

## [Transcript] Plain English with Derek Thompson / Why Fertility Rates Are Plunging—in the U.S., South Korea, and Everywhere Else

You may find this hard to believe, but 60 songs that explain the 90s, America's favorite poorly named music podcast is back with 30 more songs than 120 songs total. I'm your host Rob Harvilla, here to bring you more shrewd musical analysis, poignant nostalgic reveries, crude personal anecdotes, and rad special guests, all with even less restraint than usual. Join us once more on 60 songs that explain the 90s every Wednesday on Spotify.

Today's episode is about the decline in fertility, a global phenomenon that we're going to analyze by zooming in on two countries. First, the US, and then at greater length, South Korea, which has by some measures seen the fastest and steepest decline in fertility of any country in the world. But first, America. Last year, 3,661,220 babies were born in the US. That sounds like a lot. Historically speaking, it's not. It's actually 15% below our peak in 2007. And it means America's total fertility rate, that is the average number of babies a woman today, is expected to have in her lifetime, based on current trends, total fertility rate, is essentially stuck at its all-time record low in the US. For many decades, the US birth rate has been below the so-called replacement level of 2.1. Today, it's around 1.6. Well, sometimes, to be totally honest, I feel a little weird when I talk about fertility and birth rates, like these are just ordinary statistics with decimal points, like fertility rates, monthly use car inflation, just a bunch of numbers. Because fertility is not just a bunch of numbers. It is complicated. It's personal. It's emotional. And it's private. Should we have a kid? How many kids should we have? How will we conceive, give birth? How will we raise these kids? Can we afford to have more? These are some of the most personal and sometimes anguishing questions that a person or a couple can make in their lives. And I'm aware of the fact that when we try to squeeze these personal individual decisions into the boring, straight jacket of policy analysis, it can lead to some weirdly dehumanizing language. That said, I am fascinated and have for many years been fascinated by this issue because there's no getting around the fact that the collective private decisions of hundreds of millions of families really does shape the future of population growth. And then there's no getting around the fact that population growth is one of the most important factors in determining economic growth, tax revenue, productivity, the welfare state, innovation, public finance. We're in a moment right now in world history where every major world economy is projected to have a shrinking population at some point in the next 20 years. And many countries are already in decline. I'm talking about Europe, Japan, China, Brazil, maybe next, then Malaysia, Bangladesh. By 2050, Thailand is projected to be older than present day Italy. We've never lived in a world like this where basically all the major countries are shrinking at the exact same time. And no country gives us a better glimpse of this impending future than South Korea. In 1960, just six decades ago, the average Korean woman gave birth to six children. Today, the fertility rate in South Korea is less than one. Less than one. The country is notable for having both the world's lowest fertility rate and the longest average female lifespan in the world. Now, if American and Korean women did not want children at all, I think it'd be incredibly weird and inappropriate and monstrous of me, like sitting here in this little room in front of a microphone, to say that the logic of economic growth dictates that we force them to have kids. That's obviously deranged. But the reality is that in many of the richest and hardest working countries, individuals and couples aren't having as many kids as they want. And this is true for a large number of reasons. It goes down to work and career

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to the cost of living, to the cost of raising and educating children, to the fear of the rising costs of raising and educating children, the cost of caring for your parents, cultural expectations, and so on. And this is a big, thorny, rich topic. And that's why I'm very glad to have a really wonderful expert to guide us through this conversation. Today's guest is Andrew Yeo, a senior fellow at the Brookings Institution's Center for East Asian Policy Studies, and also a professor of politics at the Catholic University of America in Washington, DC. In this episode, we look at the thorny and complicated issue by first zooming in on South Korea, where Andrew gives me an education on a country I'm extremely curious about, lowest fertility rate in the world. But frankly, I know very little about South Korea, its politics, its culture, its work environment. And so I need a guide through this. And then we zoom out and we talk about how South Korea might be a canary in the coal mine for the rest of the planet when it comes to the many ways that fertility rates affect just about everything else. I'm Derek Thompson. This is Plain English.

Andrew Yeo, welcome to the show. Thanks for having me here.

In the open that I just recorded, I talked about the breaking news on US birth rates, which are just about at their all-time record low. I want to put a pin in America right now, and I'm going to come back to the US at the end. I want to talk to you about South Korea, which has not just among the fastest declining birth rates in the world, but also, to my mind, the lowest fertility rate in the world. Before we get into why this is happening, Andrew, how would you summarize what's happening in Korea?

Right. So it's not something that to take pride in that you're number one in terms of having the lowest birth rate in the world. But there's a confluence of factors that are driving this trend, and it relates to changing attitudes towards work. It's related to the high cost of education, and just the cost of living, particularly in cities like Seoul, the capital, and the largest city. It's also related to changing trends related to marriage, I think, with more women in the workforce, and then also women thinking about their careers there, delaying

marriage. Actually, in the last 10 years, the marriage rate has dropped by about 35%. So that also means less children, but there's still a stigma of raising children on your own.

