

**HOUSEHOLD PRODUCTION SATELLITE ACCOUNT FOR THE
AUTONOMOUS COMMUNITY OF THE BASQUE COUNTRY**

Basque Statistics Office (Eustat)



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Introduction

Background

This work represents the second edition of the Household Economy Satellite Account and came about as a consequence of the parliamentary mandate in the plenary session held on the 19th April 1996, by which the EUSTAT was requested to assess housework. The mandate itself was the result of social concern expressed over the years by different international forums such as: the United Nations in its report on Women's Rights (1985), the World Summit on Social Development in Copenhagen (1995) and the United Nations Fourth World Conference on Women in Beijing (1995).

Subsequently Satellite Accounts came to form part of the Statistical Plans and Programmes which the Basque Statistics Organization carries out five-yearly.

Over recent years, different studies have drawn attention to the need to develop a set of common guidelines to calculate the value and volume of Household Production, which will also facilitate international comparisons. In this way the results obtained could be used for different applications in the economic and social field:

- provide information on unpaid, but necessary, work which has remained hidden for considerable time from the rest of the economy
- express the importance of Household Production in relation to the wealth a country generates, i.e. in relation to Gross Domestic Product
- applications in the calculation of the value of unpaid work for social policy ends (cases of divorce, injury or death)
- carry out analysis of the dynamic operation of the Household Economy and its interaction with the public and market sectors
- also provide useful reflections on the analysis of private consumption

At an international level, there have been numerous studies to assess household production. However, they lacked a homogeneous methodology that enabled comparisons between different countries, as well as an assessment in terms of National Accounts in order for this activity to be compared with the other economic activities that constitute Gross Domestic Product. In particular, in the European case, there was a lack of a methodology deriving from the European Accounts System.

In an aim to redress this situation, between 1995 and 1998 EUROSTAT promoted a project to develop the methodology for the household production Satellite Account. This was carried out by the Statistics Finland Institute and is the basis for the methodology developed by the European Union during the annual Programme for the year 2000.

This methodology¹ has been fully observed in the preparation of the Household Production Account of the Autonomous Community of the Basque Country; however, the pioneering character of the use of this methodology must be mentioned. It is also being carried out in parallel by countries such as Italy, Luxembourg, Slovenia and Finland².

Objectives

The objective of the Household Satellite Account is to provide a global view of the productive activities carried out by households and give an estimation of the economic value of these activities. For this reason, all the activities produced by households, both those included in the European Accounts System³ (ESA from hereon) and those that are not, must be considered in the Satellite Account, in order to give this global view.

Table 1.1 represents the objective of the Household Satellite Account. The Satellite includes the household sector, as it is presented in the European Accounts System, and household production that is excluded from National Accounts.

TABLE 1.1 HOUSEHOLD PRODUCTION SATELLITE ACCOUNT

| | Household sector ESA | | Household Production not included in ESA | |
|---------------------------------|-----------------------|----------------------------|---|-------------------------------------|
| | Market production (1) | Own Production (goods) (2) | Goods and services produced for own use (3) | Voluntary Production (Services) (4) |
| P1 Production | | | | |
| P2 Intermediate Consumption | | | | |
| B1 Gross Value Added | | | | |
| K1 Consumption of Fixed Capital | | | | |
| B1n Net Value Added | | | | |

Within the ESA, the Household Sector is basically determined by market production (1) carried out (personal companies, self employed, partnerships...), in addition to the voluntary production of goods (construction of buildings). Similarly, within the Household Sector there is a minority group (2) of Household Production for own use that is taken into account by the ESA, which includes agricultural production for self-consumption, the renting of homes occupied by their owners and household services produced by paid household personnel.

The rest of the production for own use carried out by households (3) is not considered within the limits of the ESA, and is the largest part of the production generated. Similarly, voluntary work or informal help (4) carried out by households on their own initiative must be taken into account in the household production excluded from the ESA.

Production for own use is that which, to a large extent, is not considered in the National Accounts and represents a novelty in this work, although an assessment of all the components of the Household Production Satellite Account will be provided.

The Satellite Account refers to the years 1998, 1993 and the latest in 2003, presented here, because for these years the basic statistics required are available: Survey on Time Budgets (hereon, EPT).

¹ *Methodology for a Household Production Satellite Account*. Johana Varjonen. International Statistics Seminar in Euskadi. N° 38.

² At the time this report was being written, the results for the rest of the countries had not been published.

³ Set of rules that are used in European Union countries to prepare National Accounts for their economies.

The Satellite Account adopts in its presentation the same structure as the ESA presents in its different accounts. For this study, only the Production Account and the Operation Account will be presented. In addition, these Accounts are presented with the Goods and Services Account for the Extended Economy; i.e. global economy accounts taking into consideration that part of household production for own final use which is not included in the ESA accounts.

The Satellite Account presents the different Household Production Accounts for final own use according to the different household functions that are defined as follows:

- Provide a home: purchase or rent a house or flat, clean, furnish, equip, repair, etc.
- Provide food: plan meals, buy the ingredients, prepare and serve meals, wash up, etc.
- Provide clothing; buy clothing or material to make clothing, washing, ironing, sewing, etc.
- Provide care: care for children, ill persons, the elderly or other members of the family.

The different accounts of the Satellite Account are presented for the A.C. of the Basque Country without distinguishing between genders, although household production for own final use, which is not included in the ESA assessments, is presented by household functions for study by provinces and by gender.

Methodological aspects of the Satellite Account

Concept of the Household

The concept of the household used in the Satellite Account is the same as is used in National Accounts (according to the ESA). It is defined as a “small group of people who share the same home, part or all of their income and wealth, and that consume a certain type of service goods collectively”. As with National Accounts, the Satellite Account includes residence homes as well as institutional homes consisting of people who live in hospitals, boarding houses, ... Among the latter, the chance of obtaining data is very low, although it is assumed that this will not drastically affect the results.

The difference between the consideration of the Household in National Accounts and in the Household Satellite Account lies in the functions assigned to them. In the former, the main functions attributed are the contribution of work, consumer and entrepreneur, producing non-financial market goods or service goods. On the other hand, for the Household Satellite Account the function of consumer is extended to include the function of producer. Homes are considered as enterprises in which goods and services are produced by the members of the household who consume the whole of these goods and services. The latter, in turn, have the main function of satisfying the basic needs of the members in the home; equipping a place to live in, preparation of meals, clothing and the necessary care for physical existence. Essentially, goods and services which every home has to provide, either by producing them themselves or by buying them on the market.

