

10th July 2024

## Side event to the Meeting of Ministers of Employment and Labor of the G20 Women's Empowerment Working

"To advance the measurement of care work and the care economy in support of gender equality and autonomy".

# The Italian experience in measuring the economic value of household production

## **Summary of presentation**

- Measuring care work
- Definition of care work
- Household production accounts in Italy
  - per cent of GDP
  - by production function
  - by gender
- Toward the 2025 System of National Accounts
- Source reference



### Measuring care work

- Olt makes visible a sector that is often ignored in traditional economic statistics;
- recognizing the economic value of unpaid care work can lead to greater social and economic appreciation of this work;
- having accurate data on care work allows for the informing of public policies, such as those related to parental leave, child care services, and elderly care services;
- o accurate data can help improve the allocation of public and private resources;
- accurate data can highlight gender disparities, contributing to the promotion of a more equitable division of domestic and care responsibilities;
- accurate data allows for the recognition and support of care work, improving the economic autonomy of women, who often take on a disproportionate share of this work.



#### **Definition care work**

 Conceptual, theoretical and/or definitional considerations: care work includes all activities that involve the direct care of individuals and household management. It includes:

**Direct Care:** activities such as taking care of children, the elderly, the sick, and the disabled. This includes feeding, cleaning, assisting with daily activities, and providing emotional support.

Indirect Care: domestic activities such as cooking, cleaning, shopping, doing laundry, and maintaining the household.

In 2014, <u>UNECE</u> promoted the formation of a Task Force for the drafting of guidelines for the assessment of self-producing service work by households. The guidelines for the evaluation of unpaid services provided within the household recommend the use of input approach and the replacement cost or market method, evaluating the time of household work with the gross salary of a general worker. These are the criteria used in the valorization exercise presented here.

- Household production accounts includes different principal functions can be distinguished housing, nutrition, clothing, <u>care of children, adults and pets</u>, <u>and volunteer work</u> which is by definition consumed in another household.
- Household production includes only services that can be delegated to someone other than the person benefiting from it, and
  this is known as the third party principle.
- Existing and promising data sources for measuring care work: with the update of the actual wages measured in the consumer price survey and with the new data from the multipurpose household survey: time use survey made possible to update the household satellite account. Unfortunately, one problem limiting the satellite account calculation exercise is the lack of timeliness of the time-use survey. Theoretically, it should be done every five years, but in fact many more years pass.

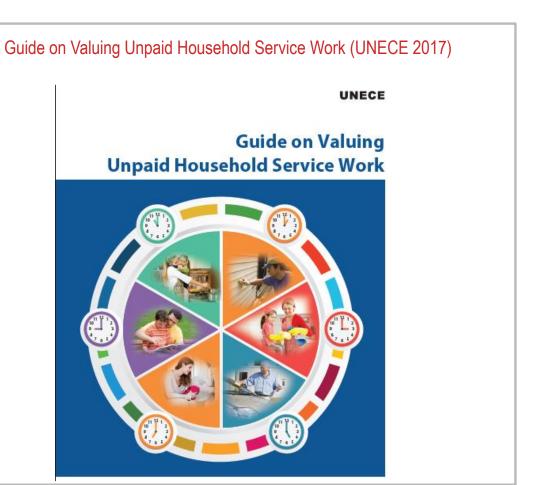


## Household production accounts in Italy per cent of GDP

Annual value of household production in absolute value and a percentage of GDP (UNECE indicator)

Principal functions household activity	Annual household production value 2008	in % of GDP 2008	Annual household production value 2014	in % of GDP 2014
Housing	133.986	8,2	145.573	9,0
Nutrition	203.629	12,5	237.351	14,6
Clothing	33.914	2,1	32.897	2,0
Care of children, adults and pets	48.660	3,0	60.267	3,7
Volunteer work	19.634	1,2	27.545	1,7
organised volunteer work	4.371	0,3	6.533	0,4
informal help to other				
households	15.262	0,9	21.011	1,3
Transport	46.338	2,8	53.716	3,3
Household production	486.161	29,8	557.350	34,4

- Starting from these data, it is estimated that in 2014 the annual value of household production is equal to approximately 557 billion current euros.
- ➤ The main indicator that can be derived from this exercise is the annual household production value in a percentage of GDP.
- ➤ The annual value of the care of children, adults, pets and volunteering is equal to 4.2% of GDP.