So it's work, it's high cost of education, high cost of living and housing, and I just think one final piece of this is, many like to note how South Korea has grown rapidly. And it is a tremendous success story that I think South Korea wants to tell the world, and many countries want to emulate the secret sauce behind South Korea's economic development. But it develops so rapidly that you have to keep in mind that the pace of societal change has just occurred so rapidly. And I think one of the side effects has been the declining birth rate.

And I was looking at the statistics in the 1970s, the number of children that the family's bore was between four and five. And so in 40 years, you go from four to five children to having less than one per household. So part of that, I think, is just the rapid changes that have taken place in South Korean society in such a short period of time.

I think that's a fantastic overview to pivot off of the very last thing that you said. It really struck me when I was looking at comparative fertility rates in South Korea versus the U.S. that in 1960, Korea had roughly two times more children per woman than the U.S. And today, the fertility rate in the U.S. is almost or roughly twice as high as Korea.

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So it is flipped in a really remarkable way, even as both those numbers have come down. You set out a really good, I think, menu of explanations for what's happening, work, cost of education, marriage, and some cultural things. Let's start with work. A couple of years ago, I wrote an essay for The Atlantic about a phenomenon that I called workism. And workism was my coming for this idea that in many places in the U.S., especially among the elites and also in other places around the world, lots of people who had turned away from religion and become more secular had made work the centerpiece of their life in a way that almost seemed to replace organized religion, like the things that people historically sought from organized religion, whether it was self-actualization or community transcendence, meaning in life, they now sought those things from a career. South Korea has one of the longest work weeks in the developed world. And I found you, in part, through an article that linked the declining fertility of South Korea with this phenomenon of workism. So tell me a little bit more about the culture of work in South Korea, how unusual you see it relative to other developed countries and how it might play a role in declining fertility.

Sure. I mean, work has always been, Koreans work very hard, and they do have one of the longest work hours in the world. But I want to emphasize that there's a difference between work, though, and also productivity, because I think Korea is also a productive country. But let me just give you one anecdote. So I remember when I was in Korea, this is about 10, 15 years ago, and I was, I wanted to hang out with a friend. I was a student, so I hadn't had more time. He said, oh, no, I got to be in the office. I was like, well, are you done with your work? And he said, yes. And I said, well, when are you going to leave? He said, when the boss leaves. I said, when is that going to be? He says, that's about nine or 10 p.m. And so part of it is that, yes, Koreans work very hard, but there's also this culture that you want to show others that you're working hard as well. In this case, you know, you can't, it looks bad if you leave before your boss. So everyone in the office is just staying until late, even if they're not necessarily doing work. So that's what I mean by this differentiation between doing work and then being productive. But that being said, I do think Koreans take pride in that they're working, you know, that they work these long hours. And the work itself, work life, in a sense, becomes a family. You know, it's, I think it's changed since the pandemic a little bit. But if you're familiar with, you know, work culture and age, I said, so if you're, if you're working in a business environment, you get off work at nine, and then you'll go out for a late dinner. And then you'll go to have drinks, maybe one round, maybe two round, maybe you'll go to karaoke. And it's not necessarily every night. But it's this idea that, you know, you are with, it's not work, it's even after work, but that you're spending a lot of time with colleagues in the setting. It means that you're not, you're not getting, you're not productive in the other place in the bedroom. And so we see that people have really prioritized work, not just for the sake of work, but it becomes, as you said, like a replacement for religion work, and in some ways becomes an idol then. But it's also where your social life begins to revolve around as well too. And you feel that if you don't stay late, if you don't go to the dinners, it's called haishik in Korean, but the group dinners, that somehow you're going to be left out. And that's also something that's cultural, because in Korea, you tend to stick together with the group, you do things as a collective. And so yeah, so there's these pressures to stay at long hours at work.

