



Discussion of

# **A Satellite Account for Unpaid Activities: A First Step Towards Integration in the SNA**

**by van de Ven and Zwijsenburg**  
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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<sup>0</sup>%; minimum wage by 20<sup>0</sup>%**



# 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, they 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**