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Master's Thesis of Public Administration

**Social Participation among
Senior Citizens in Korea:
With a Focus on Household Income Level and
Sources of Income**

**노인의 사회참여에 관한 연구:
소득수준 및 소득원천을 중심으로**

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Abstract

Social participation is still an unfamiliar concept for most Korean senior citizens. It may be a natural phenomenon as South Korea has long been in the upper ranks when it comes to poverty rates and income inequality among the elderly. Poverty is closely linked with social exclusion, and it can be challenging for the economically disadvantaged elderly to take part in social participation. The international community takes notes of social participation, and views it as a way of optimizing opportunities for active ageing and contributing to society in a positive way. Many studies focus on positive effects of social participation, there is a lack of studies showing the effects of income inequality on social participation.

For data analysis, this study conducts a second data analysis using data from the sixth (2016) wave of the Korean Longitudinal Study of Aging (KLoSA) created by the Korea Labor Institute to compare the impact of different income sources on formal (an engagement in an association or club) and informal social participation (casual meet-ups with a person whom one with close with or group of friends) of higher-income earners and lower-income elderly.

Though it is plausible that interest in social environment can be one of main determinants that influence an individual's social participation, differential possessions of resources such as time, money and special skills can serve as an alternative explanation to justify differences in social

participation. The results of this study show that the earned income and the time one spends that result in high income have a positive (+) relationship with formal social participation, whereas the earned income and time one spends that result in low income have a negative (-) outcome regarding social participation. This suggests that working and the earned income of the elderly in the higher income bracket can be an incentive for social participation for the elderly in the higher income bracket, but not for the low-income elderly. The result also indicates that passive income has a positive effect on social participation.

This study illuminates the need to establish policy frameworks that reflect senior citizens' values and their resource distribution process based on those values.

Keyword: Social Participation, Social Engagement, Elderly Poverty,
Social Exclusion, Economic Inequality, Neo-liberal theory,

Student ID: 2016-24397

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1. Introduction

1.1. Background of the Study

An aging population poses serious challenges to many countries. In particular, with the gradual decrease in the birth rates and increased lifespan, it has become critical for South Korea to support the livelihood of senior citizens after retirement. Financial burden on society resulting from the rapidly growing number of the elderly has a great impact upon policy planning and development. This led numerous studies to focus on senior citizens' participation in productive activities.

In Western countries, attempts to transform perceptions from passive and dependent elderly to active elderly are ongoing. This brought about the concept of "active aging", which is the welfare state's new alternative solution for aging problems. World Health Organization takes notes of optimizing opportunities for participation in order to enhance quality of life as people age (WHO 2002). Acknowledging that the active ageing paradigm is aligned with the strengths perspective in that is rooted in "the belief that people can continue to grow and change and should have equal access to resources" (Chapin 1995), the elderly are viewed as people with strengths rather than as deficient or pathological.

Numerous studies have shown that the active involvement of seniors in social participation activities leads to positive progress in both personal and social dimensions (Kessler, Barger and Wilson 1968; Rowe and Kahn 1997; Mendes de Leon 2005; Zhang and Zhang 2015). Whereas the rate of social participation among Korean elderly taking part in social participation activities is relatively low (especially in volunteering activities). On the other hand, the labor force participation rate for Koreans aged over 65 and older reached 31.5 percent, the third highest among all OECD members (OECD 2017). Income inequality among South Korean elderly was the highest among OECD countries (Jeong 2016). Many low-income older adults in South Korea do not carry out economic activities for active aging but rather to maintain their livelihood.

Although income sources and levels cannot fully explain such participation rates, it is worth looking at patterns of social participation depending on income level and types of income. Although retirement may have its positive implications, many face difficulties due to the loss of work, influence and financial stability (Elwell and Maltbie-Crannell 1981; Walker, Kimmel, and Price 1981). Through examining patterns of economic and social participation of older adults, this paper focuses on finding factors that boost the active participation to mitigate the negative impacts of retirement on life. Furthermore, focusing on individual income level and sources of income, this paper investigates impacts of the factors related with financial

stability on social participation of the elderly. Social participation of the elderly are greatly influenced by the related laws and the policies based on it. It is necessary to have a sufficient legal and policy base for the society as the desire of senior citizens in South Korea for social participation is growing. Thus this study hopes to serve as the basis for improvements to the policy development process to establish a useful and an adequate retirement policy design.

1.2. Objectives of the Study

Social participation among the elderly, as established in the background, shows a great importance. The main goal of this study is to identify the factors that affect social participation of senior citizens in Korea. In particular, this study aims to reveal the relationship between different income level and types of income, and social participation through examining how different income level and types of income of senior citizens in Korea impact the range and frequency of formal and informal social participation.

2. Review of Related Literature and Theoretical Perspectives

2.1 Social Participation

2.1.1. Forms of Participation

In contrast to the burgeoning literature on social participation, the term “social participation” and its definition has shifted over time and lacks consistency. The term, ‘Social participation’ is used quite loosely in the literature since theoretically founded definition of social participation lacks (Prohaska, Anderson & Binstock 2012).

According to the dictionary definition, ‘participation’ is related to all activities, but in social policy and welfare reform discussions, it is limited to forms of participation that directly or indirectly contributes to the well-being (or the standard of living) of a specific groups of individuals or of society as a whole (Bukov, Maas, Lampert 2002).

Although economic participation contributes to the well-being, the fact that the primary goal of it is to generate income, economic participation differs from social participation. Social participation is commonly defined as an engagement in formal (an engagement in an association or club) and informal (casual meet-ups with a person whom one is close with or group of friends) social activities. Formal and informal social participation emphasize aspects such as leisure, social relations, and pursuit of personal

values—therefore, two types of participation differ in their purpose and attributes from economic participation.

Social participation can be shaped by different types of personal resources people put into it. Thus different possession of resources serve as explanations for differences and transitions in social participation (Becker, 1976). Bukov and his colleagues (2002) suggest that types of social participation can be identified on the basis of the resources that are shared. For instance, for collective participation, the main intention is directed toward the group itself and time that is shared as a main resource (i.e. leisure activities). Second, the intention of productive participation goes beyond group members as they contribute services, goods and benefits for others (Herzog, Kahn, Morgan, Jackson, & Antonucci, 1981; qtd in Bukov et al 2002). Resources such as time, special abilities and competencies are shared in productive participation activities. (e.g., caregiving, paid and volunteer work). Lastly, “Political participation involves acts of decision making about social groups and the allocation of resources” (e.g., Ballard, 1981; qtd in Bukov et al 2002).

Maastricht social participation profile is one of ways to specify the elements of social participation, and it consists of four indices: consumptive participation (e.g., organized sports or physical activity, cultural or educational event, eating out, public event); formal social participation (e.g., committee work, volunteer work); informal social participation—

acquaintances (e.g., committee work, communicating); and informal participation—family(e.g., vacationing, visiting) (Mars et el 2009). Although MSPP was created to measure social participation of older adults with chronic mental disease, it applies for other senior citizens as lists of activities within their indices are carried out by people without chronic disease.

2. 1. 2. Factors that Affect the Social Participation

Some of the factors that determine “active ageing” include—“social factors (education, literacy, human rights, social support, prevention of violence and abuse), personal factors (biology and genetics, adaptability), factors in physical environment (urban/rural settings, housing, injury prevention), economic factors (income, work, social protection), health and social services (health promotion, disease prevention, long-term care, primary care), behavioral factors (physical activity, healthy eating, cessation of tobacco use, control of alcohol problems, inappropriate use of medication)” (WHO 2002).

Among social participation activities, factors that impact the volunteer activities have been investigated by many researchers.. Studies suggest that economic activities have a positive effect on one’s decision to do volunteer activities (Freeman, 1997; Fischer et al., 1991), but another research shows that there is an inverse U-shaped patterns revealed between

economic activities and volunteer activities (Kim and Park, 2013). Other research studies show that there is no relationship between income and volunteer activities (Cho 2006). A study conducted by Menchik & Weisbrod (1987) suggests that frequency of volunteer activities increases with non-working income increase while people volunteer less when the wage income increases. It is also suggested that economic activities can be spatio-temporal constraints that reduce the participation rates of volunteer activities (Bryant, 1992). These studies shows that time is one of the most important resources when participating in volunteer activities.