Definition of Household Production in the Satellite Account

One of the most important aspects in the assessment of non-market Household Production is to determine which activities carried out in the household are productive and, as such, must be assessed. In order to do so, we use what is known as “third party criteria” which was introduced by Margaret Reid⁴. The basic idea is as follows: an activity is considered productive if it may be delegated to someone else, if it provides an output that can be exchanged.

According to the words of Margaret Reid «if an activity is of a kind that enables it to be delegated to a paid worker, then such an activity should be considered to be productive...». Household production consists of unpaid activities that are carried out by home members for themselves, which may be replaced by market products and services paid for if circumstances such as income, market conditions and personal inclinations enable the service to be delegated to someone outside the household group.

As has already been mentioned, the statistical reference for the preparation of the Satellite Account is the EPT⁵ (1998 and 1993), whose aim it is to measure the time used

⁴ Reid 1934, cited by Wood 1997.

⁵ See Survey on Time Budget, 1998. Eustat

daily by people for different activities. From this statistical operation, those activities considered productive from the point of view of “third party criteria” were selected in order to assess the time dedicated to these activities in monetary terms.

In Table 2.1 we can see household activities grouped by functions which are considered as Household Production. Most of them are activities that have been taken from the Survey on Time Budgets, bearing the corresponding code used in the aforementioned statistic. In addition, there is another series of activities marked (E) which are those household activities for own final use that are included in National Accounts and whose assessment is estimated here.

As in Table 2.1 within each function we can see the main activities and those that are considered auxiliary. Auxiliary activity in the Satellite is defined the same way as in the ESA (SEC 3.1.2), as «that support activity that is carried out within the enterprise –in this case, the household– in an aim to create the conditions to enable main or secondary activities to be created or developed». Examples of these activities are shopping, maintenance tasks, transport linked to each function, etc.

In this sense, activities such as Transport and Shopping have had to be classified between the different functions according to the kind of purchase and the destination of

TABLE 2.1 HOUSEHOLD PRODUCTION FOR OWN FINAL USE BY FUNCTIONS

| FUNCTIONS | PROVIDE HOUSING | PROVIDE FOOD | PROVIDE CLOTHING | PROVIDE CARE |
|-----------------------------|---|--|--|--|
| OUTPUT | Accommodation for Household members. Services Produced by⁽¹⁾ owner residents | Meals and snack for household members | Clothing and care thereof for household members | Care services for children, the ill and aged |
| Main Activities | Important household work (341) Sculpture, painting(373) DIY (376) Construction of the house and large repairs(E) | Preparation of food (311) Peeling fruit and veg (312) Serving food (315) Self consumption in primary sector (E) | Dressmaking (371) Embroidery(372) | Care of children (41) Games and education (42) Care of adults (43) |
| Auxiliary activities | | | | |
| - Shopping | Buying durable consumer goods (352) Going shopping (355) (P) Mail order shopping (358) Esperar y colas (363) | Daily shopping (351) Organizing car shopping (356) Queuing (357) | Going shopping (355) (P) | |
| - Maintenance | Heating (342) Maintenance service (354) Repairs (374) | | | |
| - Gardening | Gardening (377) | Care for pets (378) | | |
| - Cleaning | Cleaning the house (321) Making beds (322) Tidying rooms (323) | Washing up (313) Clearing the table (314) | Washing (331) Ironing (332) Repairs (333) Tidying clothes (334) | |
| - Transport | Parking or removing car from garage (345) | Other trips (P) | Other trips (P) | Trips to accompany someone (82) |
| - Business | Accounts, paperwork (344) Removals (347) Accidents, burglary ... (348) Active business. (361) | | | |

Paid household work activities All the activities mentioned when personal paid household work is carried out

(1) Designated in National Accounts Rental Attributed to own household.

the transport. In the latter case in particular, the EPT did not enable enough disaggregation to share transport between all the functions. It was therefore necessary distribute according to the activities carried out outside the home and subject to the use of some kind of transport.

Some examples to differentiate productive and non-productive activities for extreme cases, applying third party criteria, would be:

- Self-education is excluded, as although it has economic consequences, the study cannot be delegated to anyone else.
- Washing, dressing oneself, putting on make-up, are excluded because these activities cannot generally be bought on the market.
- Gardening and looking after pets, including walking the dog, are included within the production limit because at least part of this activity may be delegated.
- Purchasing goods and services is a productive activity, except the acquisition of medical services, or going to the hairdresser's or getting similar personal services that cannot be delegated to a person other than the beneficiary.
- Child care is productive, but trips to the cinema or to the restaurant are non-productive.

Another of the household activities that should be considered in the Household Satellite is voluntary work and informal help. This activity as such is not necessary for the existence of the home; however, it is unpaid and could be bought on the market. In this sense it benefits other homes or institutional units (private non-profit making institutions) and, therefore, must be included as a different function within Household Production.

We must distinguish between two kinds of voluntary work: informal help, when help is given to a group of individuals on one's own initiative (unpaid help to neighbours and family) and formal voluntary work carried out by non-profit making institutions that help households with people who work voluntarily in organisations or associations. This voluntary work is a productive activity and is distinguished from a free time activity by third party criteria. This means that the person has to have an active function in the organization or association (holding a post: treasurer, president...)

Method to assess Household Production

Assessing the number of hours dedicated to Household Production is a crucial aspect for the result of this study, as the use of one or another type of salary could lead to very different results⁶. This aspect is analysed in some of the studies carried out by different countries⁷.