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A, because I think Koreans generally do work hard, there's a strong work ethic, but B, because there's also social pressure to stay in the office longer and then the hangout even beyond office hours. Yeah, just to tie the bow on the concept of work is, historically, if you think about the tradition and ritual of getting meals with people who are a part of your community, there's Shabbat, there's Sunday dinners, that has been a religious thing. And when it comes to, what do we organize our community around? Well, we go to synagogue together, we go to church together, that is the way that we are seen and we see others as belonging to the same community. But when there's 10 hours a day spent at work and then three hours every day or every other day that's spent at dinner and drinks with people from work, then yeah, that does become the tentpole around which society is oriented. And I can see how that would either delay marriage or delay childbearing or childbearing. That makes me think of one other question, which is that in the U.S., the decline in fertility is very concentrated among young women. If you look at birth rates by age group, among teenagers, the birth rate has declined 80% since 1990. Among 20 to 24-year-olds has declined about 50% since 1990. Birth rates are slightly up for people in their mid to late 30s and they're clearly up for people in their 40s. So while overall fertility is declined, it seems like that's mostly a story of fewer babies being had among people under the age of 25. Is there a similar story to tell about the decline of fertility in South Korea where women and marriages or having kids and getting married, these are activities that are being pushed back into one's mid to late 30s? Yeah, I mean, I haven't looked at the statistics or the demographics broken down into age groups, but my sense is that there could be a similar trend where marriage, well, I think across the board it's declining, but I do think because of the delay in marriage that maybe you might see an uptick in the number of women having babies in their mid 30s, even early 40s. So instead of not having babies, you're maybe having one, possibly two, which may not have been the case because even in the 60s and 70s, Koreans also got married very young, much like the United States, but as society became much more industrialized as the sort of urban work environment led to further delays in marriage, especially when women were beginning to enter the workforce. But going back to your question, there could be similar trends, but I think that in terms, I think across the board the birth rates may have gone down, but maybe not gone down as much for those in their 30s and maybe 40s because of women just delaying their marriage. And you're right, in the 20s in the younger group, I think it would have gone down even more also in Korea because just in your 20s, you're not getting married at all. You're just choosing to stay single. Let's go to the issue of cost of education, and we'll fold in cost of living and housing in just a second. I just want to hold on cost of education. We did an episode a few months ago on achievement culture and anxiety around the world because there was some emerging research that showed that the most ambitious and high-achieving schools tended to have the most anxiety. A lot of that research was done in Korea on so-called cram schools. So I only know a little bit about this, but you open that box a little bit. Let's open it up fully. Tell us about how the cost of education and education culture in Korea feeds into this story. Yes, it's pretty insane. These cram schools are referred to as hagwan in Korea.

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They're ubiquitous in Korea. And then there's certain neighborhoods that are really known for very good cram schools that help students. So these are extracurricular activators schools where usually from middle school, I mean, they have them for elementary children as well, to elementary school age children as well, but really from middle school to high school. This is very serious. It's a real deal where you go to school and then you get out of school, let's say around two, three or three, and then you will go to this cram school where you will study math, English, math, science with the whole intent of getting ahead of your other classmates so that you can be better prepared by the time you're in your last year in high school. So high school is three years in so three years of middle school, three years of high school. You have to do well on the college entrance exam. So all of this is in preparation to do well on this college entrance exam to be ahead of your classmates so that you can get into one of the top schools in Korea, because there's this assumption that if you don't graduate from the top, one of these elite colleges in South Korea, that you're not going to make it, that you're not going to have a job and you're not going to be successful. And so that's, it's like a rat race for many parents and kids, but it's quite depressing because it means you're really not having much fun from the time that you're

in middle school because you are sent to these cram schools and you can be there until 9, 10. I think there's a law that was passed that actually said you have to go home after 10 p.m. But that's why it's so expensive because you're sending kids to these cram schools and then there are other extracurricular activities as well too that aren't maybe focused. It might focus on the arts or it might focus on music, but the point is many, many children are involved in these activities and it's expensive to do. The other thing that you've seen, I'll just tag this on as well too, some feel that if you're not going to get in, if the stars aren't, if you're not really aligned to get into one of these elite schools, if you have wealth or means, you then send your kids abroad to the U.S. or Canada because in that way at least you can have a leg up by speaking fluent English and having studied, having a more globalized education. But that also costs a lot of money as well too to send your kids abroad at an early age. And so I just want to understand, I mean it's interesting on its own as a piece of information about Korean culture, but the way that the existence and culture of cram schools reduces fertility is what? It increases the cost of education. So thereby like the cost of raising a kid is so high that people that have gone through those programs are less willing or less interested in raising multiple children that they have to raise through these cram schools. Is that the effect or is it something else?

Because the idea is to raise children, you have to have lots of money, but it's become a self-reinforcing problem though where because there's less children, when you do have kids, you really treat them like princesses or princelings. Like scarce assets, yeah.

My uncle has like granted or even my cousins, they're sending their kids to private kindergarten where they speak. It's because they're English kindergartens and those are very popular, but that requires money. So even families who are just middle class, to me it surprises me. And this is where the priority is, you give everything to your children. I think this is partly driven by, I know as a social scientist, culture sometimes gets a bad word, but there are these remnants of Confucian thinking or society where the children, there's a contract where children, they're obedient to their parents, but the parents try to give everything for their kids that they sacrifice. What do they have? So even if you're not wealthy or you're

