

Satellite Account of Household Production for the Basque Country

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1. Background

Lately, some researchers have been pointing out the need to develop a common methodology to calculate the value and volume of the Household production to enable to make international comparisons. Thus, the results obtained could be applied on the economic and social fields:

- ◆ Give information over non-paid work, but needed, that have been hidden from the rest of the Economy for a long time.
- ◆ Point out the Household Production importance in relation with the wealth generated in a territory, that is, in relation with the Gross Domestic Product.
- ◆ Applications in the calculation in the value of the non-paid work attending social objective policies (divorce, illness or death situations)
- ◆ Realize an analysis of the dynamic performance of the Household product and its relationships with the public sector and the market.
- ◆ Provide some thoughts over the private consumption analysis.

In the international level there have been many studies to evaluate the Household Production but they lack a common methodological elaboration to allow international comparisons. Specifically in the European case, there was no methodology coming directly from European System of Accounts (ESA). Having this in mind EUROSTAT promotes a project to develop a methodology carried out by Statistics Finland. This methodology has been used to elaborate the satellite account. This work has been done also by Finland, Slovenia, Italy and Finland.

2. Objectives

The objective of the satellite account is to give an overall image of the productive activities made by households and to provide an estimate of their value. Therefore all the activities produced by households both the included in the ESA and not included in it.

In the following table the objective of the Satellite Account of household production is put forward

SATELLITE ACCOUNT OF HOUSEHOLD PRODUCTION

	Household sector ESA		Household production not included in ESA	
	Market Production	Household production for self consumption		Unpaid Community and social work (services)
		Self production (goods)	Self-production for self consumption (goods and services)	
P1 Production				
P2 Intermediate consumption				
B1 Gross Value Added				
K1 Fixed Capital consumption				
B1n Net Value Added				

The Satellite Account shows the different accounts of household production for self-

consumption differentiating over the different household tasks defined as follows:

- ◆ Housing: buying, renting a house, furnishing, maintaining, and so on.
- ◆ Feeding: plan the food, shopping, cooking, serving, washing up and so on.
- ◆ Clothing: buying clothes or the fabric and making it up, washing, ironing, sewing and so on.
- ◆ Caring: caring children, caring sick people, old people or other family members.

To develop this Satellite Account requires having a special statistics operation, besides the basic Economic Accounts: The Time Budget Survey. The Basque Statistical Office has got this survey available for 1993 and 1998 and, therefore, the Satellite Account will be presented for this two years.

3. Conclusions

The Gross Value Added provided by the household production not included in the Basque GDP was 40.1% over it in 1998 and 50.2% in 1993. The data evolution clearly shows the counter-cycle character of such production, since 1993 was a year of much worse economic evolution than 1998. In spite of the difficulties to make international comparisons it can be said that the weight of the Basque household production is within the average rank from 35% to 55% over GDP claimed by other countries.

The tasks that provide more value to GDP are Feeding (44.9%) and Housing (31.6%), though Caring and Education have a higher weight in Basque families than in other countries.

The Household production is feminine (75%), however, a slow evolution of male contribution has been observed from 1993 to 1998.

The Satellite Account allows quantifying the household market production (38.6%) and the household self-consumption production (61.4%) in 1998. From the latter the 52.3% is not included in GDP.

The data of the extended consumption of household shows up that the consumption of goods from the market instead of self-produced goods is more relevant in economic expansion time.

Main References.

“Methodology for a satellite account of household production”. Presented in the International Seminar (Basque Country). Johanna Varjonen. Helsinki University.

“Encuestas de Presupuestos de Tiempo. EUSTAT. Basque Statistical Office 1993 and 1998

“European System of Accounts”. EUROSTAT

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Summary

Pendant les dernières années, tant dans Eurostat comme dans plusieurs pays, le besoin est apparu d'évaluer le travail fait dans les ménages, non inclus dans le PIB, d'une façon comparable. Eustat a vu l'importance de ce thème et, en partant des Enquêtes de Budgets de Temps de 1993 et 1998, a pu faire une analyse comparative de l'importance économique de cette évaluation. Cette analyse a confirmé le caractère anti-cyclique de la production domestique. Le travail est encadré par le besoin d'élargir le concept de richesse au-delà de la simple mesure du PIB. Ceci est en train d'être fait dans beaucoup de pays à travers l'élaboration de ces comptes satellites.