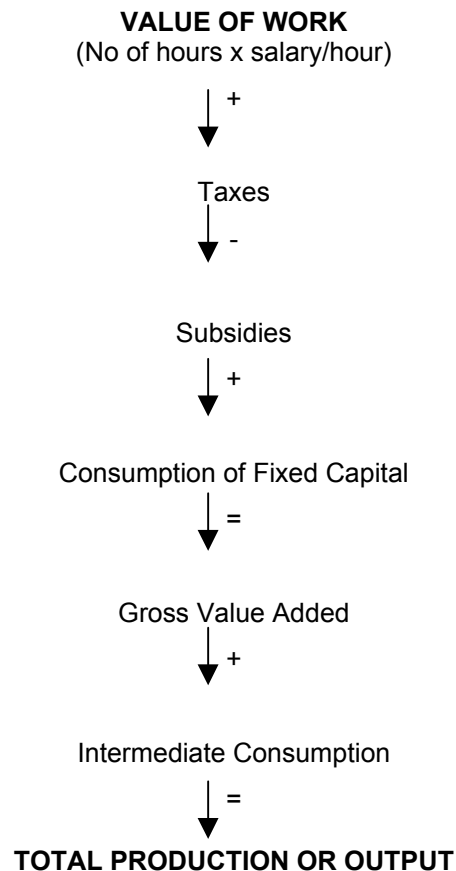
In the Satellite Account of the Autonomous Community of the Basque Country the assessment of production, as with other aspects, is based on the recommendations established in the aforementioned study promoted by the EUROSTAT. The assessment of production through costs, the same method as used in the National Accounts to assess non-market production carried out by the Public Administration and non-profit making Institutions.

⁶ *Methodology for a Household Economy Satellite Account*. Pag. 88 – 90. EUSTAT.

⁷ *Travail Domestique essai de quantification*. A. Fouet, A. Chandeanu. INSEE, 1981.

This method represents an estimation of the different inputs that make up production, as appear in Figure 2.1:

GRAPH 2.1. METHOD BASED ON COSTS



Currently, given the statistical development of different European countries, in general terms, this method is considered to be the most feasible for calculating Household Production. However, there are countries like Great Britain that are making an important contribution through assessments based on Output.

We shall now describe the calculation method used for the estimation of each of the components of the Basque Household Production Satellite Account.

Value of work

The cost of housework is the most important component of Household Production, the salary per hour applied to the number of hours of household production obtained from the EPT being especially important.

In the selection of the salary to be applied, the salary of the following categories are recommended: 3231 (Professional child-minder), 5121 (Housekeeper) or 9131 (Home-help or cleaners) as used in the European Standard and International Classification of Professions (ISCO88) and whose Spanish adaptation is the Clasificación Nacional de Ocupaciones (CON-94), which corresponds to the housekeeper's salary.

Due to the fact that some countries have not developed the Salary Structure Survey of 1995⁸ to four digits, it is recommended that where the above categories are missing, category 51 should be used. This is called “Personal service workers”, and also has the advantage of including organization and management activities that are not included in the above codes, aspects which also occupy a large part of the tasks carried out in housework. Logically, this last category has been used for the Satellite Account of the A.C. of the Basque Country, updated with price indexes for 1998, 1993 and 2003.

The salary considered in the Satellite is in gross terms; i.e., it includes the contributions by employers, and taxes on income from work withheld by employers, in the same way as in the National Accounts

Intermediate Consumption, Final Consumption, Gross Formation of Fixed Capital

Intermediate Consumption in the Household Satellite represents, as in the National Accounts, the value of goods and services consumed as inputs in the Household Production process. Thus, for example, food will have this category, as will energy used in the preparation of meals, the cost of transport used in purchasing food, etc.

In the National Accounts all the goods and services that households purchase (except for the home itself, which is considered FBCF⁹), are included in the Final Consumption by families. But in the Satellite Account we must distinguish from the Final Consumption that part of goods and services that participate as input in Household Production, i.e. Intermediate Consumption. Similarly, it will be necessary to distinguish purchases that consist of durable goods, which are capital goods from the point of view of the Satellite Account and make up the Gross Formation. Finally, we will distinguish which part of Consumption is Final Consumption, i.e., dedicated to non-productive activities

For this study the 1998 breakdown of Final Consumption in these three components was carried out for 83 economic sectors. This is the sectorization by which Final Consumption appears in the Economic Accounts, and is broken down by means of the indicators provided by the Time Budget Survey or the Continuous Survey on Family Budgets (ECPF) and treated with the maximum disaggregation available. The recommendations taken from the proposal by the EUROSTAT are used as a reference.

In Table 2.2 we can observe the distribution of 1998 Final Consumption in the three necessary components for the Satellite Account. The statistical source on which distribution is based appears can also be seen.

Another aspect worth commenting on is the treatment required by Final Consumption in the Household Satellite and which differs from that used in National Accounts.

In National Accounts, Final Household Consumption only covers part of the output: production included in the limit of the ESA; with an aim to including the missing part of output, adjustments are necessary due to the reclassification of Final Consumption. In the following figure the revised formula for Final Household Consumption is explained.

⁸ This survey was carried out in the European Community.

⁹ Gross Formation of Fixed Capital.

Consumption in National Accounts

Household Final consumption expenditure

- + Public Administration expenditure on individual consumption
- + Expenditure on final consumption by non profit making Institutions Housholds sector
- = Final Consumption by Households.

Consumption in the Household Satellite

Final Household Consumption

- Expenditure on durable products for Household Production (FBCF in the satellite)
- Expenditure by Intermediate Consumption
- + Household Production Output (not included in National Accounts)
- = Total Final Household Consumption.

CHART 2.2 DISTRIBUTION OF FINAL COMSUMPTION IN THE 1998 ECONOMIC ACCOUNTS. INTERMEDIATE CONSUMPTION, CONSUMPTION OF DURABLE GOODS AND FINAL CONSUMPTION FOR SATELLITE ACCOUNT