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from the middle class, you'll try to send your kids, try to give them the best opportunities that you can. But when you have two kids, that doubles the cost. So there's this assumption that it's very expensive to have children. And so I think it just deters young families from wanting to have more kids, if any, these days. Let's talk about housing. I know that one of the thorniest issues in affordability in Korea and in many countries around the world, including the U.S., is the cost of housing, especially in the richest and most productive cities. So in Korea, that would be the capital of Seoul. How important, how central is the fact that housing and other essentials for a young adult life are so expensive that it encourages a lot of young people who are already wrapped up in work over romance to say, do I really want to add to all of this the cost of raising a child, especially at a time when raising a child requires putting them through an incredibly intensive and expensive cram school? How central is the cost of housing? Yeah, so housing is a central piece to this problem as well too. In some ways, we put the cart before the horse because in the minds of Koreans, you want to be established to some degree before you have kids. So the idea is that we're trying to save up money for housing and the cost has gotten exorbitantly expensive. This is true in any urban center around the world, but many Koreans don't want to live in rural areas or in farm. There's no future really for individual farmers. So people have come up, migrated to the city. Everything is happening in Seoul, but it means there's not enough housing, or at least not enough affordable housing. So the costs have really skyrocketed. I mean, this was probably the number one election issue for the last two election cycles. And the previous president, Moon Jae-in, actually ran on a platform that he could actually help. And he wanted to talk about the economy, and he promised affordable housing for young Koreans. And they made some policy adjustments, and it actually made housing prices go even higher. So then the conservative candidate who now the Korean president, Yoon Sang-hyun won, in part because he criticized President Moon on housing, and he's promised to create a million new homes or apartments for affordable housing for younger Koreans. I mean, he has yet to deliver. But the point is that housing has become a real political issue just because of the costs. And the other thing about South Korea is that in the United States, once you're 18, so I grew up in Ohio, and once I went to college, that was pretty much the last I ever... I mean, I would go back and visit my parents, and I would stay there in the summers. There was a year I didn't have a job, so I was hanging out there. But you're pretty much on your own, you're independent. But in Korea, at least in Seoul, until you're married, it's quite common to just live with your parents. So that's why this idea that you have to have your own home or you want to be independent before you start a family is... I think there's an emphasis on that process of having a stable housing. But because it's so expensive, of course, you feel, when are we going to be able to have our own home? And when are we going to have some sort of stability and settle down? This is actually common for a lot of men, as well too, in terms of their thinking. And so that, again, delays starting a family or having kids because you want to have that foundation put in place first. It's interesting because I'm not an expert on South Korea at all. And so to a certain extent, I'm doing the somewhat inappropriate and American-centric thing of just relating everything that you're saying back to my experience of living on the East Coast of the United States. But I think

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there's something very relatable in the idea that marriage, it seems to me, especially in the middle of the 20th century, was a lower rung on the ladder of life, that it was more acceptable and common to get married young and then figure out what you wanted to do in life, then establish yourself in a career. But in the modern world, certainly in places I've lived, DC, Chicago, New York, and perhaps also in Seoul, marriage seems to be becoming, it's a higher rung on the ladder of life. And having children, therefore, is a much higher rung on the ladder of life. Before you touch those rungs, you have to spend much more time in school. Americans are much more educated than they were in the 1950s. They're much more likely to graduate from high school, much more likely to graduate from college, much more likely to take on a graduate school program, much more likely to get a PhD program, that's minority experience, but there's more Americans doing it. Then they're more likely to say, okay, I want to be established in a career before I settle down. Okay, well, that takes a while because it's really hard to get established in your career. Then you say, all right, you have enough saved so that I can have an apartment or have a house feel settled in my financial life before I have a kid. Okay, that's more rungs, especially because it's been hard to save for a millennial in the 21st century.

And so I guess what you're hearing me sort of piece together is that it just seems like the decision to have a child is just so much higher on the ladder than it used to be. And that's something that I'm hearing you say is true about Korea, and I think it is very much true about the US and probably many other countries in the Western world. Does that sit with your understanding of the situation here? Yeah, I think it does. It's not just a story about Korea, but it's about modernity and how again, the family, the conception of family and work and that balance and how that has shifted in a modernized society. And what you were saying about how more Americans know they think about going to college, getting an education, and then thinking about their careers, and marriage has to come later. Whereas in the past, marriage is just something that you did. There are times where people got married right out of high school that would be unheard of in Korea, and it's less common. It may still be common in some parts of rural America and also in possibly rural Korea, but Korea is one of the most educated societies in the world. It's roughly 70% of South Koreans go to college, have a post-secondary education, and then many go on to graduate school. I mean, there was a running joke about the number

of PhDs who are driving cabs in Korea because they aren't jobs. Part of the reason why they keep furthering their education is because there's limited job prospects. And so the idea, there's this idea that if you have education, if you have more education, you'll be more marketable. So tying back to the story about family's marriage and then having children, again, all of that gets delayed because you keep piling on more and more degrees.

