Webinar on the 2025 System of National Accounts Implementation (June 10, 2025)

Valuing Unpaid Household Service Work in the Republic of Korea

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1. Introduction

Household Production Satellite Accounts (HPSA)

✓ Estimate the economic value of unpaid household service work
 — such as cooking, cleaning, and caregiving—in a way that is consistent
 with the national accounts

"The exclusion of unpaid household service work from the production boundary in the integrated framework is seen as a significant limitation in using GDP as a measure of material well-being --- Countries are encouraged to develop extended accounts for unpaid household service work."

- Based on 2025 SNA, Para. 1.64

Unpaid Household Service Work

- those economic services produced in the household and outside the market, but which could be produced by a third person hired on the market
- ✓ excludes activities people can only perform on one's own behalf, such as sleeping, other forms of personal care and leisure

- Based on 2025 SNA (para. 34.87), UNECE Guide

Scope of production

SNA(GDP) production: Market	Household production: Non Market
 Production within a market 	 Services produced for one's own final use
- Goods and services available for sale in the market	 Volunteer work of services
 Own-use production work of goods 	
(incl. housing service)	

2. Methodology

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Household Production Satellite Accounts

- **Output = Intermediate consumption + Value added**
- ✓ Value added (Household Production)
 - = Value of unpaid household service work (compensation of employees)
 - + Consumption of fixed capital
 - Intermediate consumption: Estimated using 144 household expenditure items—such as rice, cleaning supplies—that are used as inputs for unpaid production activities like meal preparation and cleaning.
 - **Consumption of fixed capital:** Estimated using the **Perpetual Inventory Method (PIM)** based on 29 household durables like refrigerators and washing machines, by accumulating investments and applying depreciation.

1. Introduction

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B. Key Results

4. Beyond the HPSA 5.Future plans

Value of Unpaid Household Service Work

Time spent on household service work \times Replacement wage \times Population



<u>Replacement Wage</u>



Population(Aged 15 and Older)

Time spent

Time

✓ Household production includes activities classified into 5 sections, 19 divisions, and 61 groups, based on the 2019 Time Use Survey.

Included in household production	Excluded from household production			
 Household management (e.g. cooking, laundry, 	 Personal care (e.g. sleeping, eating, healthcare) 			
shopping, cleaning, pet care, gardening, DIY repairs)	 Paid work or study 			
• Caregiving (e.g. caring for children or adults)	(e.g. attending class, paid employment)			
• Volunteering and Civic engagement (e.g. direct,	 Social and leisure activities (e.g. reading, watching TV) 			
organization-based, parental support for education)	 Transport unrelated to household production (e.g. 			
 Transport related to household production (e.g. 	commuting for work, personal travel)			
transporting for shopping, caregiving)				

I. Introduction

2. Methodolocy

Key Results

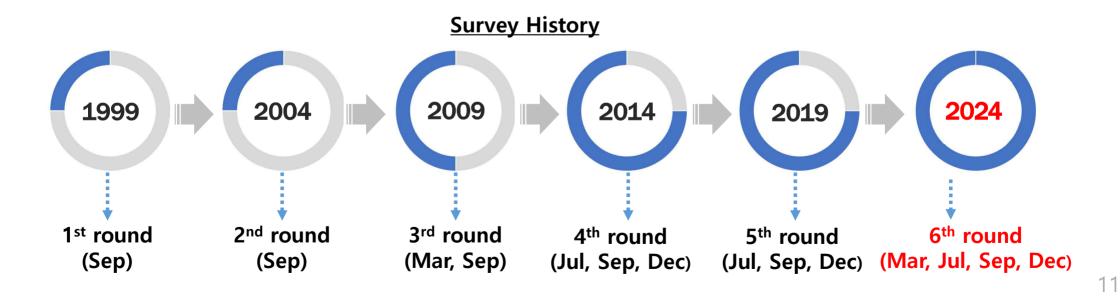
Differences in Scope Compared to 2025 SNA