Smith (1994) contends that voluntary participation rates are higher when there is an increased income and the support of the organization for economic activities of workers. It suggests that voluntary participation is highly affected by financial situation. Voluntary activities tends to be reduced when economic activity is carried out, suggesting that the spatio-temporal constraint is greater than the social network effect created by economic activity participation.

Volunteering can be a crucial social participation activity for seniors that could lead to the increase in the overall volunteer participation rates in the society. However, not only is there a lack of volunteering among seniors but also Korean government's organizational capacity is not enough to administer the volunteer activities of retirees lack. In the case of retirees, the voluntary participation rate can be increased because the time

constraint is relatively weak. However, it is often limited by problems such as financial constraints, lack of existing volunteering programs and information regarding volunteering activities for the elderly. Most importantly, the level of awareness regarding volunteer activities is very low among the elderly in Korea.

2.1.3. Benefits of Social Participation

Social participation helps to strengthen community networks in ways that may increase the opportunity to participate and may enable people to develop the skills required to participate economically. According to studies that explore the relationship between social participation in old age and mental health (Shiba et al 2017; Webber and Fendt-Newlin 2017), social participation is proved to positively impact the mental health after the retirement. After retirement from one's main job, retirement may increase depressive symptoms among older adults, particularly men from lower occupational class backgrounds. Encouraging recreational social participation may mitigate the adverse effects of retirement on mental health of Japanese older men.

According to Tagaki and his colleagues (2013), higher social participation and performing key roles in the organization have positive impacts on symptoms of depression for women. However, there were no major effects regarding mental health for men were found. They also find

an interaction between social participation, organizational position, and rural residence among men only. That is, men who occupied leadership positions in organizations reported better mental health, but only in rural areas. This paper that examine moderating effects of gender, social role and rurality on social participation and mental health have implications that other characteristics of individuals can play a huge role in terms of moderating impact of social participation on mental health.

Kim (2000) suggest the impact of providing and receiving support on the quality of life (QOL) of the elderly. Factors such as morale, life satisfaction and happiness are considered to be important in determining subjective well-being in the elderly. Recognizing social support as one of the most influential determinants of QOL, the elderly's providing support to their children or friends showed stronger positive effects on their QOL than receiving support.

2.2. Economic Status of the Elderly

2.2.1. Types of Income

While there are many sources of income, income sources for the aged can be divided into five main types—earned (active) income, portfolio income, passive income, private income transfers, and public transfer income. Table 1 shows components of each types of income. For earned income, people have to work for money; therefore, it includes wage income, business income, etc. Many older adults face less earned income when they retire, therefore, their major source of income include public income transfers such as Social Security benefits and private income transfers they get from family members and relatives.

Although it is common for many older adults in Western welfare states retire with three sources of income: savings, pensions and Social Security, the major income sources of the elderly when they retire in Korea differ from them. Main income sources for seniors in Korea include earned income, passive income, private transfer income and public pension. For elderly, it is important that they receive public transfer income from country and the personal transfer income you receive from your family. Private Income transfers occur *inter vivos* (i.e., between living persons), and are viewed as an income source that has an altruistic motivation (Cox 1987). In Korea, the share of private transfer income is very high. This can be attributed to core values of Confucianism in South Korea, which includes

filial piety—supporting and showing respect to one’s parents and elders (Kwon 2001).

Table 1. Types of Income for the Elderly

Types of Income	Sources	Components
Earned Income	Work	Wage income, Business income, Agricultural income, Secondary income
Passive Income	Market	Real estate rental income, financial interest income, savings, personal pension, severance pay
Private Income Transfers	Family	Transfer income from unofficial support networks such as family, siblings, children, etc.
Public Transfer Income	State	Public pension, route pension, welfare allowance, etc.

Although these are the types of income that are associated with the elderly, they can also be explained in terms of time usage rather than the meaning of income itself. Among them, earned income is the most time-consuming income. Passive income is income that come from cash flow, rental activity, and capital growth. Passive income thus requires relatively less time to earn than earned income. Private transfer income also requires less time in terms of gaining than earned income. It shows the financial support of family and relatives. People who are financially eligible can only

receive the social welfare payments. Public pension income includes national pension income and special working pension income. National pension is the representative social security system of Korea. Among various social security schemes, the national pension is a representative social insurance system operated according to the insurance principle. In other words, it receives a certain amount of premiums from subscribers and users, and provides a variety of benefits to those who are exposed to social risks and whose income is likely to be stopped or lost due to financial resources later in their lives.

Compared with Western welfare states, Korea shows a very high proportion of earned income and private transfer (Kim and Cho 2006). In addition, the higher income and older age tend to show a higher proportion of earned income due to the earned income from other household members (Kim and Cho 2006). The amount of public pension Korean elders get is relatively low compared to other Western welfare states. However, when public pensions are received, the share of public pension takes a big part in household income. For households that do not receive public pension benefits, private transfer income (money received from family members and relatives) cover a significant portion of the gap coming from lack of public pension benefits.

Kim and Cho (2006) reveal that the poverty rate was high when the head of household was not working and old, when the public pension

was not provided and when the elderly household was single. In addition, the common characteristic of any household is that the poverty elimination by working income is the highest, and the poverty elimination effect by the public pension is high in the household when they received the public pension. Most elderly households have real estate assets rather than financial assets, so they have limits in that they cannot be easily converted into income sources.

2.2.2. Income Level

One of the many ways to measure levels of income is the equivalence scale. The equivalence scale is used to reflect the consumption reduction effect based on economies of scale as the number of household members increases and the level of difference in needs between adults and children. The income level of households tends to change every quarter due to seasonality and volatility, so there is a limit to see income distribution through quarterly quintile scale. Equalized Disposable income quintile scale is measured by the average income of the top 20% (fifth quintile) / average income of the bottom 20% (first quintile). Most people in the bottom 20% receive the basic livelihood benefits from the government. ‘Near-poverty groups’ are also the basic livelihood recipients but they somewhat have a level of wealth. The individuals’ percentage of the minimum cost of living determines one’s poverty level, the distinction between these classes is usually defined by their level.

2.2.3. Income Inequality among Senior Citizens

The income inequality of the retirement age group in Korea is markedly growing. The market income gap by income level is 68 times higher in retirement age groups (aged 66 and over). Last year, the Gini coefficient for the working age group (18 ~ 65 years old) was 0.279. The Gini coefficient of the retirement age group is 0.387, which is 1.4 times higher (Statistical Office Income distribution indicator 2016). The relative poverty rate, which is the ratio of people who are below half of median income, is 9% in the working age group and 47.7% in the retirement age group. In particular, when compared the fifth quintile scale of income (divided by the 20% of the income of the top 20% of income), the ratio of the working age group was 5.68 times when that of retirement age is 68.13 times. This shows the reality that baby boomers are included in low-income groups when they retire.

Korea's elderly households are more vulnerable to poverty depending on their employment status because they have a very high percentage of earned income in total income (OECD 2016). As of 2013, OECD countries have a 23.9% share of earned income, while Korea accounts for 63.0% of elderly household income. The problem of the impoverished elderly is becoming a main feature that worsens the whole income distribution. The average age of households in the first income

quintile (lower 20%) was 66.5 years, 0.6 years older than the previous year, and the average household size was 1.6. The average age of the households in the fifth to the sixth decile was 52.6, 48.9, 48.2, and 49.7, respectively (Statistical Office 2016). Most of the low-income families are elderly households. It demonstrates that the problem of the poverty of the elderly has become a key task for Korean government since it is the huge part of income inequality.

It is crucial to analyze different sources of income due to the impact of different income sources on the income inequality. Park (2014) reveals that there is a strong relationship between income sources and income inequality. He finds that earned income has a strong (-) covariance relationship between increased labor income and existing income, indicating that it is less likely to worsen income distribution when earned income increases. Business income is also similar to the earned income. However, if passive income increases, it is likely to deteriorate income distribution (Park 2014). Main sources of income change when people retire, therefore, dependence on passive income increases. Acknowledging that various sources of income are related with economic inequality, it is worth looking at their impact on the level of social inequality within older generations.