You know, an interesting fact about education too is in the United States, I think South Koreans are like the third in terms of the number from Asia, the number of students studying abroad in the U.S. I mean, it's third. They're a distant third behind India and China, but if you think about how much smaller Korea is compared to these two other countries, that's huge when you're sending tens of thousands of Koreans each year for graduate work, for graduate studies, and then also undergraduate education in the United States. But again, it's this idea of kind of figuring out what, just for lack of a better term, figuring out life first and what you want to do before you get, before you decide to get married and have children. And what we're

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seeing

is because this is becoming a more of a pattern and a norm, maybe not a healthy number, a positive norm that you see many, especially women saying, and maybe it's okay not to get married, or maybe it's okay to get married later. And so you do have a lot of women now just in their 40s, 50s who decide to remain single. One of the iron laws of industrialization, especially after the advent of birth control in the pill, which is clearly playing a role here in giving couples and women specifically the power to determine how long they can wait to have children, is the fact that wherever women are empowered around the world, we see fertility declines. Like wherever female education attainment rises, fertility declines toward replacement level and often falls below it. You mentioned that trends in female education and culture in Korea are an important part of this puzzle. And this is a subject, you know, female culture in Korea about which I know absolutely nothing. So, dilate on that a bit if you could. What's there that we should add to this puzzle? Sure. So, like other places, Korea has, so Korea is still a paternalistic society and especially at the corporate world at senior levels, like there's still very few women, but in terms of women in the workforce, that has changed. And there has been, you know, the women's rights movements have, you know, the feminist movement that has also, you know, that had emerged in South Korea as well to post-democratization in the 80s and the 90s. They also went through their Me Too moment as well four or five years ago. So, there's this conscious of, you know, about, conscious about women's right, about having gender parity. I think it's far from there, the current government. I mean, there was a lot of criticism about President Yoon and that his cabinet had, I think, like two, maybe three women total. And so, many saw that that was a step backwards. But that being said, you know, you are seeing a lot of women trying to move up on the career ladder. In the foreign ministry, for instance, you would never see any women in the past. I was talking with some other think tank experts who work in the Korea space, and they were saying it was really nice to see a lot of women now serving here in Washington, D.C., in the South Korean embassy, or the U.S. South Korean embassy in Washington, D.C. And then, when I go visit the Ministry of Foreign Affairs, I also see a lot of women. So, yes, they've entered the workforce, and many of them want to move forward. There is definitely a glass ceiling, but I think for them, because they're thinking about their careers and they find meaning in their careers and they want to move forward, it also means making choices. Because if you start a family, it may mean taking time off. And, you know, Korea has fairly generous parental leaves, you know, up to a year. They're extending it now to 18 months in some cases, but it's shifted up to a year. But let's say you leave for one year, you know that your managers or your boss may not be happy with it. And so you decide, well, even if there is this generous subsidy, you may not take it, or you may decide that once you take time off for a while, that it's actually, you might be less motivated to get back into work, or more likely you find that it's difficult to break back in. I mean, they're holding your job for you ostensibly, but, you know, it doesn't mean that you're falling behind, that you're not going to get the promotion. That may be one of the reasons behind some of the lag or the glass ceiling that I mentioned for women being able to get into higher levels of management. But yeah, there's a trade-off. And so— I think that's so interesting. And I think about that in the US as well, that, you know, for parental leave in a more patriarchal or paternalistic system, the national policy



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that's giving women their maternity leave is essentially saying you are rewarded for having a kid. Thank you. But the corporate policy says you're punished. It's the opposite. And so it's this poison chalice sometimes to take all of this paid subsidized time off of work because the managers are going to punish your entirely legal decision to take that time off. So that's really interesting, right, when there's a discrepancy between the character of the national policy and the culture of the corporate policy. This raises the issue of government response. Surely the Korean government, like I think many other governments around the world, don't want the birth rate to fall to 50% of the replacement rate or below, which is the case for Korea. How has the South Korean government responded? And is it working at all? Sure. So let me just give you the quick answer. The South Korean government has spent \$200 billion over the past 16 years on child care subsidies and for parental leave support. This is in the form of monthly child care subsidies, return to work program for mothers, parental leave policies to now incentivize men to also share the burden of care work, setting up funding for daycare centers. But clearly when your birth rate is 0.78, something is still not working. So the short answer is no, it hasn't really turned the ship around. And that's where I think the government, they might be on the right track, but it's not going to be resolved by just policy. And I think this is where you have to see a shift in norms and a shift in culture. And the hope is that by creating these policies over time, eventually people's attitudes and these norms and these existing cultures will shift to accommodate women. And if we go back to the previous example that you gave about women in some ways being punished, if they take time off for work, we see this now. There's actually a backlash among young men saying that we're being left out. It's not fair that women are getting, there's affirmative action for women or they're getting more benefits. And this has actually propelled President Yoon to his electoral victory because one of his base was actually young men in their 20s and 30s who were fed up. It was like the backlash against the feminist movement. So that might be the thinking of men. Or if you're a manager, legally, you have to let this female employee return back to work. But you might be grumbling about her saying that she's been off for a year and now she has to come back, you have to fit her in. But you want to change the attitude or norms so that it's actually okay, that it's actually quite normal for women to take time off from work and we should embrace them when they come back because they can bring in a different set of views or identity. It's like in the think tank academic space about panels, you know, we hear a lot about manuals. And someone had a reporter once asking, what do you think about how? Just to be clear, manuals are panels. All men on a panel. Yeah. And now it's a thing where if you see it, it's like, oh, this looks weird and we need to have more representation from females. And you'll try to reach out to, you know, female scholars or experts in Korea. Though you can look at, you can go to a conference and you'll see that there's a lot more catching up to do, even though I think they're beginning to change. I can see it from some of my younger colleagues from young, younger professors that they're aware of the issue. But I was just at a conference two weeks ago and it was all men. So the policies themselves, maybe we need to wait for attitudes begin to shift and to catch up. But at the moment, they're not really solving the