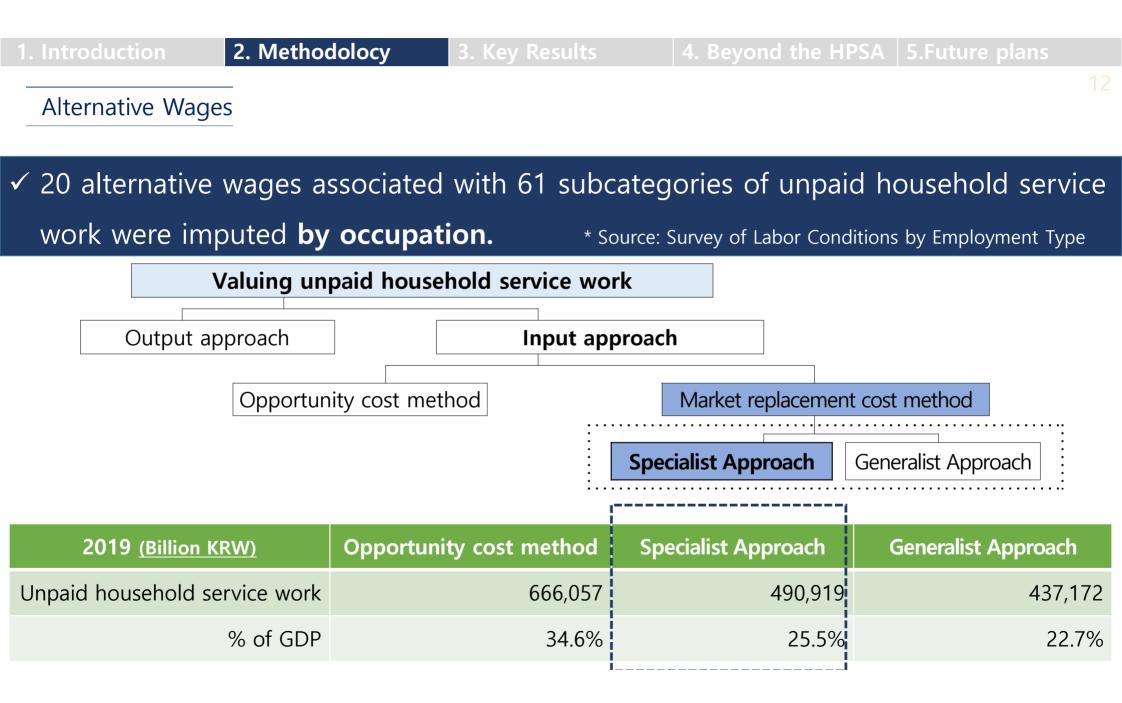
Area	Summary	Our Framework (HPSA)
Information services for own house hold or family	Households can now create information for themselves or others using digital platforms. This information may be used for unpaid production or leisure. The key criterion is whether consumers could have obtained similar information through a paid service.	Not included (not captured in Time Use Survey)
Transport for own household or fa mily	Unpaid transport related to paid work, care, or leisure, including giving someone a lift or driving oneself instead of using paid transport.	 Only unpaid household-related t ransport. Transport for paid work and personal leisure is excluded.

* Source: Summarized and adapted from 2025 SNA Table 34.5

Time Use Survey in KOREA

- The Time Use Survey is conducted every five years by Statistics Korea. It aims to identify how people use their time throughout the day (24 hours)
- It measures changes in lifestyle and quality of life, and provides basic data for policymaking in gender equality, labor, welfare, culture, transport, and more





I. Introduction

Key Results

Specialist Approach VS Generalist Approach

Specialist Approach Example

Activity categories	Occupations				
Cooking, fixing a meal	Cooks and catering service workers				
Dishwashing, clearing a meal	Low-skilled catering service workers				
Cleaning	Janitors and sanitary workers				
Organizing • helping do housework	Workers and helpers in elementary jobs related to domestic work, food, and sales				
Transport associated with household services	Drivers				

✓ the household production value for 2-hour food preparation and 2-hour childcare