2.3. Active Ageing Theory

For a long time, notions of old age and retirement and dependency have been inextricably linked (WHO 2002). However, the fact that most people remain independent into very old age invalidates this outdated paradigm (WHO, 2002). People over age 60 continue to participate in the labor force in developing countries. In 2016, the labor force participation rate for Koreans aged 65 and older reached 31.5 percent, the second highest among all OECD members (OECD, 2016). Along with economic participation, social activities of senior citizens show that they can exercise their rights to freely participate, which can be regarded as an integral part of their positive contribution to the society. The activity theory, which shifted a “needs-based” approach to a “rights-based” approach puts emphasis on supporting responsibility to exercise their participation of multiple sectors (WHO 2002).

First, activity theory explains that the psychological well-being increases with the elderly who actively participate in productive activities (Lemon et al., 1972; qtd in Menec, 2003). It is widely known that the theory of active social participation in old age is related to welfare. The activity theory is mentioned within the definition of successful aging by Rowe and Kahn (1997), and they suggest that participation in old age activities is part of a successful aging process with healthy, physical and cognitive functions without disease. In their writing, activity participation

is defined as 'productive activity' that has paid or unpaid social value. According to the activity theory, activity and psychological welfare are related to life satisfaction, especially the frequency of participation involved in social activities are important factors affecting life satisfaction (Menec, 2003). In other words, retirees who are actively involved in various meetings and organizations are happier than retirees who are less social (Friedman & Havinghurst, 1954).

Following the activity theory, the term “active ageing” was adopted by the World Health Organization in the late 1990s. It is meant to convey a more inclusive message than “healthy ageing” and to recognize the factors in addition to health care that affect how individuals and populations age (Kalache and Kickbusch, 1997). Three pillars of active ageing include health, participation and security. The active ageing paradigm “acknowledges the fact that health can only be created and sustained through the participation of multiple sectors (WHO 2002)”.

A life course perspective on ageing recognizes that older people are not one homogeneous group and that individual diversity tends to increase with age. Interventions that create supportive environments and foster healthy choices are important at all stages of life. Participating actively in social, cultural, economic and political aspects of society is a sign of active ageing.

According to the life course perspective, retirement is viewed as one of the events that occur during the lifetime of an individual. In the context

of various levels such as personal characteristics, family, community, and social environment surrounding individuals, life after retirement is affected by another realm of life (Wang 2007). Therefore, the life course perspective that the active ageing paradigm utilizes is applied to examine the effects of individual characteristics regarding income and participation on the quality of life after retirement.

The important role that economic and social participation play in older people's lives has been acknowledged in recent debates regarding welfare reform. On a personal level, social participation enhances the satisfaction of life and quality of life. It is also well known that psychological well-being increases with the elderly who actively participate in productive activities (Lemon et al., 1972; qtd in Menec 2003). On a larger social scale, it supplements the lack of economically active population and mitigates potential social conflict. However, in regard to economic participation of older adults in South Korea, the relatively high economic participation rate of the elderly in Korea may be the result of "mandatory (forced) choice" due to insufficient social security system. It also poses possibility that economic participation of low-income older adults can be inversely correlated with social participation among them.

It is necessary to examine the active ageing theory in the case of low-income elderly, since it may be a rebuttal to the fact that the livelihood of the elderly depends on their labor. If the economic activity after

retirement is an inevitable option for low-income elderly people due to economic difficulties or lack of social safety net, they may not positively affect the subjective quality of life. Socially isolated older adults are prone to loneliness, sickness and disability. As an indicator of successful ageing, it is crucial to enhance the social participation that older adults value (Douglas and Westbrook 2017).

2.4. The Relationship between Income and Social Participation

The active ageing theory suggests that social participation is an indicator of successful aging (WHO 2002), but one's financial situation can be an obstacle for low-income elderly who want to take part in social participation. Different theories have been proposed to explain the impacts of different types of income on levels of participation. Previous studies addressing the association between income inequality and participation suggest that in societies, where there is high percentage of income inequality, it resulted in low social participation levels (Lancee, Herman et Werfhorst 2012).

Lancee, Herman and Werfhorst (2012) suggest two different theories supporting the notion of relationship between high economic inequality and low participation:

The 'sociological' theory proposes that in more unequal societies the poor abstain from participation, show lower levels of generalized trust and develop bad health because they are more distressed by their disadvantaged position than they would have been if society had been more egalitarian. The 'neoliberal' theory, by contrast, attributes the lower levels of participation in unequal societies to the resources people have available to them at both the individual and the collective level. On the individual level this manifests income and education, while on the collective level this includes GDP and the extent to which the state provides welfare to its citizens.

In line with neoliberal theory, Gubrium's(1973) socio-environmental theory stresses the importance of “activity resources” for social participation. Dowd (1980) sheds a light to the importance of resources needed for social participation especially for the aged. Using the social exchange theory, he explains that social bargaining position of the elderly is directly related to the amount of resources they possess. Finally, the continuity theory suggests that as resources and abilities of people increase, the ability to continue in social roles increases as well (Covey, 1981).

Though it is plausible that interest in the social environment influences an individual's social participation, the difference in one's access

to resources and changes therein can serve as an alternative explanation to justify differences and changes in social participation (Becker, 1976). This paper seeks to answer the questions of interindividual differences and intraindividual changes regarding resources in social participation among senior citizens, especially such low participation rates in volunteer and political activities at old age through the perspective of neo-liberal theory. Overall low GDP and high economic inequality among the Korean elderly can be used to explain the low social participation among South Korean elderly.

Table 2. Participation in Volunteer Activities by Income Level of the elderly (over 65 years old)

Income quintiles	N	Currently participating (%)	Participated before but not anymore (%)	Never participated (%)
First quintile	2,075	1.8	10.9	87.3
Second quintile	2,051	4.0	12.0	84.0
Third quintile	2,041	4.0	14.5	81.5
Fourth quintile	2,047	5.7	16.0	78.3
Fifth quintile	2,038	6.7	18.9	74.4

Source: Survey of the elderly: the Ministry of Health and Welfare(2014)

The percentage of the elderly who are currently participating in volunteer activities is much less than the percentage of people who have never participated in activities. Table 2 demonstrates that people in the fifth quintile volunteer more than those who belong to other income quintiles.

Table 3. Participation in Social Participation Activities by Income Levels of the Elderly (over 65 years old)

Income quintiles	N	Clubs (%)	Friendship groups (%)	Political groups (%)
First quintile	2,075	1.2	23.3	0.1
Second quintile	2,051	2.3	35.7	0.5
Third quintile	2,041	4.1	47	0.3
Fourth quintile	2,047	6.5	51.5	0.6
Fifth quintile	2,038	10.7	59.2	1.1

Source: Survey of the elderly: the Ministry of Health and Welfare(2014)

As shown in table 3, participation level of seniors in political groups is very low. The percentage of people who engage in social participation activities is the highest in fifth quintile.

3. Research Methodology

3.1. Research Data

The purpose of this study is to analyze the patterns of social participation of the elderly according to the income level and types of income. For data analysis, this study conducts a second data analysis using data from the sixth (2016) wave of the Korean Longitudinal Study of Aging (KLoSA) created by the Korea Labor Institute. KLoSA aims to produce the basic data that is used for establishing and implementing effective socio-economic policies in the midst of ageing society. In 2006, the KLoSA panel survey was first conducted on 10254 people aged 45 and over, excluding Islands such as Jeju, and they carried out a follow-up study every 2 years.

In this study, 4,552 elderly people aged 65 or older responded to the survey in the sixth (2016) wave are analyzed. As the purpose of this study is to analyze social participation of the elderly after the retirement, it is appropriate to set age 65 as it is when people generally retire and get their pension payments according to the National Pension Act. The Elderly Welfare Act also defines the elderly as those aged 65 or older. Due to the widening market income gap based on income level among elderly people (as large as 68 times) in retirement age (elderly people aged 65 and over), attention should be paid to those aged 65 or older (Statistical Office 2016).

