

Unpaid Household Service work in the 2025 SNA

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Updating the 2008 SNA

- Macroeconomic Accounting Standards are regularly updated to reflect changes in the economy.
- The “updates” can be categorized into three main groups:
 - Conceptual Updates (i.e., change in what is measured)
 - Methodological Updates (i.e., change in how activities are measured)
 - Presentational Updates (i.e., change in how the statistics are presented)
- A lot has changed since the latest version:
 - Increasing globalisation which causes measurement issues that need to be addressed
 - Increasing digitalisation which may not be visible and fully captured in the accounts
 - Increasing demand for data on well-being and sustainability in addition to traditional economic measures such as GDP and Household Disposable Income
 - ...
- For this reason, an update process was launched in 2020



A three-pronged approach for the update of the 2008 SNA:



Undertaking technical research in prioritized and other national accounts issues.

Experimentation and testing of selected recommendations.

A list of guidance notes (incl. the note we discuss today) based on consolidated SNA research agenda



Engaging in a broad consultation on the issues related to the thematic areas.

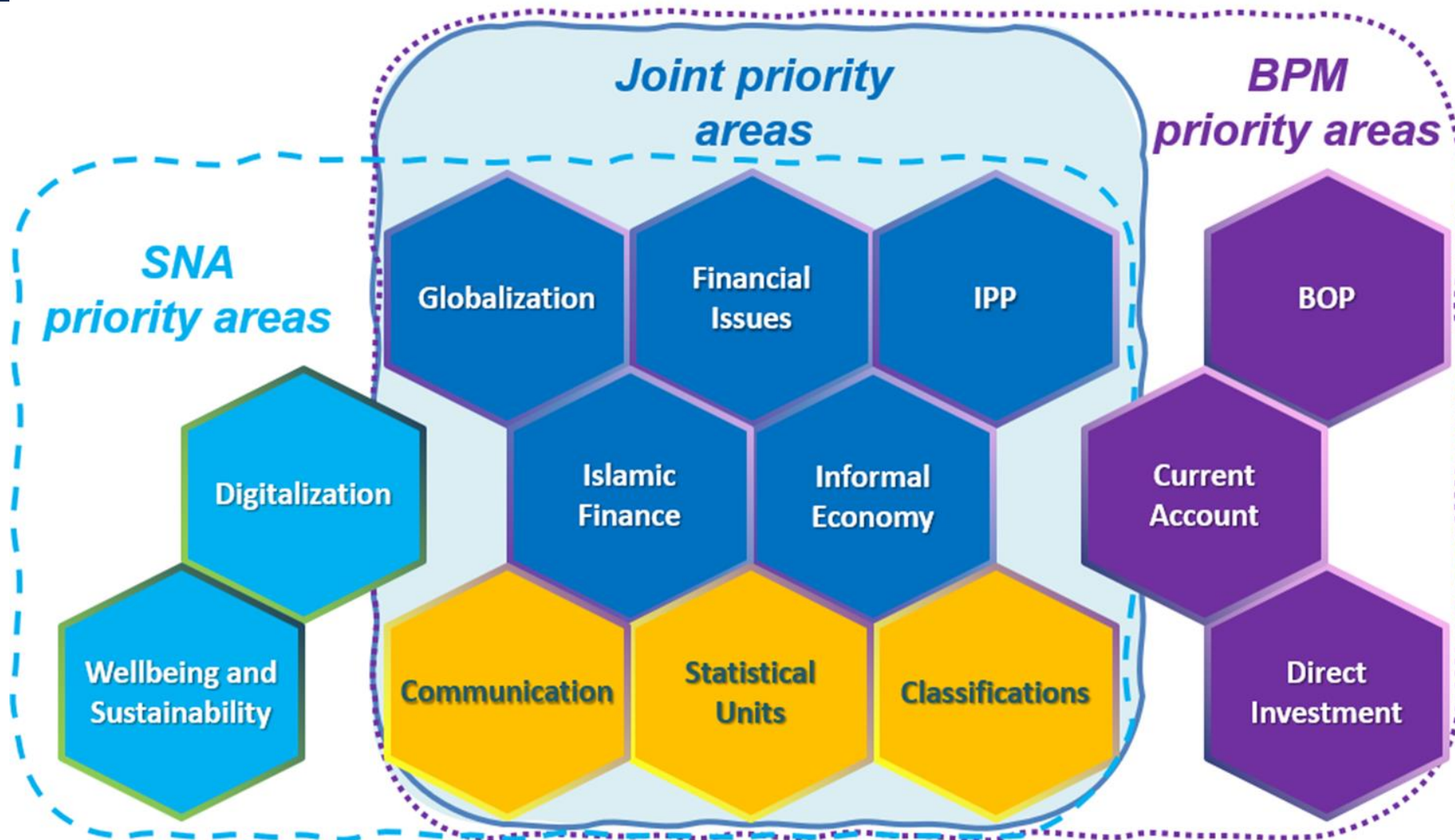


Ensuring overall consistency with other statistical standards in the system of economic statistics.