Specialist Approach	2h × 15(\$/hr) = 30\$ Cook's wage	2h × 20(\$/h) = 40\$ Nursery teacher's wage	Total value 70\$
Generalist Approach	2h × 17(\$/hr) = 34\$ Domestic housekeeper's wage	2h × 17(\$/hr) = 34\$ Domestic housekeeper's wage	Total value 68\$ 13

Breakdown of Statistical Tables in the HPSA

- 1. by Activity
- 2. by Gender
- 3. by Age Group
- 4. by the Number of Household Members
- 5. by Employment Status
- 6. by Marital Status
- 7. by Province
- 8. by Gender and Activity
- 9. by Age Group and Activity
- 10. by the Number of Household Members and Activity
- 11. by Employment Status and Activity

12. by Marital Status and Activity 13. by Province and Activity 14. by Age Group and Gender 15. by the Number of Household Members and Gender 16. by Employment Status and Gender 17. by Marital Status and Gender 18. by Province and Gender 19. by Employment status, Gender and Activity 20. by Marital Status, Gender and Activity 21. by Province, Gender and Activity 22. by Marital Status, Gender and Employment Status

3. HPSA Key Results

2. Methodolocy

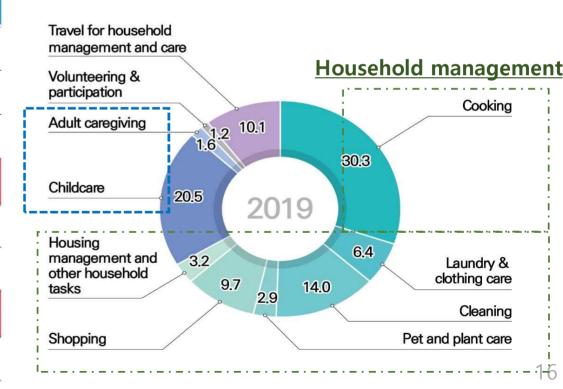
Household Production Satellite Accounts

✓ Unpaid household service work valued at 490 trillion KRW in 2019 (25.5% of GDP)

	Year	1999	2004	2009	2014	2019
Total Output		207,403	281,453	372,445	494,475	656,476
li	ntermediate Consumption	56,870	71,969	89,398	116,163	139,605
Value Added (Household Production)		150,533	209,484	283,047	378,312	516,871
	Compensation of Employees (unpaid household service work)	144,308	200,538	270,348	361,502	490,919
	Consumption of Fixed Capital	6,225	8,947	12,699	16,810	25,952
Ν	Iominal GDP	591,453	908,439	1,205,348	1,562,929	1,924,498
	Inpaid Household Service Vork as % of GDP	24.4	22.1	22.4	23.1	25.5
Household Production as % of GDP		25.5	23.1	23.5	24.2	26.9

(Billion KRW, %)

by Activities



Value of Unpaid Household Service Work by Gender

✓ Women produced 2.6 times more unpaid household services than men in 2019, though men's share has steadily increased over time



- Policy basis: encouraging men's participation in unpaid care work by reducing long working hours
- sparked discussions among local governments about introducing household labor subsidies.

Who Does the Most Unpaid Household Service Work?

✓ Married and non-employed women accounted for the largest share (41%) of unpaid household production

Structure of Unpaid Household Service Work by Marital Status, Gender and Employment, 2019

	Total	Unmarried			Married		
	TOtal		Males	Females	Marrieu	Males	Females
Employed	48.1%	4.8%	2.0%	2.8%	43.3%	16.9%	26.4%
Unemployed	51.9%	4.4%	2.1%	2.3%	47.5%	6.5%	41.0%
Total	100.0%	9.2%	4.1%	5.1%	90.8%	23.4%	67.4%