| | Private consumption TIO 1998 | Final Consumption | Intermediate Consumption | Gross fixed capital formation | Source used for distribution |
|--------------------------------------|---------------------------------|----------------------|-----------------------------|----------------------------------|---------------------------------|
| 1. Agriculture | 67.307 | 0 | 67.307 | 0 | |
| 2. Livestock | 16.897 | 0 | 16.897 | 0 | |
| 3. Forestry | 369 | 316 | 53 | 0 | |
| 4. Fishing and agriculture | 39.983 | 0 | 39.983 | 0 | |
| 5. Coal | 655 | 561 | 93 | 0 | EPT |
| 6. Oil and gas mining | 0 | 0 | 0 | 0 | |
| 7. Uranium mining | 0 | 0 | 0 | 0 | |
| 8. Metallic minerals | 0 | 0 | 0 | 0 | |
| 9. Non metallic minerals | 0 | 0 | 0 | 0 | |
| 10. Meat industries | 132.768 | 0 | 132.768 | 0 | |
| 11. Dairy industries | 52.776 | 0 | 52.776 | 0 | |
| 12. Fish canning industry | 29.149 | 0 | 29.149 | 0 | |
| 13. Bread and flour milling | 47.207 | 0 | 47.207 | 0 | |
| 14. Other food | 55.852 | 12.717 | 43.135 | 0 | ECPF |
| 15. Beverages | 23.724 | 23.724 | 0 | 0 | |
| 16. Tobacco industry | 50.505 | 50.505 | 0 | 0 | |
| 17. Textile industry | 19.873 | 17.042 | 0 | 2.831 | EPT |
| 18. Dressmaking and fur | 96.093 | 96.093 | 0 | 0 | |
| 19. Leather and footwear industry | 24.223 | 24.223 | 0 | 0 | |
| 20. Timber industry | 3.655 | 3.134 | 521 | 0 | EPT |
| 21. Paper industry | 4.934 | 4.934 | 0 | 0 | |
| 22. Publishing and graphic arts | 29.449 | 29.449 | 0 | 0 | |
| 23. Oil refining | 121.516 | 104.210 | 17.306 | 0 | EPT |
| 24. Basic chemicals | 0 | 0 | 0 | 0 | |
| 25. Industrial chemicals | 1.326 | 1.326 | 0 | 0 | |
| 26. Final chemicals | 54.158 | 33.020 | 21.137 | 0 | ECPF |
| 27. Rubber and tyres | 3.969 | 3.675 | 294 | 0 | EPT |
| 28. Plastic articles | 14.641 | 12.556 | 2.085 | 0 | ECPF |
| 29. Glass industry | 1.143 | 0 | 0 | 1.143 | |
| 30. Cement, lime and plaster | 18 | 16 | 2 | 0 | |
| 31. Other non-metallic | 1.300 | 1.115 | 185 | 0 | |
| 32. Iron and steel industry | 0 | 0 | 0 | 0 | |
| 33. Non-ferrous metallurgy | 0 | 0 | 0 | 0 | |
| 34. Foundry | 0 | 0 | 0 | 0 | |
| 35. Metal constructions | 0 | 0 | 0 | 0 | |
| 36. Forging and stamping | 0 | 0 | 0 | 0 | |
| 37. Mechanic engineering | 0 | 0 | 0 | 0 | |
| 38. Metal articles | 10.670 | 0 | 0 | 10.670 | |
| 39. Machine tools | 0 | 0 | 0 | 0 | |
| 40. Household appliances | 20.378 | 0 | 0 | 20.378 | |
| 41. Other machinery | 0 | 0 | 0 | 0 | |
| 42. Office machines and computers | 0 | 0 | 0 | 0 | |
| 43. Electric material | 9.688 | 8.309 | 1.379 | 0 | |
| 44. Electronic material | 18.805 | 18.805 | 0 | 0 | |
| 45. Precision material | 12.582 | 12.582 | 0 | 0 | |
| 46. Automobiles and spare parts | 63.600 | 58.893 | 0 | 4.707 | |
| 47. Shipbuilding | 714 | 714 | 0 | 0 | |
| 48. Other transport material | 1.719 | 1.591 | 0 | 127 | |
| 49. Furniture manufacturing | 17.281 | 14.819 | 0 | 2.462 | |
| 50. Other manufactured goods | 12.503 | 12.503 | 0 | 0 | |
| 51. Recycling | 0 | 0 | 0 | 0 | |
| 52. Electric energy | 40.395 | 34.643 | 5.753 | 0 | EPT |
| 53. Gas and steam | 12.399 | 10.633 | 1.766 | 0 | EPT |
| 54. Water | 23.800 | 20.410 | 3.390 | 0 | EPT |
| 55. Construction | 85.988 | 73.742 | 12.246 | 0 | EPT |
| 56. Sales and repairs of automobiles | 102.229 | 94.665 | 7.565 | 0 | EPT |
| 57. Wholesale trade | 180.820 | 155.067 | 25.753 | 0 | EPT |
| 58. Retail trade | 390.024 | 334.476 | 55.548 | 0 | EPT |
| 59. Hotel and catering trade | 338.276 | 338.276 | 0 | 0 | EPT |
| 60. Railway transport | 8.500 | 8.500 | 0 | 0 | EPT |
| 61. Road freight | 43.010 | 36.885 | 6.125 | 0 | EPT |
| 62. Other overland freight | 47.279 | 47.279 | 0 | 0 | |
| 63. Sea freight | 2.820 | 2.820 | 0 | 0 | |
| 64. Air freight | 14.440 | 14.440 | 0 | 0 | |
| 65. Annexes to transport | 35.955 | 35.955 | 0 | 0 | |
| 66. Communications | 32.739 | 28.076 | 4.663 | 0 | EPT |
| 67. Banking | 4.953 | 4.247 | 706 | 0 | EPT |
| 68. Insurance | 122.869 | 117.254 | 5.615 | 0 | Inf de seguros |
| 69. Auxiliary finance | 3.819 | 3.819 | 0 | 0 | |
| 70. Real estate activities | 456.623 | 391.260 | 65.032 | 0 | EPT |
| 71. Renting machinery | 1.271 | 1.271 | 0 | 0 | |
| 72. Computer activities | 0 | 0 | 0 | 0 | |
| 73. Research and development | 0 | 0 | 0 | 0 | |
| 74. Other business activities | 20.691 | 20.691 | 0 | 0 | |
| 75. Public Administration | 41.976 | 35.998 | 5.979 | 0 | EPT |
| 76. Education | 65.529 | 65.529 | 0 | 0 | |
| 77. Health | 50.517 | 50.517 | 0 | 0 | |
| 78. Social services | 14.747 | 14.747 | 0 | 0 | |
| 79. Public sanitary services | 15.275 | 13.100 | 2.175 | 0 | EPT |
| 80. Associative activities | 31.652 | 31.652 | 0 | 0 | |
| 81. Leisure and cultural activities | 101.281 | 101.281 | 0 | 0 | |
| 82. Personal services | 31.706 | 31.706 | 0 | 0 | |
| 83. Home help | 25.084 | 0 | 25.415 | 0 | |
| Total | 3.408.095 | 2.665.771 | 700.008 | 42.318 | |

The concept of Gross Fixed Capital Formation within the Satellite Account must be clarified because, as has been indicated, it is part of the Final Consumption considered in the National Accounts. The concept goes beyond that which is indicated by the ESA. In the Satellite, all kinds of machinery and equipment involved in household production —appliances, furniture, ...— and a large number of appliances and utensils used as fixed assets —frying pans, crockery, tools, ...— which are bought gradually and whose life span is several years¹⁰, are considered as Gross Formation of Capital.

