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**Reports, guidelines and recommendations prepared
under the umbrella of the Conference****Unpaid household work****Addendum****Results of the consultation on the Guide on valuing unpaid household
service work****Note by the Secretariat***Summary*

This document summarizes the comments by members of the Conference of European Statisticians on the *Guide on valuing unpaid household service work* and describes how the Task Force on Valuing Unpaid Household Service Work addressed the comments in revising the Guide.

The Secretariat carried out an electronic consultation on the Guide in March-April 2017. A total of 34 countries and 3 organizations replied to the request for comments. There was a general support for the main conclusions and recommendations made in the Guide and for the proposals for future work.

In view of the support received, the *Guide on valuing unpaid household service work*, updated with the amendments presented in this document is submitted to the Conference for endorsement.

I. Introduction

1. This document summarizes the comments by members of the Conference of European Statisticians (CES) on the *Guide on valuing unpaid household service work*. The Secretariat carried out an electronic consultation on the Guide in March-April 2017. CES members were asked to structure their comments according to a set of questions on general and specific comments.

2. The UNECE Task Force on Valuing Unpaid Household Service Work considered the comments and made amendments to the Guide. The Task Force includes representatives of the following national statistical offices and international organizations: Australia, Canada, Chile, Finland, Italy, Mexico, New Zealand, Republic of Moldova, Slovenia, Switzerland, United Kingdom (Chair), United States, Eurostat, International Labour Organization (ILO), Organisation for Economic Co-operation and Development (OECD), and the United Nations Economic Commission for Europe (UNECE). The UNECE acts as Secretariat to the Task Force.

II. Summary

3. In the electronic consultation, responses were received from the following 37 countries and organizations: Armenia, Australia, Austria, Belarus, Belgium, Bosnia and Herzegovina, Canada, Croatia, Czechia, Dominican Republic, Finland, Georgia, Germany, Hungary, Italy, Japan, Latvia, Lithuania, Mexico, Mongolia, Netherland, Norway, Poland, Romania, Russian Federation, Serbia, Slovakia, Slovenia, Sweden, Switzerland, Tajikistan, Ukraine, United Kingdom, United States, the Eurasian Economic Commission (EEC), Eurostat and the United Nations Statistics Division (UNSD).

4. Out of the 37 respondents, 34 expressed explicitly that the Guide is ready for endorsement at the CES plenary session, subject to the comments made in the consultation. No country objected to the endorsement.

III. General comments and comments on main recommendations

5. Several countries expressed appreciation to the Task Force for preparing the Guide and supported the development of this area. Armenia, Germany, Mexico, Norway, Romania, Russian Federation, Sweden and Tajikistan found the Guide a valuable source for methodological explanations and useful for producing the satellite accounts or estimating the added value of unpaid household work. Hungary considered that the Guide summarized the most important calculation methods of the items on household satellite accounts in a very consistent way. Lithuania noted that the issue of inclusion of unpaid household service work in core national accounts could be on the agenda of a future update of the System of National Accounts (SNA). Therefore, the current Guide is very relevant. Slovenia appreciated the many practical examples given in the Guide.

6. Eurostat suggested that the Guide would benefit from an overview of countries which are already compiling data on unpaid household service work, where this is known. The Netherlands pointed out that the Guide gives an interesting overview of the field of work and referred to the need for further work on the difficult aspects of the methodology, such as multitasking, volunteering, and disentangling intermediate consumption and final consumption. Mexico and Norway sought clarification of the exclusion of volunteer work

from the Guide and asked the area to be included in the research agenda for further work instead. A Russian translation of the Guide was requested.

7. All responding countries and organizations agreed with the recommendations of the Guide. Austria and the Netherlands indicated that the Guide would benefit from an overview of the main recommendations. Tajikistan requested technical assistance in implementing the recommendations.

8. Germany summarized four essential issues as presented in the recommendations:

- Use of the input approach for the valuation of unpaid work;
- Necessity to implement frequent time-use surveys;
- Replacement wage as the most suitable option in terms of valuation;
- Recommendation of the generalist wage approach.

