

Household Production Accounts for Canada, Mexico, and the United States: Methodological Issues, Results, and Recommendations

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What Matters

- **Recognizing the contribution of nonmarket activities**
- **Methodology**
- **Comparability**
- **Publication on a “regular” basis**

Recognizing the contribution of nonmarket activities

- **Majority of time use**
- **Essential to the functioning of countries and to the well-being of individuals**

Recognizing the contribution of nonmarket activities

- **Consistent with the increasing emphasis on human capital & well-being**
 - **Commission on the Measurement Of Economic Performance and Social Progress (Stiglitz Commission)**
 - **OECD human capital consortium**
 - **World Wealth Report & UNECE/OECD/Eurostat Task Force on Measuring Sustainability**

Methodology

- **Time use at the core**
- **Valuation issues**
- **Coverage issues**

Time Use (Szalai 1972)

- **Secondary activities**
- **Collection methodology**

Valuation

- **Replacement cost**
 - **Specialist**
 - **Productivity-adjusted specialist cost**
 - **Generalist**

- **Opportunity Cost**

Accounts by Country

A Comparability Story

- **Canada**
 - Hamdad [2003]
 - Harvey and Mukhopadhyay [2005]
- **Mexico**
 - Gómez Luna [undated]
- **United States**
 - Landefeld, Fraumeni and Vojtech (2009)

Country Comparisons - Coverage

Age of youngest – the younger the larger the estimate if children are assumed to (or are old enough to) perform household work

Country Comparisons - Coverage

- Year
- Age of youngest
- One respondent vs. whole families
- Sample size
- Reference period & length of period covered

Effect of these differences unknown

Country Comparisons - Coverage

- **Labor input only or labor input and capital input**
- **Types of activities included**
- **Labor input before or after tax**

Refer to Table 1

Listed by % of GDP

within

type of valuation method used

categories

Methodology Matters

Using % of GDP for Comparisons

- 1) Opportunity cost
- 2) Output approach
- 3) Specialist cost
- 4) Productivity-adjusted specialist cost
- 5) Generalist cost
- 6) Minimum wage

Methodology Matters

Using % of GDP for Comparisons

Reasons for many differences across studies cannot be determined

Table 2

**Share of total labor input
performed by women
differs for Mexico**

Recommendations

Comparability Across Countries

- **Common methodology**
 - **Generalist cost**
- **Common coverage**
 - **Labor input**
 - **Childcare**
 - **Exclude volunteer activities**

Present Alternatives & Experimental Accounts

- **Capital input**
- **Facilitate links to GDP, even embed household production in GDP accounts**
- **Nominal and real accounts**
- **Show time usage**
- **Nonmarket accounts**

Periodicity of Accounts

- **Differs significantly**
- **Every 5 years would suffice**

Policy-making and Analysis

- **Goes beyond knowing that nonmarket activities are important**
- **Particularly significant when labor force participation changes**
- **Accounting for market and nonmarket impacts**

Raise the profile of these accounts!