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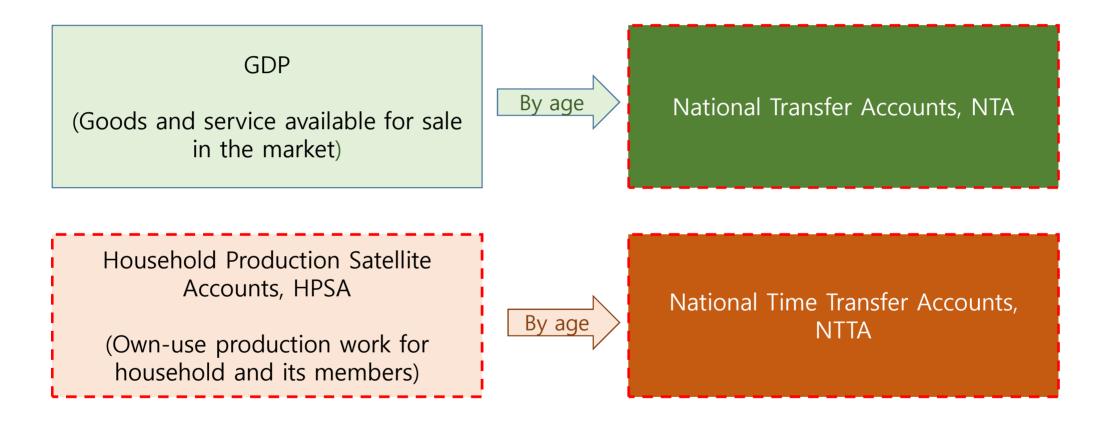
2. Methodolocy

Media Coverage Highlighting Gender Gaps in Unpaid Household Work



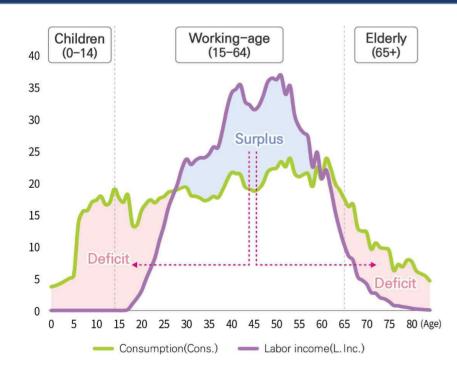
4. Beyond the HPSA

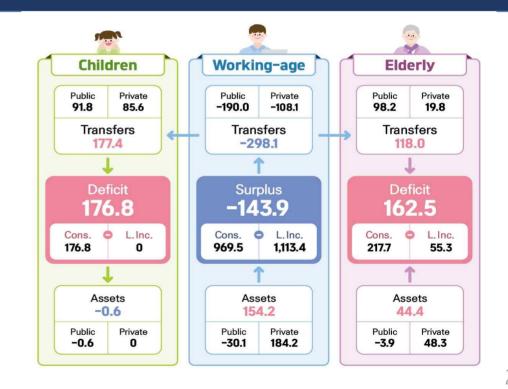
Satellite Accounts by Statistics Korea



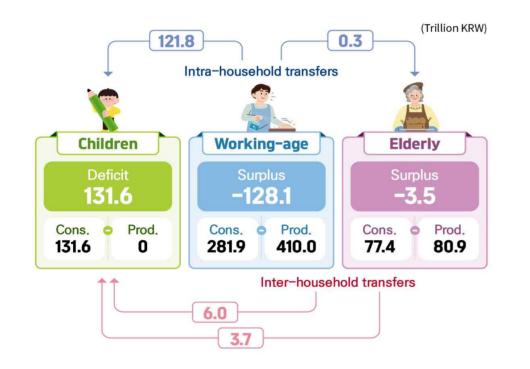


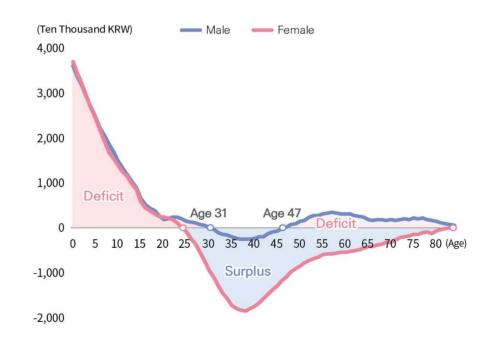
✓ The NTA shows the lifecycle deficits from the gap between consumption and labor income, and how the lifecycle deficits are filled through inter-age reallocations