9. Eurostat found the recommendation of using the International Classification of Activities for Time-Use Statistics (ICATUS) as the main international reference classification somewhat “strong” and “engaging”. In their opinion, ICATUS reflects views of developing countries, most of which use it as a substitute for the labour force survey (LFS) (i.e. source for collecting data on employment), which differs as an objective from the practice in the European Union countries.

10. Mexico and Norway asked for the hybrid replacement cost method to be given more prominence in the recommendation on replacement wage approach. In addition, Norway noted that housekeepers were not commonly used in several countries; hence a reliable wage rate for a generalist was difficult to obtain.

11. Regarding the Guide’s recommendation on harmonization of the reference periods across countries, Eurostat noted that data collection periods are quite dispersed and given that Harmonised European Time-Use Surveys (HETUS) are voluntary, a complete harmonization of the reference year cannot be expected before 2030, which would be the first year of implementation under the Integrated European Social Statistics (IESS). Eurostat supported the further investigation and testing of alternative collection approaches for time-use surveys, such as light diaries. There was no discussion yet of shortening the data collection interval to every 5 years from the current 10 years.

12. A number of respondents drew attention to the practical difficulty of fulfilling the recommendations. Belgium and Romania both noted that unpaid household service work was not accounted for in national accounts or in satellite accounts and that time-use surveys are not sufficiently frequent.

Response by the Task Force

13. As suggested by Eurostat, the list of countries that are already compiling data on unpaid household service work is now included in Annex 1.1 of the Guide, as collected in a 2015 survey among all CES member countries.

14. Regarding the scope of the Guide, the Task Force noted that the Guide limits the production boundary to own-use production work of services and recognizes that the measurement and valuation of the provision of services for other households – essentially volunteering – require separate guidance.

15. In response to the comments from Austria and the Netherlands, Chapter 1 now includes the requested overview of the main recommendations.

16. In response to Eurostat’s comment, the text referring to the concordance between ICATUS and HETUS was revised to indicate a less strong requirement.

17. On hybrid replacement cost method, the Task Force agreed that the Guide should give this methodology more prominence, and included an explicit reference to it in Chapter 1, in addition to the existing paragraphs in Chapter 3. The Task Force decided not to recommend it as the preferred approach recognizing – as noted by Mexico – the data limitations faced by some countries, and noted that more research in the area is required.

18. Belgium, Romania and Eurostat expressed the difficulty of collecting information for valuing household service work every five years. Acknowledging this difficulty, the Task Force concluded that there are good grounds to keep this recommendation as the desirable objective.

IV. Chapter-specific comments

19. Several respondents provided more detailed comments on specific parts of the Guide, as presented below. Some respondents also provided specific editorial remarks, which were taken into account in revising the Guide.

A. Introduction, overview and main conclusions

20. UNSD requested updating the references to ICATUS 2016 instead of the trial version of ICATUS published in 2005. ICATUS 2016 was endorsed by the United Nations Statistical Commission in March 2017, just after the Guide was drafted.

21. The Netherlands proposed referring to the Eurostat working paper "Household production and consumption - Proposal for a Methodology of the Household Satellite Accounts" (2003), which discussed many of the subjects mentioned in the Guide.

Response by the Task Force

22. The Task Force updated the Guide throughout to reflect the endorsement of ICATUS by the United Nations Statistical Commission in March 2017, and added an explicit reference to the Eurostat methodological document.

B. Concepts and definitions

23. The Netherlands commented on the definition of own final use, which mentioned that it can also cover the services produced for family members in other households. In their opinion, this would be a flow between two institutional units, which should not be included in the definition. The Netherlands suggested that own final use should be limited to intra-household flows, whereas flows between households could be classified as volunteer work. This would also improve the delineation between the two flows.

24. Mexico noted that household definition in SNA does not cover the scope used in the definition of "own-use production work of services" by ILO, which includes family members living in other households. In addition, Mexico asked to align the concept "own-use production work of services" with the one in the glossary.

