Discussion of 

A Satellite Account for Unpaid Activities: A First Step
Towards Integration in the SNA
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Object – Satellite Accounts

- One, to add certain activities not included in the SNA
- Another, to integrate unpaid household activities into the SNA

Brief analysis of results

Context: Stiglitz-Sen-Fitoussi Report
- “Beyond GDP”
SNA HH activity or asset inclusion

- Owner-occupied housing as an industry
- Production of good for own final use
- Consumer durables as consumption
- HH consumption in general

- General production boundary seems to include HH, but ruled out later
  - Isolation from market
  - Difficulty
  - Adverse affects on measures
First, A Limited Account

- Added information from time-use surveys
- Inclusion of more detailed breakdowns of activities & products
Categories

- Paid work or study (work-related activities)
- Unpaid work
- Personal care
- Leisure – separation can be difficult
- Other activities not included elsewhere
Unpaid Work

- Routine housework
- Shopping
- Care: HH members separated from care of others
- Volunteering
- Travel related to HH activities

- Breakout excludes more substantial dwelling repairs as these already in SNA
- Intermediates exclude food that is not prepared in HH
Analysis of shifts from Market to Nonmarket

- Close substitutes, such as:
  - Restaurants
  - Care activities
  - Personal transport
  - Cleaning & general maintenance of dwellings
Extending Production Boundary

- Final C of HH to intermediate C
- Treating CDs as investment
  - Shift from C to I has no impact on GDP
  - Capital services will increase GDP
- Value hours spent on unpaid activities to mixed income
- Volunteer time – 2 possibilities
  - Compensation paid by non-profits
  - HH output sold to non-profits
Other Macro Measures Included

- Disposable income
- Final consumption
- Investment

- Recession might result in a counterintuitive increase in income
- Acknowledges that no clear evidence of this as a result of the recession beginning in about 2008
Adding Production of HC

- See the UNECE Task Force on HC 2016 draft
  - Capital input which is transferred to the household sector via capital transfers
  - Non-capital market output that is transferred to the households where it is used as intermediate consumption into the production process of households producing HC

- Cost-based approach, or
- Lifetime income approach
Analysis of Results
Ahmad & Koh (2011) paper

- Unpaid HH activities & paid work or study %s
- Differential impact of using 3 alternative HH time valuation methodologies
  - Minimum wage
  - Replacement cost
  - Opportunity cost

- Not enough time to calculate CD impact
Ran Out of Time

- Use Ahmad and Koh (2011) figures
- Noted CD calculation & references not completed
- Huge amount of work has been done on HH/nonmarket and time use accounts
- Combine national accounts expertise with those experts
- Ahmad & Koh have most references, need to add those more recent than 2010
Missing categories

- In MTUS
  - Cooking/washing up
  - Separate childcare from other HH & non HH care

- Decision to leave out from intermediates food that does not require prep
  - Sugar, jam, honey, chocolate, and confectionary
What is already in SNA

- Leave it out of the HH production account OR move it

- Text on constructs not in SNA instead

- Instead of a Use table, list or describe
Time in Unpaid Activities

- Volunteering to employee compensation
- All other to mixed income

- Why is there a differentiation?
US Minimum Wage Calculations

• Federal minimum wage has not changed since 2009
• About half of states have state min. wages above Federal; about half the same or lower
• Most would agree that the minimum wage is below the median wage
• Political to make any conclusions about whether real wages have declined
• Landefeld et al. (2009) – valuation for replacement (housekeeper) increased US GDP in 2004 by 27%; minimum wage by 20%
Choice of time valuation?

- More prudent to use post-tax minimum wage
- Later prefers replacement cost
- See Abraham and Mackie for discussion
Rates of Growth in GDP

- Provide better overlap when available
  - US figures could be shown ending in 2010
  - Last columns 2005(6)-10 and 71(5)-10(1)
  - Note if US figures included through 2014?

- Evidence had access to more recent US data than 2010
Analysis of Shifts Between Market & Nonmarket

- Why I began to construct nonmarket accounts
- Landefeld et al. (2009)
  - Looking at total costs of meal preparation at home (CD and housing services, labor time, food); it makes sense to eat out even though between 1985 and 2004 food index for purchased meals increased faster than that of food purchased for consumption at home
Agree that these accounts should be satellite accounts

BUT if they are not regularly produced and highly publicized, the will have little impact on policy and perception of how a country is doing
Summary

- Ideally co-author with someone who is a time use and household production expert

- Take time

- Write a stand-alone paper that does not require reading Ahmad and Koh (2011)
  - Could summarize and rationalize their conclusions/decisions