✓ The NTTA shows who produces and who consumes unpaid household service work across different age groups



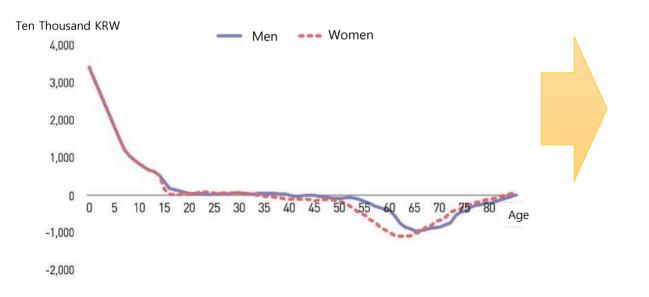


Per Capita Lifecycle Deficit



 ✓ A net transfer occurs from the elderly to the young, reflecting grandparents caring for grandchildren living in separate households

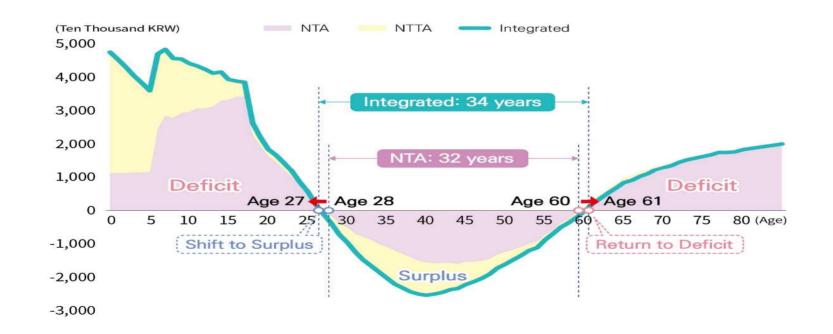
Per Capita Transfer Inter Households



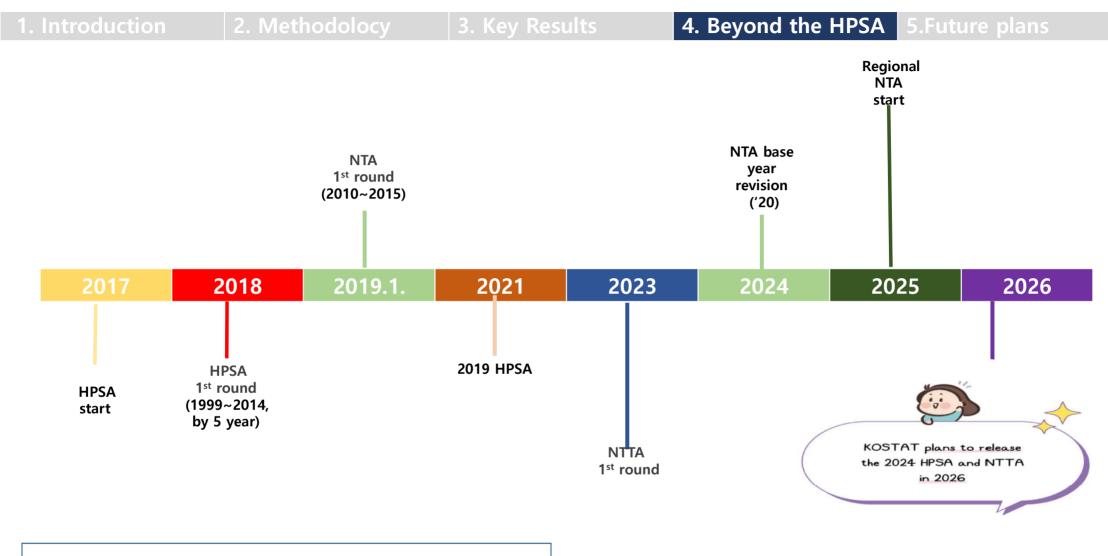
Used as the basis for Seoul's policy on grandparent caregiving subsidies



✓ Integrating the NTA and the NTTA can provide a comprehensive view of the national economy