25. Several countries commented on the activity classification and coverage. In case of Mongolia, for example, household activities in animal husbandry, such as livestock watering, mating, shearing, milking, and so on, shall be included in own-use production work of services.

26. Mexico recommended incorporating new activities and reclassifying activities in Table 2.1. Norway questioned the inclusion of own-use production work of transport

services, in part on conceptual grounds, but also due to the difficulty in finding reliable data.

27. Mongolia called for more attention to seasonality in unpaid household service work when estimating hours of such work and valuing them.

28. Mexico suggested including “gross operating surplus” to complete the income approach definition.

Response by the Task Force

29. Regarding the comment from the Netherlands, the Task Force confirms that the definitions of own-use production work of services in the Guide are fully consistent with the Resolution I of the 19th International Conference of Labour Statisticians (ICLS). As such, the definition of own-use production work of services within this Guide includes work carried out for household members, and for family members outside of the household. Since the requested change would have required a departure from the ICLS resolution, it was not implemented.

30. In response to Mexico’s comments, the Task Force notes that the ICLS definition of own-use production work of services does not necessarily change the definition of a household. It suggests that the scope of own-use production work of services extends beyond the household. Therefore, the Task Force maintains its opinion that the definition of a household is consistent with SNA. The definition of own-use production work of services in the Glossary was changed to reflect the family element.

31. The Task Force concluded that household activities involving, for example, animal husbandry as mentioned by Mongolia, would be defined as own-use production work of *goods*, and as such, are out of scope of this Guide.

32. In response to Mexico’s comment on the classification of activities, Table 2.1 has been removed and Table 4.1 is now referred to throughout the Guide as the complete list of own-use production work of service activities. Concerning own-use production work of transport services, the Task Force ascertains that own-use production work of transport services passes the third party criterion – individuals can either drive themselves to work, or pay someone to do drive for them. Further, both the ICATUS and HETUS classifications allow the direct measurement of own-use production of travel services.

33. Further, the Task Force addressed Mongolia’s comments by adding a short section to remind countries to account for seasonality when measuring own-use production work of services.

34. Finally, the Task Force amended Chapter 2 to reflect Mexico’s comments regarding the inclusion of gross operating surplus within the income approach definition.

C. Methodological approaches

35. For different reasons, Hungary, the Netherlands and Eurostat expressed the need to relax the lower age limit of 15 years that was proposed in the Guide.

36. The Netherlands pointed out that the output valuation method offers good possibilities for compiling more frequent estimates, as time-use surveys are not carried out every year. The output approach results in macro totals, while the research questions that are of interest such as gender related, or distributional aspects cannot be answered by the output approach. The Netherlands suggested that perhaps statistical publications can benefit from the combination of both (input and output) approaches.

37. Hungary informed that they are working to develop a pre-defined (and very detailed) activity coding list.

Response by the Task Force

38. With regard to the comments on the target population to measuring and valuing own-use production work of services, the Guide recommends no age limits when measuring own-use production work of services. Countries should at least measure and report on the work carried by those aged 15 years and older. Countries are free to measure any and all age groups as dictated by national priorities, but to ensure international comparability, the rule above is recommended. The text in the Guide has been clarified to better reflect that position.

39. The Task Force amended the text to encourage countries to explore combining input and output approaches. The Task Force also concluded that the work involved be too onerous to make this approach a main recommendation.

D. The structure of household satellite accounts

40. The Netherlands felt that given the many developments within the household sector accounts (breakdowns by household types, breakdowns by individuals, estimating supplementary pension entitlements, estimating human capital, estimating research and development, etc.) and increased interest in non-core SNA variables, the naming "Household Satellite Account" was perhaps too broadly chosen.

41. The Netherlands suggested that the Guide could benefit from country cases and specific examples on output approach. Furthermore, they proposed to mention the numerical examples presented in Tables 4.2-4.4 in the text in order to increase clarity. In addition, they requested further explanation on the choice of intermediate and final consumption (or both) in Annex 4.1. Finland proposed new tables offering a more detailed explanation numerical example for deriving a set of extended household accounts.

