

Valuing Unpaid Household Service Work

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Unpaid household service work



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- Unpaid household service work defined within Resolution 1 of 19th International Conference of Labour Statisticians (2013)
- Activities include:
 - Preparing and serving meals
 - Looking after children and adults
 - Cleaning and maintaining one's own dwelling
- Activities for inclusion usually dictated by the third party criterion



How does it fit within the SNA?



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Diagram 1. Forms of work and the System of National Accounts 2008

<i>Intended destination of production</i>	<i>for own final use</i>		<i>for use by others</i>				
<i>Forms of work</i>	Own-use production work		Employment (work for pay or profit)	Unpaid trainee work	Other work activities	Volunteer work	
	of services	of goods				in market and non-market units	in households producing goods services
<i>Relation to 2008 SNA</i>	<i>Activities within the SNA production boundary</i>					<i>Activities inside the SNA General production boundary</i>	

- Unpaid household service work (red box) sits outside of the SNA production boundary = outside GDP

Why is it important?



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- Traditional measures of the economy (GDP) ignore this work. However, unpaid household work is closely related to well-being
- Plays an important contribution to the successful functioning of the economy, labour market and society
- Vital in examining the gender division of work

Goal 5: Achieve gender equality and empower all women and girls



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5 GENDER EQUALITY



Indicator 5.4

Recognise and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate

Measurement challenges



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- The work is unpaid and often produces intangible services
- Multitasking, e.g.:
 - preparing a meal
 - keeping an eye on a small child
 - helping an older child with their homework
→ all at the same time
- Borderline with leisure, e.g.:
Gardening → chore or leisure

Measuring labour inputs – time-use surveys



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- Time-use survey: individuals record all activities over a 24-hour period
- Recording of primary and secondary activities
=> multi-tasking



UNECE Guidelines for Harmonizing Time-Use Surveys



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Guidelines for Harmonizing Time-Use Surveys



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- Help countries in carrying out time-use surveys
- Improve the international comparability of their results
- Help understand importance of time-use surveys for measuring
 - Unpaid work and non-market production
 - Well-being
 - Gender equality

UNECE Guide on Valuing Unpaid Household Service Work



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Guidelines for Harmonizing Time-Use Surveys



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UNECE Guide on Valuing Unpaid Household Service Work



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Guide on Valuing
Unpaid Household Service Work



- Internationally agreed approach to valuing unpaid household service work
- The concept
- Methodological and implementation issues
- Challenges with the measurement of labour input and its subsequent valuation
- Examples
- Recommendations
- Suggestions for further research
- To guide national statistical offices on methods for valuing own-use production work of services, and on compiling Household Satellite Accounts



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Guide on Valuing Unpaid Household Service Work



- United Kingdom (Chair: Dominic Webber)
- Australia
- Canada
- Chile
- Finland
- Italy
- Mexico
- Republic of Moldova
- Slovenia
- Switzerland
- United States

- Eurostat
- ILO
- OECD
- UNECE

Work from 2015 to 2016. [Publication in 2017.](#)
Translation to Russian under way.

Two main approaches to valuing unpaid work



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'Output' method to value productive activity

Market
Equivalent
Price x Number
of Units



Input approach=
Recommended

'Inputs' method to value productive activity

Time worked x
Market
Equivalent
Wage rate



Valuing labour inputs



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- 4 main approaches considered
 - Opportunity cost
 - Replacement cost – generalist
 - Replacement cost – specialist
 - Replacement cost – hybrid
- Recommended:
generalist wages before tax (gross).

The household satellite account



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- Integrating measures of unpaid household work into the system of national accounts.
- Challenges
 - Allocating intermediate consumption
 - Estimating consumption of fixed capital
- Benefits
 - Enables comparisons with market-based substitutes
 - Can compare to overall economic activity
- The Guide gives specific recommendations

What next?



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- Implementation - national
- Exchange of experience – international
- Further methodological work – international
 - Simultaneous activities
 - Volunteer work

Thank you for your attention.

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