

SOUTH KOREA: AN INCREDIBLY SHRINKING NATION LEVERAGING THE COUNTRY'S HUMAN ASSETS

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ABSTRACT

Fear of overpopulation has been with us for a long time, at least since Thomas Malthus predicted in 1798 that population would grow so fast that it would outstrip food production and lead to famine. Consensus is that for the past 200 years, a rapidly rising population has consumed the earth's resources, ruined the environment, and started wars. Contrary to the panic of overpopulation, a growing number of experts have been sounding a different kind of alarm. Studies reveal that the global population growth rate peaked in the 1960s, has been slowing since then, and may be heading towards a standstill by the end of this century. According to a new study published in 2020 by the Lancet the global population will peak at 9.7 billion around 2064, then drop off to 8.8 billion toward the end of the century. It is also projected that 23 countries could expect their populations to halve by 2100.

The association between fertility and mortality declines and the demographic transition has been extensively studied and well documented, but their impact on labor force needed to continue with national economic development agenda has not been systematically investigated in the literature. Using South Korea as a case study, I propose to discuss the unavoidable demographic changes affecting the size and structure of South Korea's population and its impact on availability and adequacy of the country's labor/human resources. Finally, I will make public policy recommendations to enhance human capital availability, participation and productivity.

Keywords: Total fertility rates, dependency ratios, Immigration reforms, Corporate Social Responsibility.

1. INTRODUCTION

Thomas Malthus (1766-1834), an economist, anonymously published the "Essay on the Principle of Population," in 1798. He argued that while the human population multiplies geometrically, food availability multiplies arithmetically. He concludes that the population will outstrip the food supply (Malthus, 1970). Contrary to the panic of overpopulation, a growing number of experts have been sounding a different kind of alarm. According to a new study published in 2020 by the Lancet the global population will peak at 9.7 billion around 2064, then drop off to 8.8 billion toward the end of the century.

It is also projected that 23 countries could expect their populations to halve by 2100 (Tangermann, 2020). In the wake of chaotic pandemic year, it would be easy to blame the declining demographic trends on COVID-19, but that would be only partially correct. COVID-19 did not create a population decline. This phenomenon existed long before the onset of this latest pandemic. While the signs of population declines were hidden in plain sight, they were simply being ignored by the global community.

Understanding these demographic realities is important for national policy makers as well as corporate leaders. Global business community and policy makers are grappling with the issues relating to changing age structures on economic growth, labor and capital shortages (Bloom, 2020; Cilluffo, 2021).

1.1 Information Sources

Sources of quantitative information used for this article include World Bank Database, OECD, International Monetary Fund, World Development Indicators, World Population Prospects (2019 revision), published by United Nations Department of Economic and Social Affairs. United Nations, World Population Prospects, 2019, Report of the UN Economist Network for the UN 75th anniversary 2020, World Health Organization,