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problem. And that's what I've argued before in other outlets that I see it as more of a band-aid solution at the moment because there's these structural forces that I think are contributing to the lower birth rate. You know, we had talked about work or we had talked about the high cost of education. You know, it's these things that, or, you know, the lack of affordable housing. I think these are all contributing to the low birth rate. So by throwing money at, you know, childcare subsidies or daycares, those are all, they may all be helpful on the surface, but it's not really fixing the underlying problems that is leading to a lower and lower birth rate every year. At some point, I feel like it's going to have to stop and, well, hopefully it won't stop at zero. But it's already, it's been under one for, you know, several years now. And that's a real concern for the South Korean government.

Yeah. I mean, when I think about the issues that you're putting on the table and folded into the philosophy that I am building for this book that I'm working on right now, you know, I think a lot of, I think about these ideas through the lens of cost and supply. And if the supply of housing is too low and the cost of housing is going way, way up, and maybe childcare and daycare are over-regulated and undersupplied in terms of labor and so the cost of childcare and daycare is going way, way up, that means that the cost of living and the cost of raising a child becomes exorbitant, exorbitant at the level of thousands or tens of thousands of dollars too much, end quote, too much more than we would want. So if the cost of raising a child is going up by tens of thousands of dollars and the childcare subsidy on the part of, say, the Korean or the American government is, say, you know, a couple hundred dollars a year, you know, a few dozen dollars a week, well, it's, you know, I guess what's the proper metaphor here? It's the Band-Aid solution. Like, there is an open gash. There is a compound fracture. The bone is poking through the skin and the government is offering a Band-Aid. Like, this is not a Band-Aid problem. This is a much more structural problem. You have to fix it at the bone. And so, you know, I'm singing my own song here, but like, this is where I say you need a structural solution for cost of housing, you need a structural solution for cost of education, for cost of daycare. And fundamentally, I see those as supply problems. Demand for housing is what it is. Demand for childcare is what it is. In some ways, it's going down. People are having fewer children. You have to solve these problems at the supply level if you're going to encourage people to have as many children

as they want. Like, that's the ultimate goal. It's not to force people to have more children than they want. That's rather horrific. It's to allow them to have the number of kids they want. And so many studies in the U.S. and Korea seem to suggest that one of the reasons fertility is declining so much is precisely because people cannot have the number of children that they want. Sorry, that was a brief rant. I want to tie the Korean experience to other countries around the world. So, I was looking at some OECD numbers that suggested that the four lowest fertility rates in the world, in the modern world, are South Korea, Taiwan, Hong Kong, and Singapore. All rich Asian countries. Do any of the reasons that you mentioned span all those Asian countries? Or is this best thought of as four distinct stories, Korea, Taiwan, Hong Kong, Singapore, which just happened to be geographically clustered?

Yeah. I mean, it's interesting because I was at a conference in Taiwan and they were saying that we have the lowest birth rate. We were arguing about, no, I think it's actually South Korea. But I wasn't aware about Singapore and Hong Kong. But do you know that the four countries or

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political units that you mentioned are the Asian Tigers? These were the four countries that had developed rapidly, went through rapid economic growth in the 1970s and 1980s. And so these were again the success stories. And they're now kind of wealthy, rich. They have rich populations in Asia, but they're the ones that are facing this birth crisis. And so I don't think that's coincidental. And so something that's common in all of them is that there is this idea about workism, a work ethic. I think that comes from the idea of a hard work ethic and education. And so the commonality underlying that is that they are a Confucius society still, or maybe Neo-Confucius society. So that's still ingrained. But they modernize very quickly. And then we see women now. I still think in Asian cultures, opportunities for women still lag behind those in the West. But there has been improvement in that space. But you see women now wanting to think about their careers and career advancement. But then they also have concerns about, well, if we have a family, we're going to have to, we're going to have to put a pause and that's going to make my career suffer. So they may face similar challenges. I don't know what the housing situation looks like in all those places. So the Singapore, I know is very, because I've traveled there quite a bit, is very costly and expensive. So that might also be a shared concern as well, too, where you feel that you need stability. You need to have that foundation before you set up a family. And in small countries, I think that's more so than a place like the United States. Because again, when you live in a small space and your parents are still there, the reason why I left my home in Ohio when I was 18 was because I went to college in a different state. And then I got a job in a different state. So it doesn't make sense for me to live with my parents. But if you're in Seoul and your parents are in Seoul, it's the path of least resistance and that you may just stick with your parents. So yeah, I don't think it's coincidental, but it seems like there may be some shared challenges among all these small but wealthy Asian countries that developed rapidly.