5. Future Plans



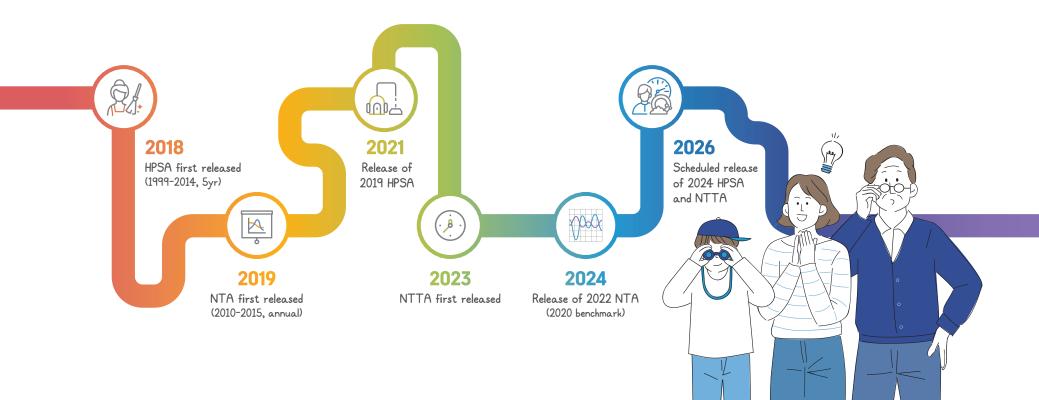
- HPSA: Household Production Satellite Accounts
- NTA: National Transfer Accounts
- NTTA: National Time Transfer Accounts

Thank you



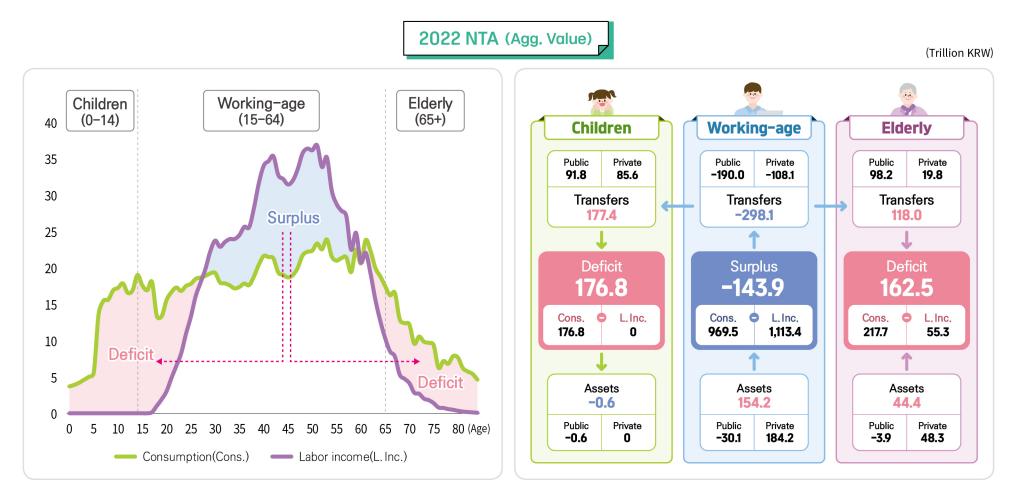
How Long is the **Surplus Period** for Koreans?

An introduction to the National Transfer Accounts, Household Production Satellite Accounts and National Time Transfer Accounts



