

# Valuing Unpaid Household Service Work



Meeting of the Group of Experts on National Accounts Geneva, 23-25 May 2018



















### Unpaid household service work





- 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?





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

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

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



### Why is it important?





- 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



# 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





- 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
  - $\rightarrow$  all at the same time
- Borderline with leisure, e.g.:
   Gardening → chore or leisure



# STATISTICS

# Measuring labour inputs - time-use surveys



- 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



UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

#### Guidelines for Harmonizing Time-Use Surveys





- 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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#### Guide on Valuing Unpaid Household Service Work



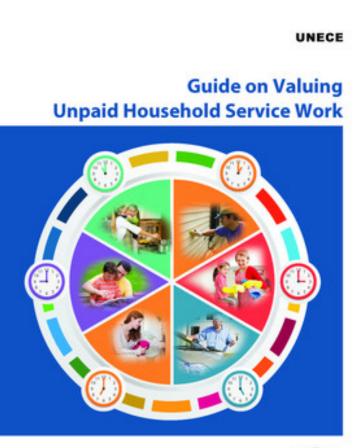




### UNECE Guide on Valuing Unpaid Household Service Work









- 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

#### Task Force







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. <u>Publication in 2017</u>. Translation to Russian under way.

# STATISTICS

# Two main approaches to valuing unpaid work







Input approach=
Recommended

'Output' method to value productive activity

Market
Equivalent
Price x Number
of Units

'Inputs' method to value productive activity

Time worked x
Market
Equivalent
Wage rate



## Valuing labour inputs





- 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





- 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?





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





Thank you for your attention.



