Right. I mean, the stylized story that I guess I was telling myself in my head is catch-up growth, the likes of which we saw with the Asian Tigers, catch-up growth is growth. Growth tends to raise prices. Growth also comes from working really hard sometimes, working really hard, reduces family and romance time. And when you put those things together, the cost of life is rising, the cost of raising children is rising, work anxieties are expanding to fill one's young adulthood. You are squeezing family formation from both ends. You're squeezing it from a cost perspective and just squeezing it from a time perspective. I want to make sure in the remaining time that we have together that we talk a little bit about the consequences of the birth rate decline. None of the world's 15 largest economies have a fertility rate over 2.1, which is the replacement rate. The aging and shrinking, this is Mike Burden, the economist. I just published a cover story for the economist about this where he pointed out that the aging and the shrinking of the world is going to pose a threat to the most disruptive innovation and to entrepreneurship. He has this incredible stat which says that as recently as 2000, Japan, where the fertility rate has like Korea really declined quite a bit in the last 20 years. In the last 20 years, Japan's share of patents filed in hydrogen storage, computer vision, and self-driving has declined by 50% across all those categories.

That's an argument that says shrinking countries not only face economic problems and only face tax revenue problems, they might also face second order productivity and innovation challenges because innovation might be the domain of the young. What do you see as the most

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important consequences of declining birth rates in, as we can see, all of the largest economies in the world? Yeah, I mean, certainly creativity and innovation may go down. Economic growth will also suffer as well too. These are all kind of on the economic side of what happens, what the consequences are of a low birth rate. But my expertise is on foreign policy national security and that's something that I've been following as well. And so for South Korea, I think this is more, this may be more of a problem for South Korea than any of the other countries that we had mentioned because South Korea still faces North Korea across the border. And there's always the threat, the looming threat of North Korea. There's also concerns about, there is a desire for unification at some point. But what it means is that there's compulsory military service for all South Korean males. And the concern for the Korean government is that they're not going to be able to have the human power to really defend themselves. And so it means you either have to have women then come into the military, which I mentioned these angry young men

who are saying it's not fair that not only are women getting paid leave, but they don't have to serve in the military. They're not giving up 18 months of their life to have to serve. So there is some argument to that. So it means you're either going to have to women or you're going to have to rely on technology. But I think the government has been concerned and is aware of this problem that I think when they did these models, they were saying that you needed about 600,000, a force size of about 600,000 to deter North Korea. But we're on pace. I think right now it's about 500,000 and in about five, six years, it's going to be around 400,000 in terms of the force size of the South Korean military. And so I think from maybe about a decade ago, they've been really transitioning and relying much more on technology. They've been investing much more money and resource into technology, upgrading weapons. South Korea for the last seven or eight years has annually increased its defense budget by about five, anywhere between five to seven percent. And part of it is to modernize their Navy and Air Force, but that's also in part because they realize that they're going to need to rely more on technology in the future. But that has second order effects as well too. You're spending more money on your military. That means, well, what about things like social spending or like social security? It's aging. South Korea is also an aging society as well too. But what about the plans for housing subsidies? So you can see that it has these second order effects as well. So that's some of the consequences of having this lower birth rate. And you're creating this vicious cycle or catch 22 then. And so I think this is, we see falling birth rates and you might think it's not that big of a, I mean, it is a big deal. But at first blush, it might just sound like an interesting study, but then you realize that it affects all sorts of issues from the economy to innovation and even to national security. So yeah, there's definitely multiple consequences to this. I had not really even thought of the national security aspect of it, but I find that really interesting. As an on ramp to my very last question, we had a couple of weeks ago an interview with the CEO of Enduro, one of the largest suppliers of drone technologies to the Defense Department. And it occurs to me as you're talking about a declining human workforce to defend Korea or defend America or defend whatever other country that's facing declining birth rates,

you can supplement that with automated technology. The automate everything solution is something you can, you can pick up if you say, well, we can't raise birth rates. We simply have to,