Consumption of Fixed Capital

Just as in companies there is a cost corresponding to consumption of capital goods in the productive process, households, in so far as they use durable or semi-durable goods in the productive activity that wear and depreciate in the process, also incur in the said cost. Therefore, this cost must be considered in the total value of Household Production.

The problem lies in the way to estimate this cost, because the method which has been used internationally, "Perpetual Inventory Method" or PIM, is not implemented in every country (nor is it used in the case of the A.C. of the Basque Country) and less so in the case of households.

Consequently, with this kind of work it has been necessary to calculate all the necessary elements (Fixed Capital Stock, Capital Formation, duration of permanent assets in capital stock before withdrawal...) in order to estimate the Cost of Fixed Capital for households. The method applied is the Permanent Inventory, as appears in the study by the Fundación BBV, "Capital Stock in Spain and its Territorial Distribution"¹¹.

According to the Permanent Inventory method Fixed Capital Consumption is calculated using the following stages:

- **Calculation of Gross Fixed Capital Stock** existing for each durable or semi-durable good, subject to being considered as an investment in the Household Economy, according to the following expression:

$$KB_t^i = KB_{t-1}^i + IB_t^i - R_t^i \quad (1)$$

$$R_t^i = \sum_{j=0}^{M_i} r_j^i IB_{t-j}^j \quad (2)$$

where: KB_t^i = Gross Capital Stock of asset i over period t

IB_t^i = Gross investment in i over period t.

R_t^i = Withdrawals produced in the period t of asset i.

M_i = Maximum duration of the life of the asset i

¹⁰ The ESA considers this kind of expenditure that on many occasions is not above 500 ECUs (1995) to be Intermediate Consumption

¹¹ Volume I Methodology. Pages. 22–37.

r_j^i = Withdrawal rate of good i after $j - 1$ periods of having made the investment. Thus r_o^i is the withdrawal rate applicable to investment made in current period

From (1) and (2) the following expression is deduced, in which the Capital Stock depends solely on the investment carried out in earlier periods:

$$KB_t^i = \sum_{j=0}^{M_i} (1 - r_t^i) IB_{t-j} \quad (3)$$

Should assets disappear when a sufficiently long period of time has elapsed (defined as the maximum deviation from the average life span) subsequent sums to $t - M_i$ may be omitted and the series of Gross Capital Stock may be derived as the accumulation of past investments without the need to resort to knowledge of the Initial Capital Stock.

The equation (3) may also be expressed in terms of survival:

$$KB_t^i = \sum_{j=0}^{M_i} IB_{t-j}^i * g_j^i$$

where $g_j^i =$ the proportion of the asset acquired in $t - j$ and still in use in period t . This proportion will vary according to the asset.

There are numerous specifications to calculate the survival function¹². Here we have taken the truncated Winfrey 5–3 function, which is used in the study by the Fundación BBV, for goods with an average life span of 10 years; for goods with a different life span a normal distribution function has been applied. This is considered to be a common application in this kind of studies.

- **Calculation of Net Capital Stock**, i.e., net of depreciation suffered due to use and obsolescence. Gross Capital Stock is calculated in the same way, taking depreciation into account, where a linear scheme of depreciation has been opted for, through the following expression:

$$d_j^i = \left(1 - \frac{t}{E_{t-j}^i} \right)$$

where E_{t-j}^i is the total life expectancy of investment carried out in $t - j$ that have not yet been withdrawn at moment t .

- **Calculation of amortization** through the estimation of the quantity that is still to be amortized and the years of life left to the good until total withdrawal.

¹² See Fundación BBV. Volume I Methodology.

Tax minus Subsidies

Tax on production is another of the production costs that, in the case of households, is registered mostly as income tax, taxes on wealth, etc.

In the Satellite Account it is necessary to extract all the taxes that are related, and establish to what extent, to the household productive process. In addition, it is also the case that in this study we have opted to consider only household production taxes considered in the National Accounts, as they are not particularly significant and due to the fact that estimation work involved would be quite abundant.

With regard to Subsidies, within the Satellite they must be understood as non-returnable payments by the Public Administrations to households, as a result of their productive activity. In this sense, the proposal by the EUROSTAT indicates that the main kind of subsidy to include is that which in National Accounts is considered "Social Transfers", paid to families looking after children, elderly, ill or handicapped members, etc., instead of taking them to public institutions.

In the case of the Satellite Account of the A.C. of the Basque Country no quantity has been included, as these transfers are few or insignificant in the exercise of the study, due to the fact that this kind of aid is channelled through other institutional bodies (Public Administration, companies...)

Accounts in the household satellite

The Accounts that have been developed in the Household Satellite of the A.C. of the Basque Country were Production and Operating Accounts, as well as Goods and Services Accounts, and Production and Operation Accounts for the extended global economy¹³.

Preparing these Accounts has involved enlarging and modifying some of the concepts used in the ESA: the production limit has been increased, a labour value has been imputed and the consumption concept has been modified.

We shall now mention the different accounts that make up the Household Satellite Account for the Basque economy.

PRODUCTION ACCOUNT: This account presents the production generated by households in Resources, distinguishing both production which enters within the ESA limits, and production that remains outside and which must be considered in the Household Satellite. Under jobs appear (as in every production account) intermediate consumption used in production, this being the Value Added balance generated in the economy by households.

OPERATING ACCOUNT: The Resources in this Account are the balance of the above Account, i.e. Gross Value Added and in the Jobs section, the different components thereof (Salaries, Taxes and Subsidies) the resulting balance is the Gross Surplus generated or mixed Income. In the case of production for own final use it is that which is considered imputed from the rent of the own home, as the rest of the production is considered as costs and does not generate Surplus or mixed Income.

In both accounts there are adjustment entries in order to avoid duplicating in the totals the part included in the National Accounts. These accounts are presented both for Household Production for own final use and for the global market household production in an attempt to give a global overview of the economic activity generated.

Similarly, the Goods and Services Account is presented as well as the Production Account and the Operating or Income Generating Account for the whole of the economy, incorporating household production as part thereof, in order to be able to study their specific weight in the whole of the Basque economy.

As a complement to the Accounts, Household Production that is outside the ESA is presented by functions, by Provinces and by genders, as well as the production of final own consumption by large functions, distinguishing the part included in the ESA from that which is not.