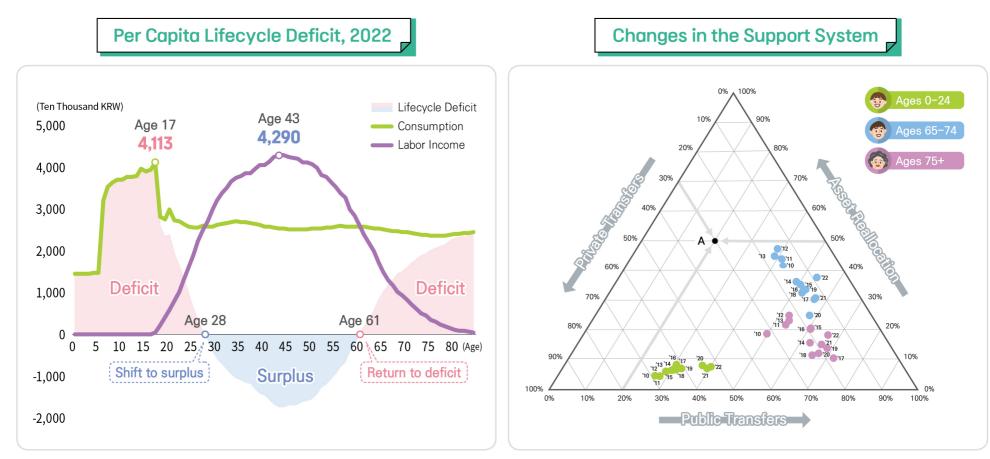
01 » What are the Mational Transfer Accounts?

The NTA shows the lifecycle deficits from the gap between consumption and labor income, and how the resources are reallocated by age to fund them.



02» What Insights Can We Gain from the NTA?

✓ In 2022, the average Korean spent 33 years in a lifecycle surplus, earning more in labor income than they consumed.



 Point A shows that 30% of the lifecycle deficit is financed by private transfers, 20% by public transfers, and 50% by asset reallocation

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03 » What are the **H**ousehold **P**roduction **S**atellite **A**ccounts?

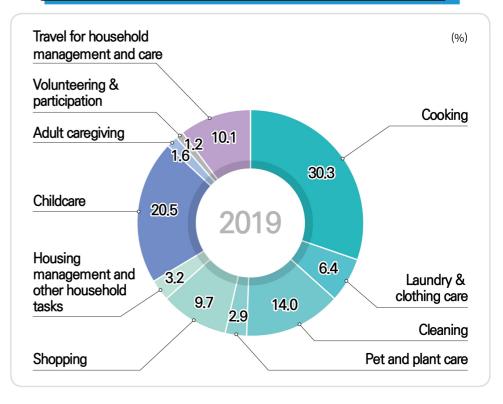
HPSA complements income statistics(GDP) by estimating the economic value of unpaid household labor.

Household Production Satellite Accounts

	(Billion KRW, 9					
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Unpaid Household Service Work by Activities

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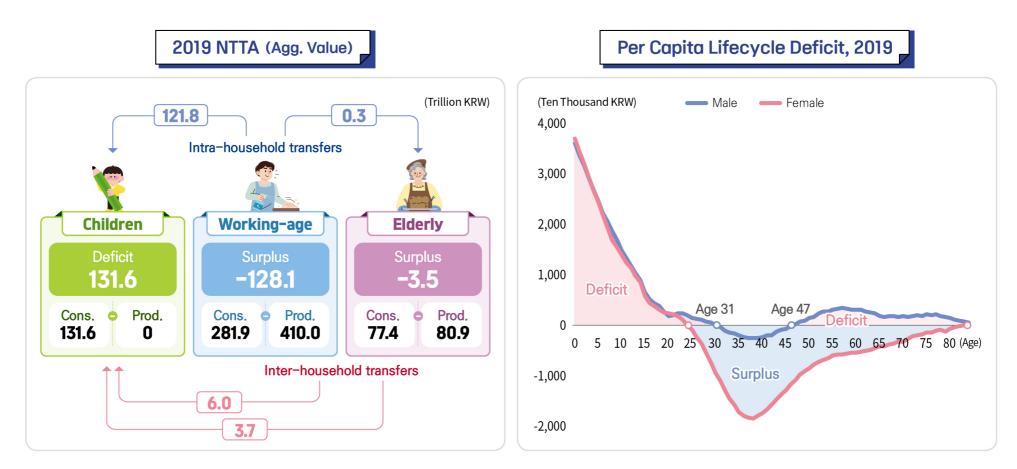


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Unpaid household service work in 2019: 490.9 trillion KRW (25.5% of GDP)

04» What are the National Time Transfer Accounts?