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if we need a certain amount of work done in the economy, automate that which we don't have enough people to do. But if someone didn't want to accept that answer, if they said no, the automation of the economy is either impossible or infeasible or inhumane, we need to find some way to make it easier for people who want to have more children to have more children. That's very hard to do. It seems like it requires working, as we said, at the bone at the structural level of cost of housing and cost of education. What are some ideas in the policy frontier that you've seen that might actually work to increase birth rates so that people can have as many children as they want? Yeah, it comes down and this is something I struggle with even here in the United States about having a proper work life balance. It goes back to your first point about work, but it's harder when everyone, let's say you get a job. I have friends who find jobs outside of Seoul. They're professors or they work in government in the South Korean government, but it's not in Seoul. They're in some other province, but because of the education system, they still want their kids to live in Seoul. They are doing this commute. They're away from their family for the week and then they come back on the weekends. That's actually not on common, that's not conducive to a family. Is there a way for you to get families together, to keep them together? This isn't a policy directly about trying to tackle low fertility rates, but the Korean government had this idea where at least when it comes to the public sector, they wanted to move things out of Seoul. Actually, they built this new city. It was like a city. There was nothing there and it's called Sejong City. It's in the center of South Korea and they just moved some government buildings that were there and many research institutes that were government related. I'm most familiar with the Korean Institute for Development Institute. I remember many people were angry. They said, why do we have to move to this relocate outside of Seoul? Some moved to Jeju Island, which is even further out. There's a lot of grumbling and complaining, but going back to this Sejong City, which is really just a city with a lot of government employees, public sector employees, after about a decade, it's become really nice. Because you have a lot of educated people there who work for the government, they have good schools. In the past, you saw a lot of people commuting back to Seoul, but now you're seeing families actually go down there. It's quite pleasant because the housing is more affordable. It's not so crowded. Things are now, there's more of a cultural life there. I think that's why people didn't want to go there initially either because there's just absolutely nothing there. But that's something that the government did, at least for the public sector, where they could break up parts. We want to move out of Seoul. And I think that's one approach to maybe, it may not resolve the problem entirely, but that might be one step. Well, the very last point that I want to make is, on the one hand, you can imagine government policies moving people to cheaper areas. Those are sometimes called heartland visas in the US. But another thing that's kind of doing that in a subtle way is remote work. There was a paper, I think, published earlier this year by the economist Adam Mozemek and Lyman Stone, a demographer that essentially looked at survey data of 3,000 American women from the Demographic Intelligence Family Survey. And it found that female remote workers, especially older female remote workers, were more likely to intend to have a baby than all office workers. And it suggests that remote work might in some subtle ways promote family formation, not only by fixing what's sometimes called the two-body problem,

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where romantic partners find employment in different cities and they have to choose between their career and their relationship, but also because if remote work reduces commutes and allows people to live in cheaper areas and they don't have the problem of sky-high housing costs and sky-high daycare and sky-high childcare, costs come down a little bit because they can live in these cheaper areas and still have work that is based in the more expensive areas. And remote work ends up kind of ironically and surprisingly helping to raise the fertility rate. Any thoughts on that? Yeah, because it's the commute times. So young families, it's a two-hour commute one way. It's crazy how they're commuting. And by the time you get home, it's 9, 10 p.m. and you're already so tired. And I absolutely think that that's another solution. The problem right now is when I talk to people in Seoul, they're not working remotely. The public sector, they're saying, yeah, we have to go in every day. So I'm not sure why remote work has not picked up as much as it has. I know it's an ongoing conversation and an American workspace as well too, but that would certainly help relieve some of the pressure. It would give Koreans more time to spend with family, with their spouses. So that would be another solution as well too. Somehow there has to be some kind of movement or some way to persuade the government to allow for that flexibility. I do think it comes back to my earlier discussion about needing to be seen at the workplace and being seen as a team player. I think that's what makes it harder to do the remote. I think in the U.S., people can work fairly independently and on their own and that's seen as okay. But in Korea, I think that seems a bit harder. So again, we may have to see some kind of attitude or cultural shift. The other point I want to make is that the pandemic may be the external shock that maybe helps

right-size the ship that's been sinking, that's the declining birth rate. Because I told you that pre-pandemic, Koreans would just hang out really late after work going on dinner and then drinks and then karaoke. But many of the establishments stopped doing that or they closed at 10. In some ways, that's not good for business. You want to support businesses. But I think that culture hasn't quite returned at least to pre-pandemic levels. And I'm hearing some people, at least with families, saying, oh, it's kind of nice that we don't have to hang out until like 1 a.m. or 2 a.m. and we can actually go home. But it's not saying that you're regulating curfew. You're not imposing curfew hours or regulating how late that you work. But that's not a government policy. But you could do things to encourage people not to stay out so late. But I really feel like a lot of this is revolves around cultural norms and attitudes. And those things have to change in tandem with the policies that the government tries to put forth and trying to improve, increase the birth rate. I think that's so interesting, especially the point about just how late certain bars and restaurants stay out might have a downstream effect on people's decisions about family formation. I think it ladders up to a bigger point, which is that this is a whole of society phenomenon. Sometimes I'll tweet about declining fertility and people will say, this is a simple story. It's just about delayed marriage or it's just about birth control. It's just about the pill and all of the things that necessarily and consequently follow the introduction of easy and cheap and reliable birth control. And one of the lessons that I'm taking away from this conversation, and it's a little bit of cognitive reinforcement. So I guess it's someone adhering to my priors and biases. This is really complicated. It is about housing costs. It's about education costs. It's about education culture. It's about work culture. It's about what people do after work. So it's about socializing. It's about bar and restaurant

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hours. And it's about government policy. This is such a naughty, naughty problem. And I really appreciate you walking me through it and treating it with the care and nuance that I think it deserves. Andrew, thank you so much. Thank you so much also for helping me untangle some of these issues, but it was a real pleasure being on the show. Plain English was hosted and reported by me, Derek Thompson, and produced by Devon Manzi. We'll see you back here every Tuesday for a brand new episode. Have a great week.  
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