3.2. Research Design and Hypothesis

This study uses data from the sixth wave (2016) of the Korean Longitudinal Study of Aging by the Korea Labor Institute, and conducts the second data analysis. A statistical package, SPSS 25.0 is used for descriptive statistics and verification of correlation. It is worth investigating interactions of various indicators of active aging as they create different active aging results (WHO 2002). Continuity theory suggests that the person's resources and abilities increase, the ability to continue in social roles increases (Covey 1981). Income and time are considered important resources required for social participation. In the context of South Korea, it is crucial to examine the economic status and work status when looking at the social participation.

Active ageing theory considers participation in various fields to be a criterion for successful aging. However, the social participation of the elderly in low income Korea is very low and the labor participation rate is very high. The purpose of this study is to investigate the types and frequency of social participation according to different income characteristics.

The hypotheses of this study are:

Social participation is defined as “socially oriented sharing of individual resources” (Bukov, Maas, Lampert 2002). Financial resources and time are crucial elements for senior citizens to engage in social participation. Different levels and types of income affect formal social participation.

First, time is the main resource that is required for senior citizens to take part in social participation.

Hypothesis 1-1. The earned income of the elderly negatively affects social participation.

Earned income is money derived from work, therefore, one may have to substitute time for social participation with the time for wage.

Hypothesis 1-2. Passive income positively impact the social participation.

Hypothesis 1-3 Public pension positively impact social participation.

Second, Financial resources are crucial elements for seniors when taking part in social participation.

Hypothesis 2-1. Elderly with higher income participate more than elderly with a lower income.

Hypothesis 2-2. Social welfare payments negatively affect social participation.

People who are eligible to receive social welfare benefits are often poor.

Hypothesis 2-3. Private income transfers of the elderly have a positive impact on social participation.

Third, formal social participation requires resources such as time and money more than the informal social participation.

Hypothesis 3. Income shows higher level of correlation with formal social participation than the informal social participation.

3.3. Research Model

This study conducts analysis using the Multiple Linear Regression Model. Model 1 and 2 will be tested using data consisted of the elderly with higher income; the elderly with lower income; and both higher-income group and lower-income group combined.

Figure 1. Statistical Model 1.