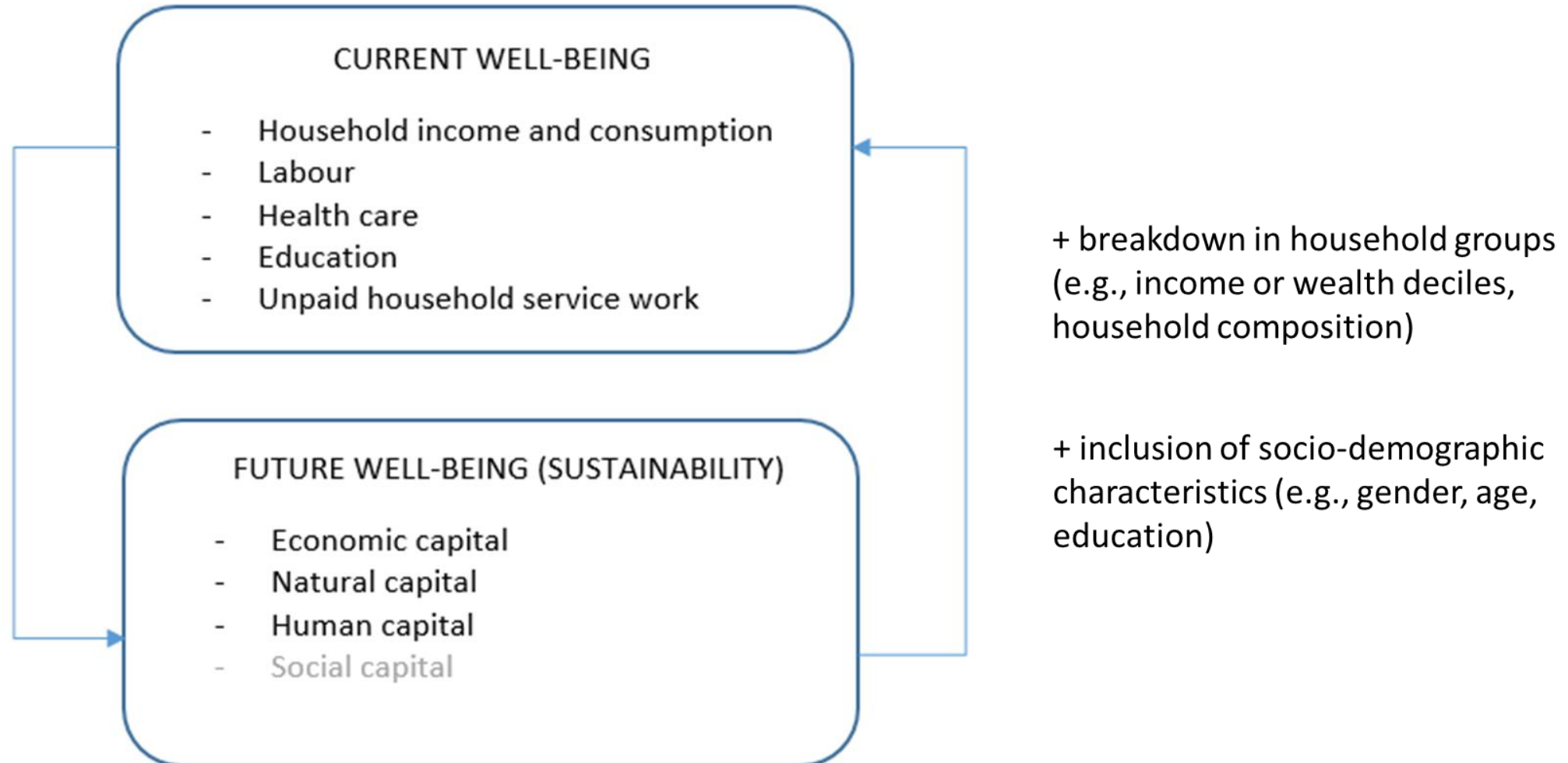


More detail available at:
<https://unstats.un.org/unsd/nationalaccount/Towards2025.asp>

Priority areas in SNA update



Proposals in area of well-being and sustainability



Intended additions to SNA

- Three new chapters are being prepared to introduce additional content on well-being and sustainability into the SNA.
- Chapter 2 will highlight the significance of the topic from a national accounting perspective and describe the need to extend and broaden the SNA and its links to other areas of measurement
- Chapter 34 (Well-being) and Chapter 35 (Sustainability) summarise the measurement of topics beyond the sequence of economic accounts.
 - Topics include – unpaid household work, distributions of income, wealth and consumption, human capital, health accounts, accounts for education and training, and environmental-economic accounting

Purpose of the ISWGNA guidance note

- Informs the development of the 2025 SNA, in respect to the treatment of unpaid household service work (alongside other relevant existing international guidance)
- Aims to enable the SNA to better meet user needs, particularly in relation to the 2025 SNA's well-being and sustainability objectives
- Goes beyond the detail within the SNA 2025, where the SNA 2025 remains a conceptual guide

How the guidance note was developed

- ISWGNA Area group/task team
 - **Chris Payne** ONS (Chair)
 - **Professor Nancy Folbre** University of Massachusetts
 - **Professor J Gershuny** Director of the Centre for Time-Use Research, UCL
 - **Harley Frazis** BEA
 - **Lisbeth Rivas** IMF
 - **Peter van de Ven** former Head of National Accounts OECD and lead editor of the 2025 SNA
 - **Carlotta Balestra** OECD
 - **Jorrit Zwijnenburg** OECD
- AEG
- Global consultation
- Testing and experimentation
- Engagement with key stakeholders, Eurostat, UNSD, ILO
- Oversight by OECD
