headline:** [Small Businesses Are Lowering South Korean Fertility](#)

**Article Link:** <https://snowdentodd.substack.com/p/small-businesses-are-lowering-south>

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**Tweet:** Snowden Todd argues that one key driver of South Korea's low fertility, forecast at 0.68 children/woman this year, is the fact that only 14% of workers are employed by higher productivity, higher wage large enterprises (250+), the lowest in the OECD.

**Summary:** Between the Hyundai apartments and Samsung theme parks, South Korea certainly looks like a nation of big business. But looks can be deceiving: peek beneath the hood and you find that the Republic of Samsung is a nation awash in shitty small businesses. With just 14% of jobs at companies with over 250 employees, South Korea has the lowest proportion of jobs at big companies of any nation in the OECD. Contrast this with the U.S., where 58% of jobs are at such companies. It is truly striking how unproductive South Korea's small businesses are compared to those in Western nations. The OECD, for example, found small service sector firms in Korea are 30% as productive as larger firms with over 250 workers. In the Netherlands and Germany, that figure is 84 and 90%, respectively. Similarly, the Asian Development Bank found that in 2010, small Korean firms with five to 49 workers were just 22% as productive as firms with over 200 workers. And extremely low productivity manifests just how you might expect: in very low wages.

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**Primary Topic:** Demographics

**Topics:** Demographics, Family/Marriage, Op-Ed/Blog Post, Weekly, Workforce

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