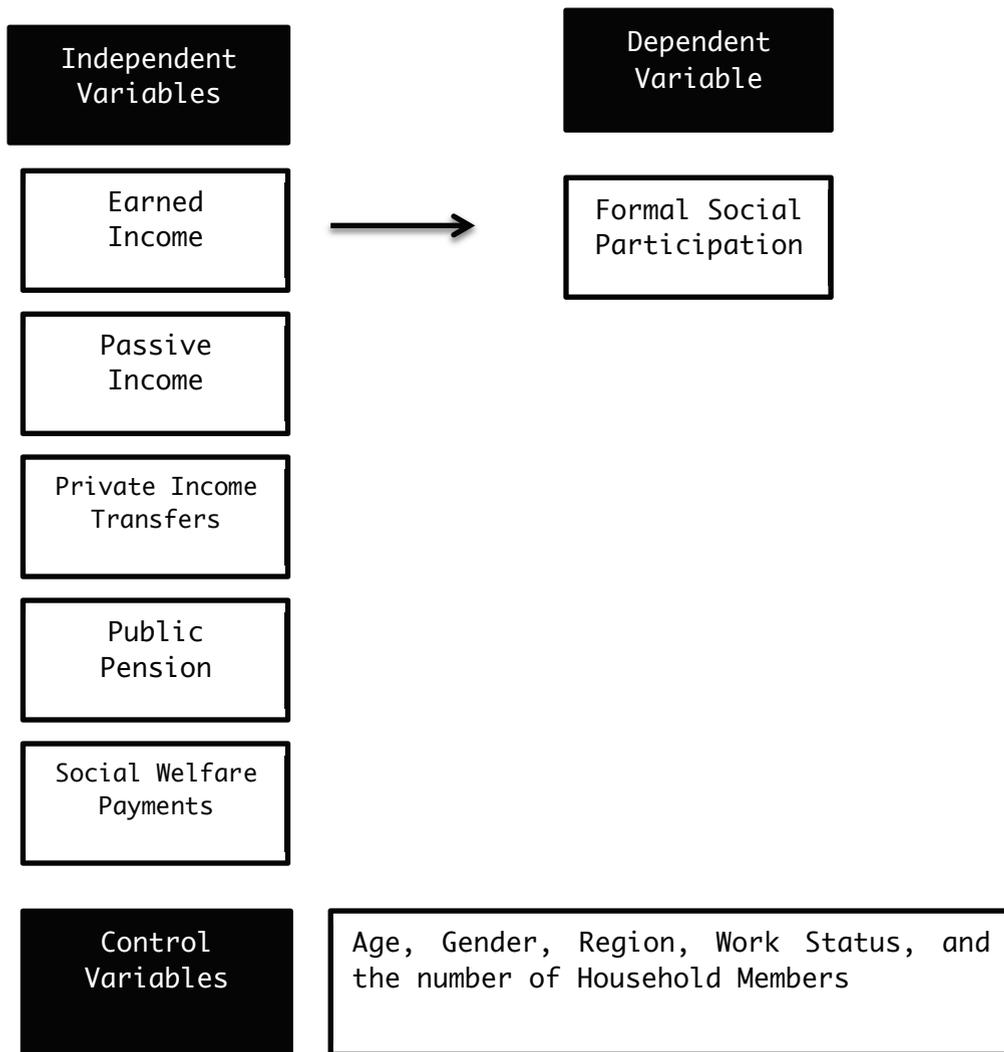


Figure 2. Statistical Model 2

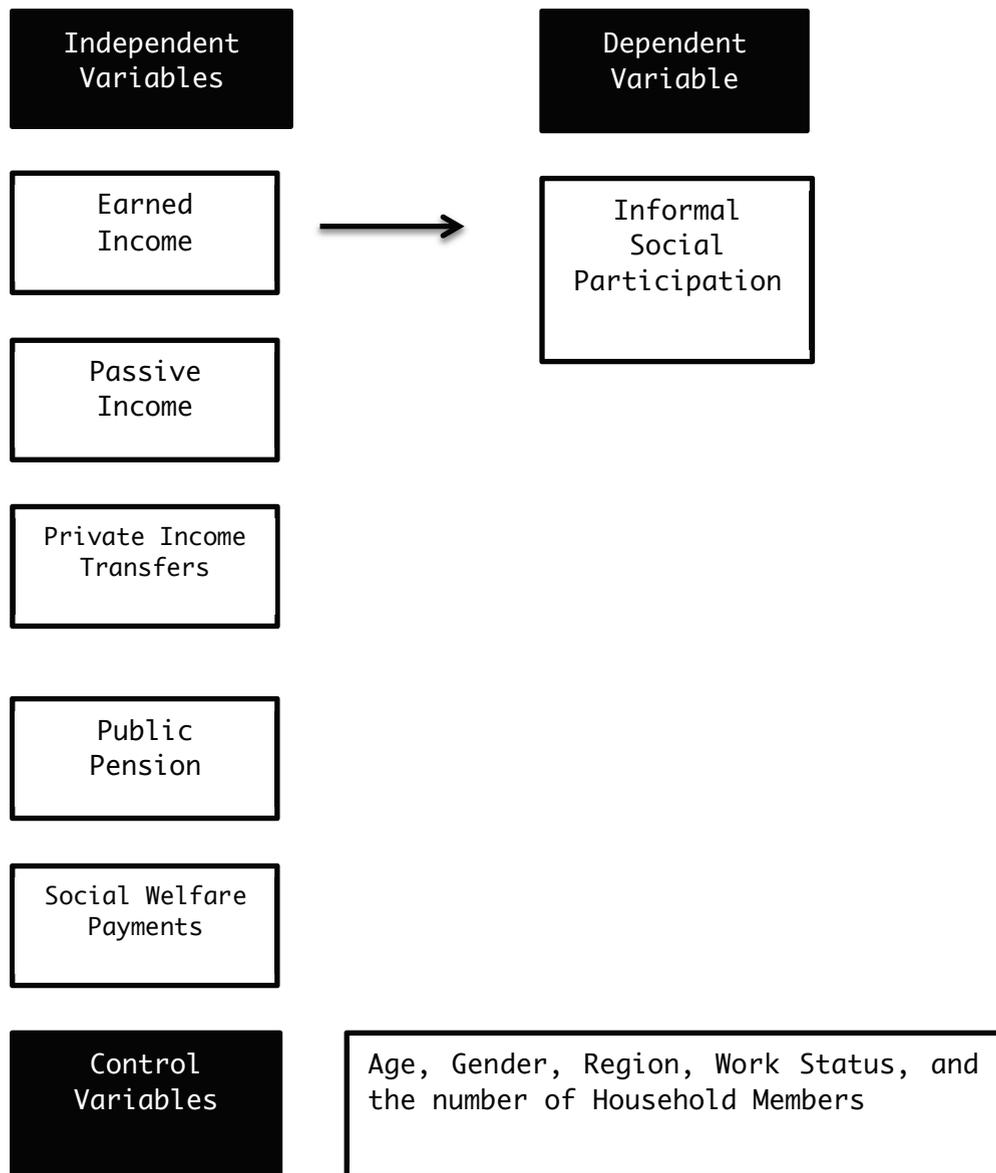


Figure 3. The Linear Regression Equation

$$\text{Model 1: } Y_1 = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 +$$

$$+ \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \beta_{10} X_{10} + \varepsilon_i$$

$$\text{Model 2: } Y_2 = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 +$$

$$+ \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \beta_{10} X_{10} + \varepsilon_i$$

<Dependent Variable (Y_i)>

Y₁: Formal Social Participation

Y₂: Informal Social Participation

<Independent Variable (X_i)>

X₁: Earned Income

X₂: Passive Income

X₃: Private Income Transfers

X₄: Public Pension

X₅: Social Welfare Payments

<Control Variables (X_i)>

X₆: Age

X₇: Gender

X₈: Region

X₉: Current Work Status

X₁₀: The number of household members

ε_i: Residuals

3.4. Measurement

3.4.1. Dependent Variable: Social Participation of the Elderly

(1) Types of social participation

Types of social participation are divided into two main types—formal and informal. There are 6 sub categories within the formal participation, Six fields including social activities such as 1) religious activities 2) social gatherings 3) sports and leisure activities (attending colleges for elderly people) 4) alumni association and festival activities and 5) volunteer activities and 6) political party. The frequency and diversity of social participation are measured by how often people engage in social participation and in how many different types of social participation they engage in.

Table 4. Structured Questionnaires on Social Participation

Types of Social Participation	Variable Names	Survey Questions
Formal	W06a035_01	<p>A033. Respondent's name] is participating in the following organizations? Please tell us if you have one. (Select multiple answers)</p> <p>1. Religious groups → A035 2. Friendship group → A035 3. Leisure / Culture / Sports related organizations (Colleges for Elderly, etc.) → A035 4. Alumni association / Fellowship / social service → A035 5. Volunteer → A035 6. Political party / A035 7. Others 8. None → A036 9. Do not know → A036 Response refusal → A036</p>
Formal		<p>n Logic § As many as selected in A033 A035 Loop A035. [Number chosen by A033] How often do you participate in the activity?</p> <p>1. Almost every day (more than 4 times a week) 2. About once a week 3. About 2 times a week 4. About once a month 5. About twice a month (about every 2 weeks) 6. About once or twice a year 7. About three or four times a year (once every three to four months) 8. About five or six times a year (about once every two months) 9. Hardly participates in a year 10. No activity</p>

Informal	<p>W06a032</p> <p>(The number of times you meet up with people you are close to)</p>	<p>[Respondent's Name] Do you have friends, relatives, or neighbors who live close to you and have close friendships? How often do you meet with these people?</p> <p>1. Almost every day (more than 4 times a week) 2. About once a week 3. About twice a week 4. About once a month 5. About twice a month (about every 2 weeks) 6. About once or twice a year 7. About three or four times a year (about once every three to four months) 8. About five or six times a year (about once every two months) 9. Rarely meet in a year 10. I have no one close to me</p>
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(2) Levels of Participation (Frequency of Participation)

In each wave of KLoSA, respondents were asked whether they had engaged in the following activities : 1) voluntary or charity work; 2) educational or training courses; 3) sports, social clubs, or other kinds of club activities; 4) participation in religious organizations; and 5) participation in political or community organizations. For each activity, an additional question was asked about the frequency of participation, using 4 response options: “almost daily,” “almost every week,” “almost every month,” and “less often.” activities was altered to refer to the last 12 months.

Structured questionnaires on formal and informal participation asked respondents about the frequency of participation based on a week, a month, and a year. The questionnaire asks if the respondent participates “about once or twice a week” or “About five or six times a year”, so there is a problem in measuring exactly how many times the one participate in a year. Therefore my research utilizes the likert-type scale (Vagias 2006). Using the Likert type scale response anchors (Frequency), six-point scale will be applied. Original responses were recoded into 0. Never; 1. Almost never; 2. Rarely; 3. Sometimes; 4. Often; 5. Always. Answer #8 and #9 to question A033 were recoded into 0. Never. Answer #10 to Question A035 is recoded as 1. Almost Never; Answer #6,#7,#8,#9 are recoded as 2. Rarely; Answer #4, #5 are recoded as 3. Sometimes; Answers #2,3 are recoded as 4. Often; and Answer #1 is recoded as 1. Always.

For formal social participation, points from each type of social participation will be added up as it includes five different activities -- voluntary or charity work; educational or training courses; sports, social clubs, or other kinds of club activities; participation in religious organizations; and participation in political or community organizations. Therefore the maximum points that apply to formal social participation can be 25, and the minimum is 0. For informal social activities, it only includes the casual meet-ups with people they are close with, therefore, the maximum points that can be given is 5, and the minimum is 0.

3.4.2. Independent Variables

(1) Independent Variable 1: Income Level

A common approach to classify income level is to divide income into quartiles or deciles. However, this paper divided income groups into the upper 44% and the lower 56% (low income class). The criterion that divides these income classes is the relative poverty rate of South Korea. The relative poverty rate of the elderly refers to the proportion of the elderly (65 years of age or older) whose income level is below 50% of median income. The absolute poverty rate of the elderly refers to the proportion of elderly people (65 years of age or older) whose income level is below the minimum living cost announced by the government.

Prior to June 2015, the Ministry of Health and Welfare selected low-income beneficiaries for the minimum cost of living. However, from July 2015, the beneficiary was awarded based on the median income. Since the median income reflects the economic conditions of the whole society and changes from time to time, it is advantageous to cope with the problem of relative poverty more effectively. For the first time in 2015, the median income to be used as the main criteria for future government welfare projects has been confirmed in place of the minimum cost of living.

Standard median income is based on the household Income. Following the government standard, this paper includes people who earn less than 50% of the median income in the lower income bracket, and the rest as middle or higher income group.

Table 5. 2016 Median Income Level (monthly)

One-person household	1,624,831
Two-people household	2,766,603
Three-people household	3,579,019
Four-people household	4,391,434
Five-people household	5,203,849
Six-people household	6,016,265
Seven-people household	6,828,680
More than eight-people household	812,465 increments per person increase (8 people: KRW 7,641,005)

Unit: KRW

The table above illustrates the median income level for household based on the number of household members. If a family has a monthly income below the 50% of the median income, the family is considered to be a ‘low-income household’.

(2) Independent Variable 2: Sources of Income

Taking characteristics of income into consideration, earned income, passive income and public pension are coded into continuous variables. It is crucial to find out the changes of social participation as these three different incomes increase. On the other hand, social welfare payments and public pension income have a distinct nature—people who are eligible are the only ones that are able to receive them. Thus those two types of income are set as discrete variables (1 for recipients and 0 for non-recipients).

