

# CARE WORK AND THE ECONOMY

Advancing policy solutions with gender-aware macroeconomic models

POLICY BRIEF | 21 – 04

## CARE CONUNDRUM IN SOUTH KOREA: IS THERE UNMET DEMAND FOR CHILDCARE AND ELDERCARE?

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### POLICY HIGHLIGHTS

- Expansion of public investment and improvements to the provisioning of quality paid care services, as well as more egalitarian division of family caregiving are needed to reduce Korean women's unpaid care work burden.
- Existing LTC services offered are not sufficient in easing the care constraints faced by households with frail elderly, especially those with lower income.
- The availability, affordability and quality of formal (paid) childcare and eldercare services should be the focus in enabling families to balance between paid care services and unpaid family caregiving.
- Policies that expand the financial support for and improve supply of paid care services in small towns and rural area are especially critical.

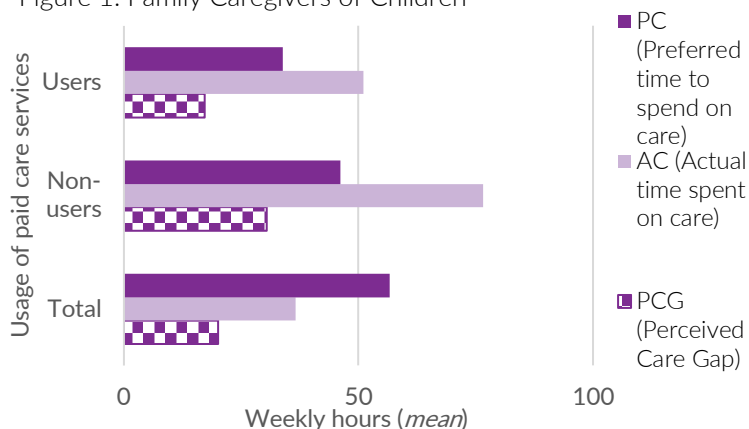
Korea currently faces a puzzling situation that is also emerging in other high and upper middle-income countries: the continued provisioning of family care for the frail elderly and young children in excess, despite the ample supply of formal (paid) care workers. One possible explanation for this is that households are 'carework-constrained' in the sense that primary caregivers in these households would prefer to spend less time in caregiving and reallocate their time to other activities but are unable to do so due to the difficulty in replacing unpaid caregiving with paid care services.

We argue in this paper that an analysis of the preferred amount of time by primary caregivers in relation to the actual amount of time that they spend in care work can provide a deeper understanding of their current dilemma and hardship and help us reveal the household's unmet demand for external care services.

Using the 2018 Care Work-Family Survey in Childcare and Eldercare in South Korea, a nationally representative data, we measure both 'the actual amount time spent on caregiving (AC)' by the primarily family-caregiver and the amount of time she would like to spend caregiving if she could choose, or 'the preferred amount of time on care (PC)'. The gap between AC and PC, the primary family caregiver's perceived care gap (PCG) may reflect perceived excess in caregiving, or the unmet demand for external care – whether paid or unpaid, from the perspective of the primarily family caregiver.

Our findings show that mothers in households that do not use paid childcare services provide a higher amount of care work on average (76.48 hrs.) compared to those that have hired help (51.6 hrs.). The primary caregivers' perceived care gap (PCG) is larger in households that do not utilize paid childcare.

Figure 1. Family Caregivers of Children



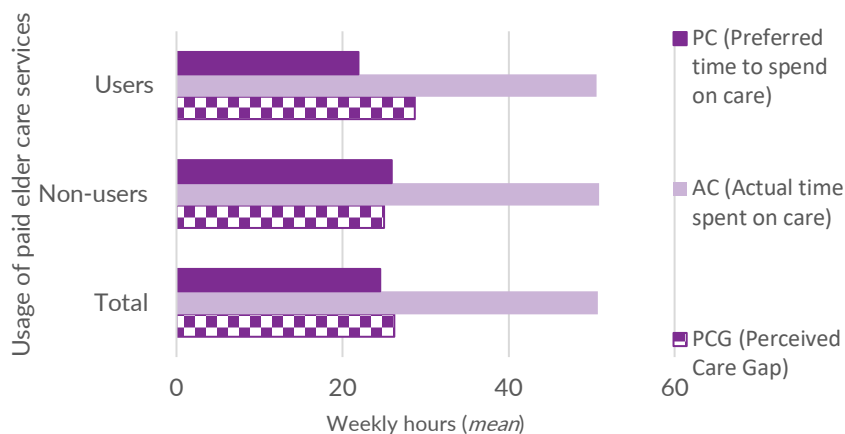
Data: 2018 Care Work-Family Survey in Childcare in South Korea. Sample N=500

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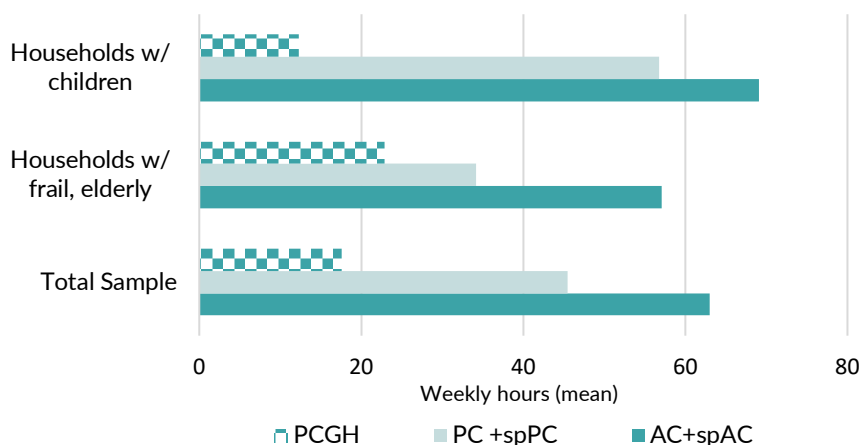
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Figure 2. Family Caregivers of the Frail and Elderly



Data: 2018 Care Work-Family Survey in Eldercare in South Korea. Sample N=501

Figure 3. Perceived Care Gap within Households (PCGH)



Data: 2018 Care Work-Family Survey in Childcare and Eldercare in South Korea. Sample N=1001

The estimated PCG among elderly caregivers (Figure 2), on the other hand, is slightly higher on average for those in households that utilize paid elder care services (28.71 hrs.) compared to those in households that do not use them (25 hrs.). We also find that the average PCG of family caregivers of the frail and elderly is over half of what they currently provide (AC), suggesting a significant amount of 'hidden' unmet demand for elder care.

We also estimate the mean actual weekly hours spent by spouses in eldercare and childcare (spAC), the desired amount of hours that primary caregivers would like their husbands to provide (spPC), and the overall shortfall in care service at the household level (PCGH). As Figure 3 shows, we find that PCGH is significantly larger for households with elderly care (22.86 hours per week on average) compared to those with child care (12.31 hours per week on average). This suggests that households with eldercare face more difficulties in managing their care needs and work longer hours than what is preferred, compared to households with child care.

We empirically examine a variety of factors that influence PCG and PCGH using a Tobit regression analysis.

## FINDINGS

- Unmet demand for care is greater in low-income households with frail elderly and middle-income households with young children
- Households in the Seoul Metropolitan Area have lower PCG suggesting a regional imbalance of the public provision of child care services
- PCG and PCGH are greater among more educated mothers (primary child caregivers), and PCGH decreases when the household utilizes more hours of paid child care services.