

A Satellite Account for Unpaid Activities: A First Step Towards Integration in the System of National Accounts

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Paper Abstract:

This paper deals with the set-up of a satellite account for unpaid household activities. It will first discuss a framework in which the traditional System of National Accounts (SNA) is enlarged with observed data according to time-use surveys, to arrive at an integrated approach in physical units (hours). In this framework time spent on paid labour activities, unpaid labour activities, education and training, leisure time, etc. is integrated in one comprehensive framework, providing ample opportunity to monitor and analyse changes and trade-offs between time spent on activities which are traditionally recorded in national accounts and time spent on unpaid household activities. In addition, it is proposed to break out certain national accounts transactions that are particularly relevant in the context of monitoring and analysing unpaid activities, such as, for example, consumption expenditure on food and other materials for preparing meals, various consumer durables used in the production of household market services, and market services which may be close substitutes to the relevant non-market services.

Subsequently, a conceptual framework is provided to actually value and fully integrate unpaid activities into the System of National Accounts (SNA). In this framework the standard production boundary of the 2008 SNA is extended by including domestic and personal services which are currently excluded from the system of national accounts (the preparation of meals, taking care of children, cleaning, repairs, volunteering, etc.). It also dwells upon the treatment of leisure time, and how this could add to the well-being of people. Also the possible extension to the creation of human capital is shortly considered. The envisaged framework deals with all the changes needed to arrive at a fully consistent recording of unpaid activities. As such, it will go well beyond the sheer impact on GDP of valuing unpaid activities, by also showing the potential impact on the other national accounts variables. Some quantitative examples on the impact of the various changes, for GDP and disposable income of households, are presented as well.