¹³ Extended means the whole of the economy including household production that is outside the limits of National Accounts according to the ESA.

Results analysis

Through the Housework Satellite Account we can obtain an overall view of the productive activities undertaken by households, as well as an economic estimation of this activity. Interest is focused fundamentally on household production for own use, as assessment is not included in the Economic Accounts of a country, according to the criteria marked by the European Accounts System.

Gross Value Added affecting Basque household production that is not accounted for in the GDP for 2003, comes to 15,637,783 thousand euros, which represents 32.8% of the GDP. This rate has fallen progressively over the last ten years. 1993 (49.1%) and 1998 (38.5%).

In terms of time, we may consider that on average approximately 2.9 hours are dedicated daily to production. Distribution by gender is 1.5 hours for males and 4.3 in the case of females. Comparatively, the average time of dedication per day in 2003 did not alter apparently with regard to 1998, on the other hand in comparison with ten years before the average dedication time had fallen (1993 dedication per day of the population 3.2 hours). Similarly, the distribution by genders fell slightly (1993 males 1.4 and females 5,0)

If we observe the evolution of this value between the study years since 1993, we can see that the reduction of Household Value Added with regard to the GDP was over sixteen percent, almost six percent of which materialised in the last five years. This reduction is what Ironmonger¹⁴ calls the «contra-cyclical character of unpaid housework». That is to say, that when the market economy experiences growth in the economic cycle, it takes resources from the household economy, with the consequent reduction in household production, and, on the other hand, in crisis periods it produces the opposite effect. Resources are released towards the non-market household economy. In effect, over these ten years the Basque economy, like other economies, lived a period of especially intense economic growth between the years 1997 and 2000, which eased off in the first years of the new century.

This growth stage over this period was reflected mainly in the evolution of the labour market and particularly in the female labour market, where employment grew 58% over the last ten years and 30% over the last five. This man power is liberated from household economies that have had to purchase the execution of their own tasks on the market.

As in the previous study carried out five years ago, it continues to be difficult to obtain data on unpaid housework in other countries on an international level, this being practically impossible in the case of finding data for the year 2003. The advance in carrying out this kind of measurements is quite slow and what we perceive is that the evolution of unpaid housework over these ten years has lost weight in most of the countries that have data for the period (see table 4.1), and that the weight of the household economy remains within the limits set by the rest of the countries in our international environment.

¹⁴ Ironmonger 1989; Statistics Canada, 1995.

TABLE 4.1 INTERNATIONAL COMPARISONS OF GROSS ADDED VALUE OF NON-MARKET HOUSEHOLD PRODUCTION IN RELATION TO GROSS DOMESTIC PRODUCT (ACCORDING TO METHOD OF REPLACEMENT COSTS).

| Country | Reference year | % of GDP | % H. Prod. by Females |
|-----------------------------|----------------|----------|-----------------------|
| Canada | 1992 | 41 | 63 |
| | 1997 | 34 | |
| Finland | 1990 | 45 | - |
| Australia | 1992 | 51 | 66 |
| | 1997 | 43 | 65 |
| New Zealand | 1991 | 42 | 65 |
| | 1999 | 39 | 64 |
| Norway | 1990 | 38 | 66 |
| USA | 1976 | 32 | |
| France | 1975 | 31 | |
| Germany | 1992 | 68 | - |
| Japan | 1996 | 15 | 85 |
| Switzerland | 1997 | 45 | 67 |
| Great Britain ¹⁵ | 1999 | 44 | - |
| Basque Country | 1993 | 49 | 79 |
| Basque Country | 1998 | 38 | 74 |
| Basque Country | 2003 | 33 | 75 |

Source: Australian Bureau of Statistics y Eustat.

If we analyse more closely the components, amount and prices of the evolution of unpaid household production over the last five years, we can see that the evolution followed the same trend as over the previous five years. In real terms, measured in thousands of hours of Household Production, growth has been very low though positive (0.7%), surpassing the previous negative rate. In addition, growth in labour prices reached 16%, which indicates that unpaid Household Production grew in nominal terms by 16.8%. this evolution was well below the growth observed for the whole of the a ESA Economy, which rose 37.1% in nominal terms and 18.2% in real terms, if we observe similar price increases in both economies. This higher growth of the real economy compared with the moderate growth of the household economy influences its progressive loss of share in the GDP.

With regard to the rest of the macro figures that make up the Satellite Account, as appears in the Table on Total Extended Economy, Production represents 21.3% and Intermediate Consumption 10.1%, both with regard to the same macro figures in the Economic Accounts. Final Consumption, including payment for housework, represents 75.9% of Private Consumption considered in the Economic Accounts of the Autonomous Community of the Basque Country. The percentage has fallen almost eight points in relation to 1998 due to the growing evolution of consumption over recent years and the reduced evolution of unpaid household production.

In addition, the Investment made by household (not including investment in housing, which is included in the FBCF of the national accounts) reached 2.8% of the total for the rest of the Basque economy.

In terms of reward for labour, rewards corresponding to housework for own use accounted for 64.6% of the total Reward in the economy. Nonetheless, these percentages stretch to 90.5% if the year we consider is 1993, as the dimension of

¹⁵ Output Method

housework was greater in comparison to the global market economy due to a contraction in the cycle at that moment.

TABLE 4.2. EVOLUTION OF THE ESA ECONOMY AND NON ESA HOUSEHOLD PRODUCTION. CURRENT AND CONSTANT PRICES. A.C. OF THE BASQUE COUNTRY

| | 1993 | 1998 | % Var | 2003 | % Var |
|---|----------------|----------------|-------|------------|-------|
| | Thousand Euros | Thousand Euros | 98/93 | | 03/98 |
| CURRENT TERMS | | | | | |
| Non ESA Household Production. GVA asf | 11.741.137 | 13.392.155 | 14,0 | 15.637.783 | 16,8 |
| Gross Domestic Product . ESA | 23.892.976 | 34.765.379 | 45,5 | 47.668.469 | 37,1 |
| CONSTANT TERMS | | | | | |
| Non ESA Domestic Product. Thousand hours | 2.022.939 | 1.924.381 | -4.9 | 1.939.488 | 0,7 |
| ESA Gross Domestic Product. | 29.967.185 | 36.799.272 | 22,8 | 43.525.782 | 18,2 |
| VARIATION IN PRICES (Deflators) | | | | | |
| Non ESA Household Production. (salary prices) | | | 19,6 | | 16,0 |
| ESA Gross Domestic Product. | | | 23,0 | | 16,0 |

Value Added generated by functions

The classification of Household Production Value Added by functions in 2003 maintains a structure with few variations with regard to 1998; functions that concentrate higher quotas of value are: Providing Food (46.6%) and Providing accommodation (30.3%). To a lesser extent we have the functions of Providing Care and Education (14.8), a function which has slowly been increasing weight since 1993 and Providing clothing (8.4%), which like the first function mentioned has lost weight successively over the last 10 years.

