

# Later Retirement Age 'Aggravating Youth Unemployment'

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Extending the retirement age beyond 60 has aggravated youth unemployment, according to a study.

The state-run Korea Development Institute on Thursday said the extended retirement age has led to an increase in jobs for workers aged 55 to 60 but slashed jobs for workers aged 15 to 29.

Employment went up by 0.6 jobs among older Koreans, while leading to a decline in 0.2 jobs for younger ones.

The decline in jobs for young people was especially marked in larger companies and businesses where the retirement age was lower. Small businesses and temporary workers did not benefit much from the extended retirement age, but full-time workers in large businesses were the biggest beneficiaries.

After laws on hiring senior citizens were revised in 2013, major conglomerates raised the retirement age to 60 in 2016, and smaller businesses followed suit in 2017.

Korea faces a dilemma of having to raise the retirement age even further in order to cope with an aging population. President Moon Jae-in said in a briefing in February that the Ministry of Employment and Labor that Korea "has no choice" but to boost job participation among women and senior citizens to deal with a sharp decline in the working-age population.

When the comments triggered controversy, Labor Minister Lee Jae-kap explained that Moon did not mean extending the retirement age immediately.

Joseph Han at KDI said, "Extending the retirement age markedly at once becomes a tremendous burden on private businesses and is highly likely to lead to side effects. If there is a social consensus, we need to give it enough time and raise the age gradually and incrementally to let the labor market absorb the shock."

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