- Broader framework considerations

Key features

- Adopted definitions
 - 3rd party criterion from the UNECE 2017 guide to valuing unpaid work
 - Volunteering vs Own use unpaid household services – ILO and the 19th ICLS Conference
- Build on sub-categories of unpaid household work to meet current and future user needs
 - Traditional activities
 - Breaking down volunteering
 - Digital DIY
- New guidance on secondary/simultaneous activities captured in time-use data
- Recommendations related to the use of specialist wage rates and valuation processes

Recommendations (1 of 3)

- Input approach – hours worked x appropriate market wage rates – adjusted return to capital, taxes and subsidies
 - Selected to allow most countries to develop estimates of hours worked with a single data source. Method also aims to be as comparable to output in the core SNA production boundary.
- Time-use data should be used, and preferably with harmonised diary collection
 - Ensure better comparability between countries and ensure subcategories can be calculated effectively.
- Unpaid care to be split into 'supervisory' and 'active' categories, where possible
 - Avoid the underestimation of unpaid care, which can be significant in terms of the valuation of output.
- Conservative approach to use of specialist wage rates with sensitivity testing recommended
 - Avoiding being too prescriptive, we want to allow flexibility in the use of market wage rates, however, it is expected that valuations can be defended under scrutiny and do not inflate the value of unpaid household services.
- Volunteering captured separately but broken down into organisation based vs direct, and also with sub-categories of volunteering to match own-use sub-categories
 - The aim here is to align to international definitions but to ensure specific forms of unpaid household service can be counted completely, including output from volunteering services.