Broadly speaking, a comparison with some countries that have this kind of data for a period close to the reference year does not show great similarities with data for the Autonomous Community of the Basque Country. This is due, to a large extent, to the higher or lower value of each of the functions depending on the social criteria for conduct and the life styles of each of the countries. A curious aspect that we might mention is that in Basque household a higher value was attributed to Providing Food than in the other economies under comparison (Australia, Great Britain and New Zealand), whereas the function Providing Accommodation, despite its weight, is lower than in the other countries. Care for children and the elderly lies along with the countries that give this function a lower weight, at some distance from the Great Britain and New Zealand¹⁶.

¹⁶ We must bear in mind that comparisons refer to years on different dates and a very reduced group of countries

TABLE 4.3. GVA OF HOUSEHOLD PRODUCTION BY FUNCTIONS

| Functions | Basque Country (1998) | Basque Country (1993) | Basque Country (2003) | Australia (1992) | Great Britain (2000) | New Zealand (1999) |
|------------------------------|-----------------------|-----------------------|-----------------------|------------------|----------------------|--------------------|
| Providing Accommodation | 31.6 | 31.9 | 30.3 | 37.1 | 39.9 | 31.0 |
| Providing Food | 44.9 | 45.8 | 46.6 | 35.2 | 11.9 | 32.1 |
| Providing Care and Education | 14.1 | 13.1 | 14.8 | 12.7 | 41.4 | 25.5 |
| Providing Clothing | 9.5 | 9.2 | 8.4 | 15.0 | 6.8 | 11.4 |

Over the different years in the study a similar distribution by functions has generally been maintained, although the evolution over recent years has seen a slight loss in the functions Providing Accommodation and Providing Clothing, which has been gained by Providing Care and Education and Providing Food.

A more detailed analysis of the different functions follows:

Providing Accommodation

This function is second in importance (30.3%) and, as mentioned previously, shows a slight loss in weight. The group by components is as follows in order of importance: Cleaning (51.5%), Semi-leisure, which includes a variety of tasks; repairs, dressmaking, sewing, knitting, painting, bookkeeping, removals.... (34.8%), Repairs and maintenance (7.6%), Administration (2.6%) Purchase of durable goods (2.1%) and travel time (1.3%).

Among the most interesting changes in this function is the loss in weight of tasks related to cleaning; the reasons may be found in a change in social perception of this task in the home and especially among women, who mainly carry out this task, and the fact that women cannot dedicate so much time to it, because of their more intensive participation in the world of employment. Similarly, the Administration task loses weight; in this sense we may sense that the reduction is due, more than to a reduction in the task, to a better organization of the task, as a result of the development of telematic means and an improvement in the offer of these services to the citizen, in addition to a reduction in the number of unemployed, which leads to a drop in the search for work, an aspect which is included in the task of "Administration".

Providing Food

This function is the most important (46.6%) and its main components are: Preparing Meals (68.3%), Daily shopping (24.8%) and travelling (6.9%). Over the last ten years the weight of all the tasks, except travelling, has fallen, possibly due to a greater participation of women in the labour market, which has led to a different way of organizing meals, with a greater tendency to eat out. In the part corresponding to a slight fall in the time devoted to Daily Shopping, this could be due to the change in shopping habits, tending to a greater use of shopping malls, which could also lead to an increase in travel time.

Providing Care and Education

This function, with a weight of 14.8 within the total, has increased most since 1993. In this function we can distinguish the following components: Caring for children (45%), Caring for adults (14.6%), Games and Education (21.4%) and Bringing and Taking

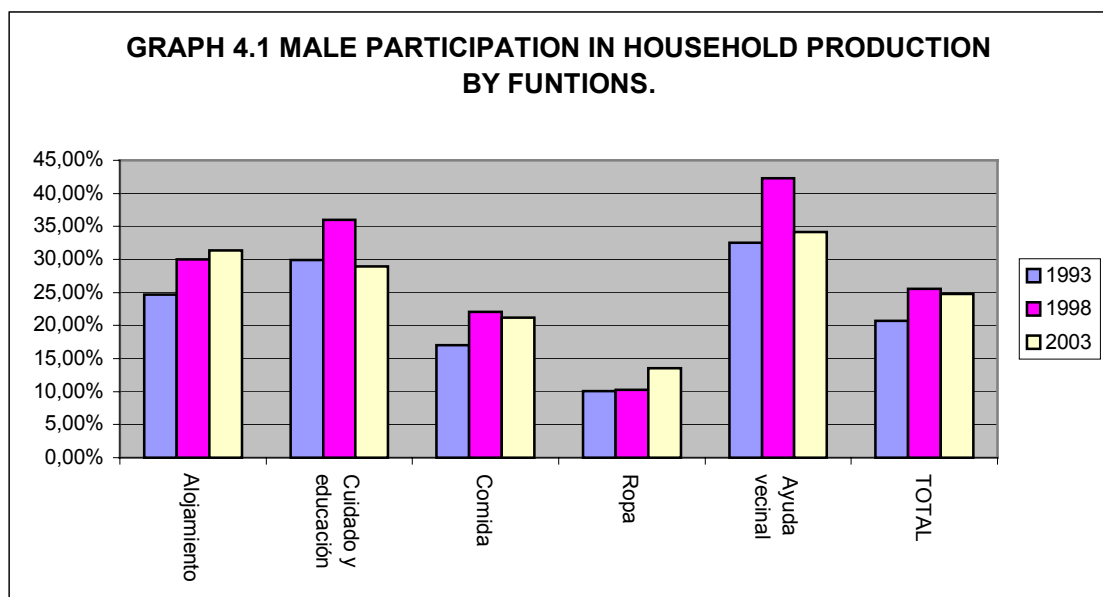
Someone (19%). Over the last ten years we can see that there has been a clear reduction in the weight of two of these tasks within the function: Games and Education and Bringing and Taking Someone. The rest of functions in 2003 have seen a change in trend with regard to five years before. Caring for children increased in weight with regard to 1998 and Caring for adults fell, although it is still higher than the level of dedication five years before.