Table 6. Sources of Income

Income Types	Components
Earned Income	Wage Income + Business Income + Agriculture Income + Secondary Income
Passive Income	Financial income + real estate income
Public Pension	National pension income + special working pension income
Social Welfare Payments	Unemployment benefit income + industrial accident compensation income + basic livelihood salary income + veterans' pension benefit income + Other social welfare benefit income + Basic (old) pension income + disabled pension income
Private Income transfers	Total amount of money supported by children, parents, and other family members

3.4.3. Control Variables

This paper set the variables that exclude income factors among the various factors affecting social participation as control variables based on the literature reviewed. First, many scholars have conducted research on the relationship between income and social participation based on gender. For instance, Mo (1997) found that elderly women participate more in religious activities than men. In contrast, men tend to participate more friendship group meetings. In addition, there are a number of studies that show that age impacts the participation level of Korean elderly negatively (Jeon 2003; Choi 2008).

There are also studies that suggest that seniors living in rural areas in Korea are more involved in social participation activities such as meeting neighbors in senior citizen centers (Lee 2009). In terms of social relations, Choi (2008) suggests that older adults with spouse participates more, and the social support was crucial for one's social participation. Therefore, in this study, I set gender, age, residential area, household size and current work status to examine the relationship between levels and types of income and social participation of the elderly.

Table 7. Definition and Types of Variables

		Variables	Definition	Unit
Dependent Variables	Social Participation	Formal	Attending associations /meetings	0:Never1:Almost Never2: Rarely3:Sometime4: Usually 5: Always
		Informal	Casual meet-ups	0:Never1:Almost Never2: Rarely3:Sometime4: Usually5: Always
Independent Variables	Income	Income Level	Below 50% of median income and the other group	Data set 1: Higher-income/ Data set 2: Lower-income/ Data set 3: higher income (all income level)
		Earned Income	Table 7.	KRW 10000
		Passive Income	Table 7.	KRW 10000
		Private Transfer Income	Table 7.	KRW 10000
		Public pension	Table 7.	Receive:1/Not receive:0
		Social welfare payments	Table 7.	Receive:1 Not receive:0
Control Variables	Individual/ Household Characteristics	Age	Individual age	~years old
		Gender	Individual gender	Male:0 Female:1
		Region	Place of residence	Bigcity:1 Small city:2 Rural areas:3
		Current work status	Individual work status	not working:0 working:1
		Household size	The number of people living in the household	single household:1 couple household:2 more than two people household:3

4. Analysis

4.1. Descriptive Statistics

4.1.1. Descriptive Statistics of Independent Variables

Independent variables in this study include income level and types of income. Table 8 shows the descriptive statistics of income level. The mean of monthly household income of high income group is about KRW 285,0000, when in the average monthly income of low-income group is about KRW 75000. In each income group, a household with one to nine people are included.

Table 8. Descriptive Statistics of Independent Variables: Income Level (based on monthly household income)

Income Level	N	Mean	Std. Deviation	Mode	Min	Max
Low-income Group	2537	74.9859	49.81968	250	83	1500
High- and Middle-income Group	1998	284.9505	155.98567	100	1.67	333.33

(Unit: KRW 10000)

Descriptive information on types of annual income is shown in table 9, and sources of income such as earned income, passive income, public pension, social welfare payment, and private income transfers are included. Since there are people who do not receive certain types of

income, the number of people who receive different types of income vary. Table 9 shows that the number of people who receive private income transfers is the largest, and the number of people who have passive income is the smallest. Average of income is the highest in the type—annual earned income (KRW 1317,1700). Social welfare payments have the lowest average of KRW 180,5900.

Table 9. Descriptive Statistics of Independent Variables: Types of Income (based on annual income)

Types of Income	N	Mean	Std. Deviation	Mode	Min	Max
Earned Income	1033	1317.17	1287.816	1200	14	18000
Passive Income	946	279.91	720.959	12	11	8472
Public Pension	1821	598.26	847.838	240	12	6600
Social Welfare Payments	2414	180.59	236.671	120	6	3960
Private Income Transfers	3637	278.481	802.4025	50	5	30060

(Unit: KRW 10000)

4.1.2. Descriptive Statistics of Dependent Variables

For dependent variables, social participation is analyzed. Dependent variables are measured with six point scale (0-5), and for formal participation, the six types of social participation is included. Therefore, if one always participates in all six activities (Participation in Religious groups; friendship groups; Leisure/Culture/Sports related organizations (Colleges for Elderly, etc.); alumni association fellowship; volunteer activities; and Political party) a total of thirty points is given. Table 10 shows that more people participate in religious groups, friendship groups or alumni associations than volunteer activities or political parties.

Table 10. Descriptive Statistics of Dependent Variables

	Total N	0	1	2	3	4	5
Informal	4535	1	533	255	810	1751	1185
Religious Groups	4535	3793	3	47	105	538	49
Friendship Groups	4535	2028	10	233	1328	609	327
Leisure/Culture/Sports Related organizations	4535	4303	2	16	71	113	30
Alumni associations	4535	4067	0	183	259	21	5
Volunteer activities	4535	4517	0	2	10	4	2
Political Parties	4535	4532	0	2	1	0	0

4.1.3. Descriptive Statistics of Control Variables

Control variables include one's age, gender, current work status, region, and household size. The average age observed in the data is 75. The oldest individual in the data is 108. For the household size, when the household has more than three people, they are included in one type. In that sense, the two-people household is the largest group observed.

Table 11. Descriptive Statistics of Control Variables

		Total N	N			
Gender		4535	Male		Female	
			1909		2626	
Current Work Status		4535	Working		Not Working	
			1084		3451	
Region		4535	Big city	Medium and Small sized city	Suburban areas	
			1793	1391	1351	
Household Size		4535	Single household	Two-people household	More than three people household	
			897	2542	4535	
Types of Control Variables	N	Mean	Std. Deviation	Mode	Min	Max
Age	4535	75.75	7.276	65	65	108

4.2. Multiple Regression Analysis

4.2.1. The Relationship between Types of Income and Formal Social Participation of All Income Level

The aim of this study is to identify the impacts of different sources of income and income level on the frequency of formal and informal social participation. In order to test the relationship, the multiple regression analysis is carried out. Two statistical models are designed to compare the impacts of income on formal and informal social participation for lower-income group, higher-income group and both income groups combined.

First, Table 12 shows the result of multiple regression analysis of impacts of various sources of income on formal social participation for all income level. Regression coefficients, confidence level of each independent and control variables and adjusted R^2 of model 1 are presented in table 12. In Model 1, the adjusted R-squared is 0.380, which shows that this regression model explains 38% of variance of dependent variables around the mean. Also, F, which means statistical significance of the regression model, is significant at the 1% significance level, indicating that the model is statistically significant. Regression coefficients derived from regression analysis indicate how many units of dependent variable change when independent variable increases by one unit. It is also possible to compare the magnitude of the relative influence between explanatory variables through the standardized regression coefficients.

The result in table 12 indicates that passive income has a positive impact on formal social participation of the elderly. Also, women take part in more activities than men in formal social participation according to the result.

Table 12. Result of Multiple Regression Analysis (Model 1)

All income level (Formal social participation)

	Unstandardized Coefficient		Standardized Coefficient
	B	Std. Err.	Beta
Earned Income	-0.454	0.530	-0.169
Passive Income	0.643*	0.643	0.351
Private Income Transfers	-0.039	0.493	-0.016
Social Welfare Payments	0.971	0.697	0.239
Public Pension	-0.015	1.197	-0.003
Age	0.014	0.140	0.027
Gender	1.716*	0.885	0.353
Region	-1.250	0.639	-0.355
Current Work Status	-0.360	0.301	-0.259
Household Size	0.858	0.931	0.922
Adjusted R ²	.380		

Note. *p<0.1; **p<0.05;***p<0.01

4.2.2. The Relationship between Types of Income and Informal Social Participation of All Income Level

Model 2 is established to observe the impacts of sources of income on informal social participation. The adjusted R^2 of Model 2 is 0.289, which shows that this regression model can explain the dependent variable at about 29%. Also, F, which means statistical significance of the regression model, is significant at the 1% significance level, indicating that the model is statistically significant. Unlike the data in table 13, social participation patterns are not identified across all of the income types except public transfer income. Elderly people who receive public transfer income participate more in informal activities than people who do not.