Recommendations (2 of 3)

Reported valuations and also reported hours for each of the following sub-categories of unpaid household service work:

Own-use unpaid household services:

- Childcare for own household or family

 - Active care

 - Supervisory care

- Adult care for own household or family

 - Active care

 - Supervisory care

- Nutrition for own household or family

- Transport for own household or family

- Household management services for own household or family

- Laundry and clothing services for own household or family

- Shopping for own household or family

- Information services for own household or family

- Other unpaid household production not elsewhere classified for own household or family

Volunteering*:

- Organisation-based volunteering

- Direct volunteering

**Volunteering to be broken down into same categories as Own-use unpaid household services, where possible.*

Recommendations (3 of 3)

- Application of the 3rd party criterion with the aim to be as inclusive of activity as possible
- Reflect on impact of digitalisation – although further work likely to be required here
- Secondary activities counted as additional productive output to main activities but only when they would normally need a separate market service to be contracted out to market

In summary...

- The ISWGNA guidance includes detailed recommendations on the inclusion of unpaid household service work in macroeconomic statistics
- The main recommendations will feed into the new SNA, although in a condensed form, focusing on the main conceptual issues
- Countries will be encouraged to compile the results in the form of extended accounts
- However, neither the SNA or the guidance note have any mandated requirements, they simply set out a conceptual framework (SNA manual) and make some recommendations (ISWGNA note) of how to create these extended accounts
- International organisations may see if they will encourage regular compilation of these results and/or make it part of their regular data collection
- As a guiding principle, the addition of unpaid household service work should enable:
 - The SNA GVA estimates to be comprehensive (showing both core and general production in separate estimates)
 - The SNA 2025 to capture unpaid household service work as completely as possible
 - Flows of economic activity to be readily tracked moving across the core production boundary

SNA 2025 – chapter drafting process

- The development of the 2025 SNA chapters will go through the following major milestones:

1) Annotated outlines prepared for new or significantly revised chapters

2) Draft chapters

3) Final chapters

- The annotated outlines and chapters will be subject to global consultation
- Chapters 2, 34 and 35 focus on well-being and sustainability
- Other chapters may also include references to unpaid household work, e.g., Chapter 16 (labour) and Chapter 32 (households)
- Chapter outlines are available at:
<https://unstats.un.org/unsd/nationalaccount/SNAUpdate/2025/chapters.asp>

State of play

- Global consultations have been conducted for all guidance notes, including on this one, obtaining feedback from compilers and users all around the world
- Testing has been conducted for some topics, including this one, to assess feasibility of the proposals
- Implementation Task Teams have been established for some specific topics to develop more practical guidance, i.e., data, marketing assets and natural capital
- In the coming years, expert groups may be foreseen to assist countries in compilation of results in specific areas
- Editors have started to draft the updated version of the SNA to reflect the recommendations
- Rounds of global consultation on the new chapters 2 and 34 have been completed
- The new SNA should become available in 2025
- Subsequently, countries will start to adopt this in their statistics, probably around 2028-2030

Potential further steps

- An expert group may be foreseen in the coming years to assist countries in developing estimates on unpaid household service work
- This work will build off the SNA guidance, the more detailed ISWGNA guidance and existing guidance such as the 2027 UNEC guide to valuing unpaid housework
- It will seek close collaboration with experts in the field, including time use statistics experts
- Some of the areas that may need to be explored by the group are:
 - How to best measure supervisory care?
 - Boundary of when a simultaneous activity should be counted as a new output and valued separately
 - Frequency of the production of estimates of the value of unpaid household service work
 - How to cope with data as an input to and as an output of unpaid household service work?
 - ...

Any questions/comments

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