

Valuing Unpaid Care Work in Korea: A Prototype Satellite Account using Korean Time Use Survey

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Paper Abstract:

Much attention has been paid to the value of unpaid care (non-market work, unpaid work, household production) and it has motivated efforts to construct new satellite national income accounts in many countries. Since the first Korean Time Use Survey (KTUS) data was conducted in 1999 by Statistics Korea, some attempts have been made to value unpaid care work in Korea. However, those efforts have been insufficient, in part because their aim falls short of constructing household satellite accounts in Korea.

Unpaid care, including housework and care work for household members, constitutes an important aspect of economic activity and ignoring it may lead to misleading understandings of the levels of and changes in material well-being, which are currently measured in Gross National Product (GDP). Hours of non-market work, especially care work, and the extent to which they provide substitutes for market income certainly influence subjective well-being. This paper sheds light on the importance of unpaid care work by making use of the Korean Time Use Survey (KTUS) data to develop household satellite accounts.

Previous satellite accounting efforts in other countries have underestimated the amount and value of time devoted to care for children and elderly for the following reasons: time constraints on parents who care for infants or young children have been overlooked, and care intensity, as measured by the ratio of the number of care recipients and the number of caregivers, discounted. This paper takes those factors into account.

Building on the methods used in earlier estimates of the value of all non-market household work, this paper adopts input-based, replacement-cost valuation based on the market value of labor and the market value of capital and other inputs. For different specialist wages to estimate the value of labor input/wages from the Occupational Wage Survey collected by the Department of Labor in Korea are utilized.