Interestingly, earned income is observed to have negative impacts on senior citizens' informal social participation. The result also shows that current work status has negative impact on informal social participation. Senior citizens who work participate less in informal social activities than people who carry out economic participation. These two facts indicate that the more people work, the less they meet up with family and friends. Like formal participation, passive income is observed to have positive impact on informal social participation.

Table 13. Result of Multiple Regression Analysis (Model 2)

All income level (Informal social participation)

	Unstandardized Coefficient		Standardized Coefficient
	B	Std. Err.	Beta
Earned Income	-0.382*	0.208	-0.390
Passive Income	0.288**	0.131	0.430
Private Income Transfers	-0.117	0.194	-0.129
Social Welfare Payments	-0.143	0.274	-0.096
Public Pension	-0.631	0.470	-0.387
Age	-0.004	0.055	0.027
Gender	-0.081	0.348	0.353
Region	-0.239	0.251	-0.185
Current Work Status	-0.275**	0.118	-0.541
Household Size	0.360	0.366	0.243
Adjusted R ²	.286		

Note. *p<0.1; **p<0.05;***p<0.01

4.2.3. The Relationship between Types of Income and formal Social Participation of Higher Income and Lower Income Elderly

Table 14 and 15 show comparison between higher-income elderly and lower-income elderly in formal participation. An interesting question that can be examined initially using the data in Table 15 and 16 is whether or not economic and social participation activities are substitutes for each other. If they are substitutes, one would expect to find an inverse correlation between the two sets of participation rates across different sociodemographic categories. The evidence suggests that this is the case; or more precisely, economic and social participation are substitutes for lower income elderly. Looking, for example, at the differences across types of income, there is a clear tendency for the lower rates of formal social participation to exist when earned income increased. For low-income elderly, they have to work more since the work they do are mostly low-paying. As it can be time consuming to go to meetings and join organizations, etc, therefore, formal social participation may feel burdensome for lower-income elderly.

In contrast, in table 14, it shows that earned income has a positive impact on formal social participation of higher-income elderly. Also higher-income elderly who are still in the labor force are shown participate more often in formal social participation activities than those who are not

working. This may suggest that, for higher-income elderly, working and earning wages can be motivation or incentives to participate in formal social activities. Private transfer also had a positive impact only on higher income elderly's social participation. Also table 15 indicates that when higher income people live with more people, there is less chance that they participate in formal social activities.

Table 14 and 15 show that social welfare payments have impacts on both higher-income and lower-income people. Interestingly, social welfare payments' impacts on them result in the opposite. It indicates that social welfare payments have positive effects on formal social participation of senior citizens in the higher-income group, whereas they have negative impacts on those who receive social welfare payments in lower-income group. People who receive social welfare payments are often relatively low income elderly. As higher income group also includes people who have more than 50% of median income, people who receive social welfare payments are also included in the higher income group. When there is a guarantee of livelihood for elderly, social welfare payments can support elderly to participate more in formal activities. However, people who are in lower-income group, the priority for them is to earn money in order to maintain living. Also, social welfare payments are income based. Therefore, when people with financial difficulty receive more social welfare payments, the frequency of formal social participation does not increase.

Table 14. Result of Multiple Regression Analysis (Model 1)

Higher-income elderly (Formal social participation)

	Unstandardized Coefficient		Standardized Coefficient
	B	Std. Err.	Beta
Earned Income	3.992*	1.597	0.806
Passive Income	-0.823	0.941	-0.306
Private Income Transfers	1.988*	0.776	0.561
Social Welfare Payments	2.457**	0.578	0.659
Public Pension	1.925	2.427	0.349
Age	-0.024	0.055	-0.033
Region	-0.313	0.622	-0.079
Current Work Status	1.263*	0.510	0.446
Household Size	-0.313*	0.897	0.332
Adjusted R ²	.866		

Note. *p<0.1; **p<0.05;***p<0.01

Table 15. Result of Multiple Regression Analysis (Model 1)

Low-income elderly (Formal social participation)

	Unstandardized Coefficient		Standardized Coefficient
	B	Std. Err.	Beta
Earned Income	-1.483***	0.469	-0.767
Passive Income	0.124	0.217	0.115
Private Income Transfers	-0.387	0.399	-0.240
Social Welfare Payments	-2.697***	0.777	-0.655
Public Pension	1.003	0.775	0.294
Age	0.148	0.094	0.412
Gender	0.206	0.623	0.068
Region	-0.054	0.541	-0.019
Current Work Status	-0.359*	0.170	-0.453
Household Size	-0.313**	0.804	0.832
Adjusted R ²	.611		

Note. *p<0.1; **p<0.05;***p<0.01

4.2.4. The Relationship between Types of Income and Informal Social Participation of Higher-Income and Lower-Income Elderly

Table 16 and 17 show factors that impact the informal participation of high income and low income elderly. Results indicate that earned income only has impact on higher income elderly. Unlike formal social participation of the higher-income elderly, the earned income is shown to have negative impact on their informal social participation.

Passive income positively impact informal social participation of both higher-income and lower-income elderly, which indicates the similarity between them. The impacts are shown to be stronger in higher income elderly. Another factor that is included shows that current working status has negative impact on both income groups. This shows that casual meet-ups and going to work are inversely correlated. Public pension also have negative impacts on informal social participation of higher-income elderly. Table 16 also suggests that the older elderly are, the less they meet up with their family, relatives and friends. However, this is not the case in the lower-income group. Results show that earned income has no relation with informal social participation unlike the formal social participation.

Table 16. Result of Multiple Regression Analysis (Model 2)

Higher-income Elderly (Informal Social Participation)

	Unstandardized Coefficient		Standardized Coefficient
	B	Std. Err.	Beta
Earned Income	-2.402**	0.727	-1.828
Passive Income	1.195**	0.429	1.679
Private Transfer	0.157	0.353	0.167
Social Welfare Payments	0.786	0.263	0.796
Public Pension	-3.994**	1.105	-2.729
Age	-0.299**	0.091	-1.535
Region	0.351	0.283	0.333
Current Work Status	-0.503*	0.232	-0.671
Household Size	0.165	0.408	0.098
Adjusted R ²	.606		

Note. *p<0.1; **p<0.05;***p<0.01

Table 17. Result of Multiple Regression Analysis (Model 2)

Low-income Elderly (Informal Social Participation)

	Unstandardized Coefficient		Standardized Coefficient
	B	Std. Err.	Beta
Earned Income	-0.202	0.355	-0.173
Passive Income	0.538**	0.164	0.828
Private Transfer	-0.132	0.302	-0.136
Social Welfare Payments	0.272	0.588	0.110
Public Pension	0.332	0.586	0.162
Age	0.101	0.071	0.466
Gender	0.362	0.471	0.199
Region	-0.348	0.409	-0.203
Current Work Status	-0.361**	0.129	-0.758
Household Size	0.555	0.608	0.338
Adjusted R ²	.384		

Note. *p<0.1; **p<0.05;***p<0.01

5. Discussion

5.1. Summary of Findings

Results of multiple regression analysis suggest differences in patterns of formal and informal social participation, and various income sources' impacts on two types of social participation depending on income level. Impacts of earned income are shown to be particularly strong across formal participation than informal participation. This result suggests an explanation that seniors are less bound by time and money when participating in informal social activities which involves casual meet-ups with friends, relatives and friends. Since formal participation often requires membership, and efforts to join the club and associations, their participation can be limited by the lack of financial resources and time despite their willingness to whether participate or not.

The regression analysis also suggests similarities in informal social participation between higher-income elderly and lower-income elderly. Passive income is shown to have positive impact on informal social participation of both income groups. Results also demonstrate the strong relation between current working status and social participation across five sets. This may suggest that working can be motivation or barrier for older adults to be socially active in later life depending on their income level.