Response by the Task Force

42. Concerning the term "household satellite account", the Task Force notes that it is internationally synonymous with a system of measuring own-use production work of services in a consistent manner to national accounts. The Task Force concluded that deviating from established terminology could introduce unnecessary confusion for countries and decided not to change it.

43. On output approach, the Task Force notes that the United Kingdom case study was sufficient to demonstrate how it works in practice. To improve Chapter 4 with numerical examples in the text, new paragraphs were added that explain the supply and use tables presented, including a description of how the output approach can be included within the proposed framework.

44. The Task Force incorporated into the Guide the new tables proposed by Finland as they improve the guidance on deriving extended household accounts.

E. Implementation and measurement challenges

45. Taking into account that the current classification of economic activities does not fully cover all activities of unpaid work, Belarus supported the idea of developing a correspondence of own-use production work of services with the classification of economic activities and classification of occupations.

46. Germany mentioned that attaching a light diary to a household survey could increase burden for respondents with implications on response and data quality. Germany also identified a discrepancy in the Guide in reflecting the resolution of the 19th ICLS and ICATUS 2016 with regard to caregiving services. Furthermore, in Annex 5.1 "providing unpaid care giving services to household members" was found to be not in line with ICATUS because family members out of households were missing.

Response by the Task Force

47. The Task Force notes that developing a full correspondence of ICATUS categories was beyond the scope of the Guide, and that these issues have already been considered over many years of experts' work on ICATUS. Table 4.1 offers a set of market equivalent counterparts to the own-use production work of services activities.

48. The section on the light-diary approach now explicitly mentions the caveat of increased response burden. The Task Force resolved the discrepancies surrounding the resolution of the 19th ICLS and ICATUS 2016. The Guide now reflects that the recently endorsed ICATUS classification align more closely with the ICLS resolution.

F. Reporting

49. The Netherlands observed that there were no recommendations made on internationally comparable indicators specific to the household function.

Response by the Task Force

50. The Task Force notes that the Guide recommends reporting measures of own-use production work of services by age, sex and household composition.

G. Country-specific case studies

51. The Russian Federation called for a more detailed description of the experience of using labour force modules to measure labour costs for unpaid household work.

52. The Netherlands wanted to make it clear how the recommendations lead to a better comparability of the country cases in this chapter. They suggested an overview in a tabular form that would increase the comparability of the country experiences and methodological choices.

Response by the Task Force

53. The Task Force notes that the Chapter contains a detailed example from Switzerland regarding the measurement of own-use production work of services using a labour force survey.

54. With respect to a summary of methodological choices within the country cases, the Task Force notes that with such a wide array of country case studies, summarizing this information in one table would be difficult, and the value provided would be questionable. The titles and sub-titles of the case studies were re-formulated to clarify better the information contained therein.

H. Current and future research work

55. Hungary considered that asking about only one simultaneous activity would not be enough to measure multitasking, because it could lead either to overestimation of the time of the secondary activities using 10 minutes time slots, or underestimation because the respondents could not report the third or fourth parallel activity.

56. The Netherlands proposed to mention the combination of the output and input approach as future research. Both approaches could benefit from each other.

Response by the Task Force

57. On multitasking, the Task Force noted that the Guide does not explicitly recommend constraining the measurement of simultaneous activities to just one extra activity. However, with response burden in mind, international guidance on time-use surveys (see United Nations (2014) and Eurostat (2008)) recommend measuring only parallel activity.

58. The Guide suggests that countries could explore combining the input and output approaches, warns of the onerous work involved and does not consider it a priority area or a main recommendation.

VI. Proposal to the Conference

59. In view of the support received, the Conference is invited to endorse the *Guide on valuing unpaid household service work*.

60. The Conference is invited to promote the compilation of Household Satellite Accounts recommended in the Guide and ask the CES Expert Group on National Accounts to follow up with specific proposals in this regard.