## Household production accounts generated by production function

- The amount of annual hours of unpaid work carried out in 2014 by the population of 15 years and over resident in Italy, reaches 71 billion and 364 million hours, with an annual value of household production of around 557 billion euros: 34% of GDP.
- The annual value of Care of children, adults and pets is 60 billion current euros.
- Care work represents approximately 10% of household production.

Household production generated by the population aged 15 and over by production function - Years 2008-09 and 2013-14 (duration per capita in hours and minutes, amount in millions of hours, value in millions of current euros and percentage composition)

Principal functions household activity	Household production per capita (in hours and minutes)		Annual household production (in millions of hours)		Annual value of family production (millions of current euros)		Composition of household production (in percentage)	
	2008	2014	2008	2014	2008	2014	2008	2014
Housing	1:02	0:59	19.141	18.639	133.986	145.573	27,6	26,1
Nutrition	1:34	1:36	29.090	30.391	203.629	237.351	41,9	42,6
Clothing	0:16	0:13	4.845	4.212	33.914	32.897	7,0	5,9
Care of children, adults and pets	0:22	0:24	6.951	7.717	48.660	60.267	10,0	10,8
Volunteer work	0:09	0:11	2.805	3.527	19.634	27.545	4,0	4,9
organised volunteer work	0:02	0:03	624	837	4.371	6.533	0,9	1,2
informal help to other households	0:07	0:09	2.180	2.690	15.262	21.011	3,1	3,8
Transport	0:21	0:22	6.620	6.878	46.338	53.716	9,5	9,6
Household production	3:44	3:46	69.452	71.364	486.161	557.350	100,0	100,0

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### Household production accounts in Italy by gender

Percentage distribution of household production and its principal functions by gender - Years 2008-2009 and 2013-2014

Duin single formations household auticity.	2008-	2009	2013-2014		
Principal functions household activity	Male	Female	Male	Female	
Housing	23,7	76,3	27,1	72,9	
Nutrition	26,1	73,9	27,5	72,5	
Clothing	1,7	98,3	3,2	96,8	
Care of children, adults and pets	33,7	66,3	34,3	65,7	
Volunteer work	<i>37,3</i>	62,7	44,1	55,9	
organised volunteer work	46,2	53,8	59,0	41,0	
informal help to other households	34,8	<i>65,2</i>	39,5	60,5	
Transport	40,6	59,4	42,5	57,5	
Household production	26,3	73,7	29,0	71,0	

- ➤ Gender differences are evident in all the functions of household. Women generated 71.0% of household production (about 50.7 billion hours) compared to 29.0% produced by men.
- ➤ The gender difference narrows when we move on to the care functions, where women produce 65.7% of the hours devoted to cohabiting household members and 55.9% in the function 'Voluntary work and informal help' aimed at persons from other households.
- ➤ The only item in which men contribute more than women is 'Organised volunteering', where men produce 59.0% of the amount of hours against 41.0% produced by women (Istat 2019).





### **Toward the 2025 System of National Accounts**

#### Determining the Value of Household Production

can serve social policy purposes: with the definition of household production, the concept of production is broadened as the productive role of households is recognized. An appropriate accounting of household production, including activities not considered in SNA but of great importance, would support the definition and adoption of economic policy measures in support of family.

#### Toward the 2025 System of National Accounts

For the analysis of well-being at the recent the Conference of European Statisticians on 20-21 June 2024, it is encouraged important to have the compilation of extended/thematic accounts for unpaid household service work, education and human capital, and health.

#### Information potential of new indicators for policies

The value of household production as a percentage of GDP (UNECE indicator). For example in Italy 34.4%. The Share of household production made by Women. For example in Italy 71%.

#### To Monitor Progress in Support of Gender Equality

The measurement of care work and the care economy must be regulated. It can be hoped that the accounting exercise presented here is only the starting point of a measurement pathway in line with the internationally agreed definition of care work. It can be a valuable basis for measuring unpaid care work according to the conceptual framework and international standard and for highlighting gender inequality in a timely manner.



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## Thanks for your attention

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