People who have passive income are observed to participate more in both formal and informal social activities when looking at people with all

income level. Although the number of people who carry out political participation is extremely small in the data that research utilizes, the fact that people who have income from real estate are more likely to carry out political activities when the real estate tax is raised can partially serve as a possible explanation for the result.

5.2. Policy Implications

As the result suggests that income level and types of income has impacts on social participation, this paper demonstrates importance in establishing policy frameworks that reflect senior citizens' values regarding social participation and their resources based on different income levels. For high income older adults who have enough resources (such as time, money and knowledge), it is important to create motivations other than participate in productive activities. For instance, Korea International Cooperation Agency (KOICA) adopted 'Oversea Volunteer Programs for Retirees' in 2004. This program provides paid volunteering opportunities to seniors who have more than five years of professional skills. The program has been successful, and it is a good opportunity for seniors who want to travel around the world as they can freely travel in another country and neighboring countries except for a certain period of service time. Efforts to facilitate programs that enable retirees to socially participate should be made at individual, organizational and government level.

For low-income seniors, it is crucial to provide subsidized community service work because income absolutely matters to people in poverty. Despite their willingness to volunteer for nothing, it is less likely for them to join associations or attend meetings on a regular basis when their basic needs are not met. It is suggested that financial constraints were one of the main drivers that led people to find another job after they retire. Limited retirement income security benefits contribute to financial difficulties of the elderly in Korea, therefore, the need for effective policy means to better secure the life after retirement such as stable pension system arises. The Senior Community Service Employment Program (SCSEP) is the federal program to help make older Americans make their ends meet. It is designed to provide part-time jobs in local nonprofit, government, and faith-based agencies to unemployed, low-income adults who are 55 year or older. It is necessary to provide accessible community service and job training programs that are specifically targeted for low-income older-adults in South Korea as the nation faces the high level of income disparity among senior citizens.

Table 18 shows that people in the U.K. aged 65 or more participate in volunteering activities more than the elderly in other countries listed in the table. There are many types of organizations in the U.K., which older volunteers can join. Various social activities that British elderly take part in include religious groups, health and disability groups, hobby activities or

recreational clubs, and volunteering activities to support other elderly people. The participation rates in formal social activities such as attending religious group meetings is very high among the Korean elderly, therefore, efforts inside various organizations to create more opportunities for older adults to volunteer and show support for other people are encouraged.

Table 18. Percentages of volunteering among the people aged over 65+

Country	South Korea (2008)	United States (2008)	United Kingdom (2006/07)	Canada (2007)	Japan (2006)
Volunteering rates	10.2%	14.2%	53%	36%	26%

(Ministry of Health and Welfare 2009)

‘The Active at 60 Community Agent Program’ is a program designed to nurture the elderly as community leaders and to encourage and support other elderly people to volunteer in their communities. This approach relies on a small, devoted core group of highly active elderly people with the capacity to mobilize their communities to be more accountable and resolve their own needs. In South Korea, ‘Elder care by the elderly’ is a program that gives healthy elderly people a job to help other elderly who live alone. It gives benefits for care-givers and people who receive them, and creates intimacy between them.

However, this program faces challenges to improve the existing structure in order to the benefit aging population, it is necessary to diversify

services, improve the education of participants, and provide personalized services for beneficiaries linked with the executing agency, public health center, and local governments

The notion of 65 is changing, and 65 is no longer threshold of old age in many countries. Old age is losing its negative connotation not only due to their contributions through the ability to think more broadly, but also their work has formed the backbone of numerous social and political programs in Korea. Hence older adults' positive contributions to society are expected more than ever as the society is aging. Theoretical frameworks that create 'active aging' put emphasis on seniors' strengths and wisdom, and social participation can be one of main tools to enhance their quality of life and contribute to the society.

5.3. Limitations

Due to the lack of consistent operation and the measurement of the term, ‘social participation’, this study relies on the literature to identify elements of social participation where the term is used quite loosely. As there is no theoretically founded definition of social participation, there is a limitation in reflecting the objective reality of social participation in detail. Although it is worth analyzing the productive social participation where the intention is oriented toward other individuals or groups (such as volunteering) specifically, the number of senior citizens who participated among respondents was too small to carry out statistical analysis. However, this fact reflects the lack of productive participation among the Korean elderly in reality.

It is crucial to demonstrate that while the regression model can help to identify the independent effects of various factors on participation, the issue of causality remains ambiguous. In particular, some of the variables that are treated as statistically independent in the analysis might be regarded as endogenous. This is likely a problem in relation to the role of the ‘attitudinal’ variables when people decide whether or not to participate. Thus the need to add questions on survey that can be utilized to measure the attitudinal variables arises.

Another limitation of the approach is that it assumes that decisions about participation in each of the activities identified earlier are entered into independently, rather than collectively. This should serve as an additional caveat when interpreting the results.

Despite these limitations, this study sought to reflect the reality of social participation rates and economic inequality among Korean senior citizens, and improve conceptual definition of the original understanding of social participation. This study also allows the investigation of the plausibility of link between ‘neo-liberal theory’ and ‘active theory’ for the result of past studies. As this study examines the impacts of income level and types of income, the findings of this study will be able to contribute to the development of additional theoretical linkages with their accompanying rationale.

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국문초록

노인의 사회참여에 관한 연구:

소득수준 및 소득원천을 중심으로

서울대학교 행정대학원

정책학 전공

조주령

사회참여는 대부분의 대한민국 노인들에게 아직 생소한 개념이다. OECD 국가 중 노인빈곤율 및 소득불평등지수에서 상위권을 유지하는 대한민국의 노인들에게 사회참여는 멀게 느껴질 수 밖에 없을 것이다. 빈곤은 사회적소외와 밀접한 연관을 맺고 있으며, 특히 생계유지가 우선인 저소득층 노인들에게는 사회참여가 어려울 수 있다.

세계적으로 개인의 노년기 뿐만 아니라 사회에 긍정적영향을 미칠 수 있는 방법으로써 사회참여에 주목하고 있다. 많은 연구들이 사회참여의 긍정적 영향에 대해 제의하고 있으나 소득의 불평등이 사회참여에 미치는 영향을 보여주는 연구들은 부족하다. 이 연구는 고령화 연구패널조사 2016년 자료를 이용하여 중고소득 노인들과 저소득노인들의 소득원천 (근로소득, 자산소득, 공적연금, 사적이전소득, 사회복지급여) 별로 나누어 공식적 그리고 비공식적 사회참여에 미치는 영향을 비교한다. 사회 환경에 대한 관심이 개인의 사회적 참여에 영향을 미친다는 것 또

한 타당한 주장이지만, 시간이나 돈, 능력 등 다양한 자원의 차별적 소유와 개인이 소유한 자원의 변화가 사회적 참여의 차이와 변화를 정당화하는 대안적인 설명이 될 수 있음에 기초해 가설을 세우고 자료를 분석하였다.

연구의 결과는 고소득층의 근로소득과 노동시간은 공식적 사회 참여와 정 (+) 적인 관계를 가지나 반대로 저소득층의 근로소득과 노동시간은 공식적 사회 참여와 부(-)의 관계를 가지고 있음을 보여주었다. 이는 고소득층 노인들의 노동 및 근로소득은 사회 참여에 인센티브로 작용할 수 있으나 저소득층 노인들에겐 그렇지 않음을 시사한다. 전체 소득을 포함해서 보았을 때는 상대적으로 근로소득보다 시간에 구애를 받지 않은 자산소득이 사회 참여에 긍정적 영향을 미치는 것으로 결과가 나타났다. 같은 소득원천임에도 불구하고 소득의 수준에 따라 사회 참여에 미치는 영향이 달라지는 연구 결과를 통해 이 연구는 개인의 소득 수준과 원천을 고려한 사회 참여 및 활동적 노화를 위한 정책을 건설해야 함을 시사한다.

주요어: 사회 참여, 소득 불평등, 고소득층 노인, 저소득층 노인,

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