

Allocation of Time and Consumption-Equivalent Welfare: A Case of South Korea

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Paper Abstract:

Using “2014 Time Usage and Quality of Life” of 17th KLIPS (Korean Labor and Income Panel Study), the first and most detailed time use survey of its kind in South Korea, we first document the patterns of time use in market work, nonmarket work (household work), child care, and a variety of definitions in leisure. We find that, while men work longer hours, men’s additional market work is well compensated by more leisure and less hours in nonmarket work and child care. We also find within-household unequal distribution of time use in nonmarket work, child care, and leisure in favor of men. Consistent with the cases of US and other advanced economies, high-income earners tend to enjoy less hours of leisure while they spend more money in leisure activities. As an illustrative purpose to see the determinants of household-level welfare, we calculate the consumption-equivalent measure that considers both consumption, leisure, life expectancy, and uncertainty. Our result suggests that household-level welfare measures based solely on income or consumption are both incomplete and misleading.