If the NTTA shows who produces and who consumes household service work across different age groups.



The NTTA will become an official statistic under the UN 2025 international manual

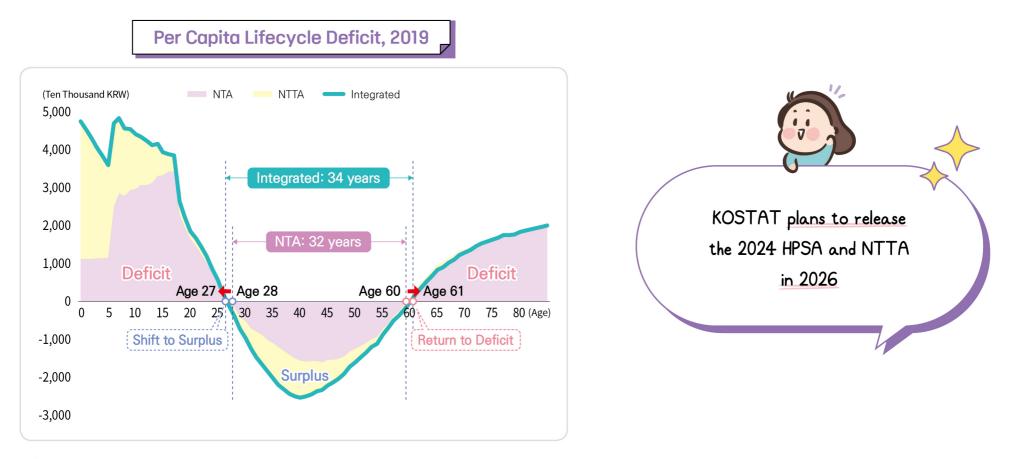
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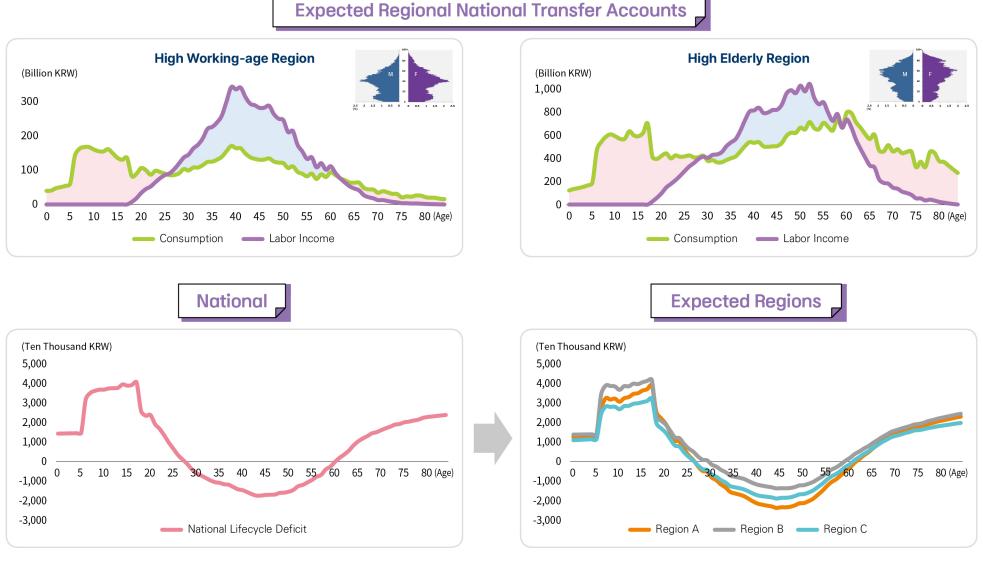
KOSTAT has More Plans Ahead!

Integrating the NTA and NTTA can provide a comprehensive view of the national economy.



The surplus period based on the NTA is 32 years, extending to 34 years when the NTTA is included

KOSTAT plans to gradually develop **Regional National Transfer Accounts**.



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🔅 You can find more information on the National Statistics Portal (http://kosis.kr/eng), under: Statistical Database > National Accounts > National Transfer Accounts