

LIS

Working Paper Series

No. 842

What Makes Old-Age Poverty in East Asian Societies so High?

Inhoe Ku, Wonjin Lee, Aya Abe, Zhu Mengbing, Li Shi,
Chungyang Yeh, Dongjin Kim

June 2022



CROSS-NATIONAL
DATA CENTER
in Luxembourg

Luxembourg Income Study (LIS), asbl

What Makes Old-Age Poverty in East Asian Societies so High?

Inhoe Ku* (Seoul National University)

Wonjin Lee (Korea Institute for Health and Social Affairs)

Aya Abe (Tokyo Metropolitan University)

Zhu Mengbing (Beijing Normal University)

Li Shi (Zhejiang University)

Chungyang Yeh (Soochow University, Taiwan)

Dongjin Kim (Seoul National University)

* Corresponding author: inhoeku@snu.ac.kr

Abstract

This study compares poverty among older adults in China, Japan, Korea, and Taiwan with that in selected Western societies and explores factors contributing to these high levels of poverty among older adults from a comparative perspective. Lower education levels of older people contribute to high poverty among East Asian older people while multigenerational living arrangements work toward lowering the poverty rate. Among income sources, low levels of income from public transfer programs account for high old-age poverty although high levels of market income and private transfer income partly offset this among older people. Meanwhile, taking account of financial assets and home ownership does not change the comparative features of high old-age poverty among East Asian older people. Our analyses suggest that the future prospect of economic well-being among older people in the region largely hinges on the further development of welfare state programs for older people.

A revised version of this paper is published as Inhoe Ku, Wonjin Lee, Aya Abe, Mengbing Zhu, Shi Li, Chungyang Yeh, and Dongjin Kim (2022), “Chapter 10: What makes old-age poverty in East Asian societies so high?,” in *Poverty and Inequality in East Asia*, edited by Inhoe Ku and Peter Saunders, 129–152. Edward Elgar Publishing ISBN: 978 1 80088897 5. <https://www.elgaronline.com/view/book/9781800888982/9781800888982.xml>

This work was supported by the Ministry of Education of the Republic of Korea and the National Research Foundation of Korea (NRF-2020S1A5A2A01041611) and the Asia Research Foundation Grant funded by the Seoul National University Asia Center.