

‘Digital disruption’ and measuring the modern economy (using Time Use Statistics)

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Outline

- The UK Household Satellite Accounts
- New challenges - the digitalised 'free' service economy
- Implications for Time Use statistics

The UK household satellite accounts (published Apr '16)

- Third party criterion – a productive activity which could be contracted out to a third party provider under usual circumstances.
- Estimates in the UK Household Satellite Accounts
 - Informal childcare
 - Informal adult care
 - Unpaid household upkeep
 - Unpaid meal production
 - Unpaid transport services
 - Unpaid clothing and laundry services
 - Formal volunteering

Some questions...

- At which points are households carrying out unpaid work when they are using the internet in their unpaid time?
- Is it just during more traditional forms of unpaid work or are there other types of activity?

The Internet and household production and consumption of free services



Reading free news online rather than buying a newspaper.



Booking holidays using online services rather than a travel agent.

Using free online recipes rather than buying recipe books.



Using internet banking rather than going to a bank.

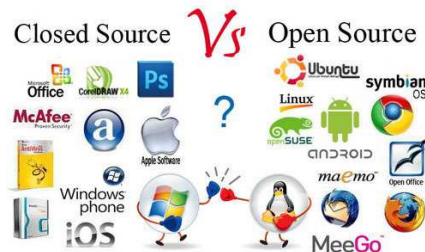


Learning and researching online rather than using library or a paid course.



Watching free online reviews as opposed to signing up for a review service such as 'Which'.

Using open source software as opposed to closed source software.



Using Wikipedia rather than an encyclopaedia.



All either 'zero costs' and/or 'zero prices'

Redefining the production boundary of the Household Satellite Accounts

- Applying the third party criterion to internet based services.
- Households are increasingly producing and consuming services through the internet for free which used to be paid for.
- With the widespread adoption of the internet, households are replacing previously paid employees by taking a 'Do it yourself' approach to booking holidays, banking and many other services.

Not a new phenomenon?

- Television is often provided to consumers for free and paid for with advertising revenue.
- Getting advice from friends rather than paying an advisor service – for example, mortgage advice, etc.
- There have been ways to substitute paid services in the past, indeed there has been a gradual shift of unpaid work to become substituted with paid work historically.
- The importance of measuring free services effectively has been increasingly recognised and internet provision of services has had an impact.

Implications for Time Use Statistics

- Understanding household consumption of free digital services is going to be important for understanding modern living standards.
- This service consumption is not measured within GDP but could be measured in a satellite account in future.
- In the UK time use data is currently seen one of the most likely data sources to provide such information.

Thank you

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