

Measurement of the unpaid work: Experience from Ecuador 2007-2010

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Abstract

The objective of this project is to disseminate the methodology applied to the economic valuation of unpaid work in Ecuador in the period 2007-2010. The Satellite Account of the unpaid work in households is the valuation of the time allocated to domestic, care and community activities undertaken by the members of the household who do not receive any remuneration, and at the same time these activities are not included within the System of National Accounts 2008 (2008 SNA) production boundary. The goal is to measure their contribution to the GDP.

The satellite account has been compiled within the methodological and theoretical framework of 2008 SNA using country available data. In other words, main concepts, definitions, classifications and delimitations of the SNA were incorporated.

For the purpose of this exercise, the “third-person criterion” was applied, according to which an activity is within the boundary of the economic production if and only if it can be delegated to another person. Additionally, it was verified that the considered activities are consistent with the Classification of Activities for Time Use for Latin America and the Caribbean (CAUTAL) and with the Classification of Industries and Products of SNA in Ecuador which facilitated its quantitative description and National and International comparability of the obtained results and socio-economic indicators.

In line with 2008 SNA

Sum of costs of production = intermediate consumption + compensation of employees + consumption of fixed capital + net return to fixed capital + other taxes (less subsidies) on production

However, the proposal did not include the calculation of intermediate consumption, other taxes on production, consumption of fixed capital and net return to fixed capital, as “the produced services are consumed by the same households and are a form of own-account production” (2008 SNA). Therefore, the value of the production = value of the compensation of employees, which has been estimated with the replacement method using a hybrid wage by combining the specialist and generalist wage. The labour input of the unpaid work in households has been estimated from the 2007-2012 Time Use Survey.

The results of the Satellite Account reveal that the contribution to GDP of the unpaid work in households ranges from 10.92 per cent in 2007 to 15.41 per cent in 2010. Gender-wise breakdown attributes 12 per cent to women and 3.41 per cent to men in 2010.

The results obtained from the satellite account on unpaid work support the development of policies to promote gender equality and to improve the quality of life of the Ecuadorian population.