Providing Clothing

The trend this function has followed over recent years is clearly a reduction in dedication. Among the different tasks that compose the function we can observe three main tasks (cleaning, repairs...) (82.7%) which mark this reduction. We can apply the same comments to them as applied to the function of accommodation. On the other hand, tasks related to this function, carrying out the Shopping (13.6%) and travel time have grown in weight within the function.

Distribution of Household Production by genders

Developing the Survey on Time Budget enables us to have the time dedicated by genders to different tasks, grouped by the functions defined in the Satellite Account, and which we have assessed according to the criteria mentioned in the methodology section.

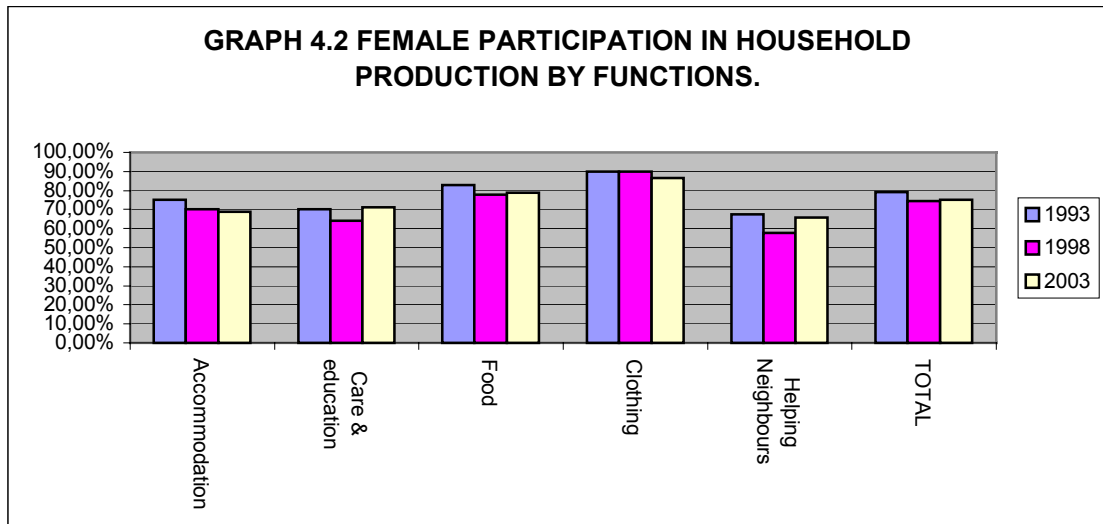


An analysis of household production based on the gender of the producer indicates that 24.8% was carried out by men in 2003 compared with 75.2% by women; despite a slight advance with regard to 1993 in this distribution, over the last five years it has come to a standstill, as can be seen in Graph 4.2. The functions with highest male participation are Providing Accommodation (31.3%), where there has even been a 1.4% increase over the last five years and Helping Neighbours (34.2%). Similarly, males have increased their participation in the function Clothing, a function where they had a lower level of participation. By contrast, the functions Care and Education and Helping Neighbours carried out by females, increased especially over the last five years

Dropping to the level of concrete tasks carried out mostly by males, we can see a higher participation in the following: Administration (58.2%), Home Maintenance Services (86%) and Semi-Leisure related to accommodation. Other tasks with important male participation are travel related to Accommodation (45.9%) and Other repairs (45.2%) in

the same function. The last two tasks, and especially the task of Administration (around 15 points), have substantially reduced existing differences in participation.

A comparison of female participation in Household Production (Table 4.1) places the A.C. of the Basque Country among the economies with highest female participation



behind Japan, which shows the great differential existing with the most advanced European countries, with regard to male participation in Household Production.

Distribution of Household Production according to Labour Situation

If we consider the labour situation of the population that carry out unpaid housework, it is distributed as follows: 53.5% is carried out by “Housekeepers”, 26.3% is carried out by “Workers”, 13.2% by “Pensioners”, 4.1% by the unemployed, 1.1% by “Students” and the rest by the population classified as “Others”. As we can see in Table 4.4, this distribution of housework does not correspond to the weight of each group in the population, as there is a group “Home Help” who carry out housework that corresponds to other groups.

Thus, the group of “Workers” has a higher differential between its weight with regard to the population and the unpaid housework they carry out, due to the fact that either the work that corresponds to them is carried out by other groups or is purchased on the market. Less imbalance is observed between the group of “Unemployed”, “Students” and “Pensioners”, especially in the latter as this group represents 19% of the population and carries out 13.2 % of Housework.

TABLE 4.4 DISTRIBUTION OF THE POPULATION AND HOUSEWORK ACCORDING TO LABOUR SITUATION.

| Labour situation | (1) % of the Population >16 yrs | (2) % of unpaid Housework | (2)/(1) | Males | Females |
|------------------|---------------------------------|---------------------------|---------|-------|---------|
| Workers | 47,9 | 26,3 | 0,55 | 38 | 62 |
| Housekeepers | 16,6 | 53,5 | 3,22 | - | 100 |
| Pensioners | 19,0 | 13,2 | 0,69 | 42 | 58 |
| Students | 8,1 | 1,1 | 0,13 | 17 | 83 |
| Unemployed | 4,9 | 4,1 | 0,84 | 21 | 79 |
| Others | 3,5 | 1,8 | 0,51 | 42 | 58 |
| Total | 100 | 100 | - | - | - |

An analysis by gender in these groups shows once again the differences we observed earlier and specially among "Students" where females carry out 83% of housework compared to 17% for males. This leads us to conclude that there is a reproduction of traditional roles among the youngest population group.

On the other hand, "Pensioners" is the group with the smallest differential in carrying out housework, 42% is carried out by males compared to 58% by females.

By functions we should emphasize the higher participation by "Workers" and "Unemployed" in Care for Persons, in relation to other tasks, especially "Games and Education". Among the "Unemployed" tasks such as "Administration" and "Maintenance Services" also stand out. "Pensioners", in turn, dedicate more time to tasks related to "Accommodation" (Semi-leisure and Maintenance Services). Students have a higher participation in housework when it comes to Clothing and very specifically to "Diverse Shopping" and "Purchasing Durable Goods".

Distribution of Household Production Costs

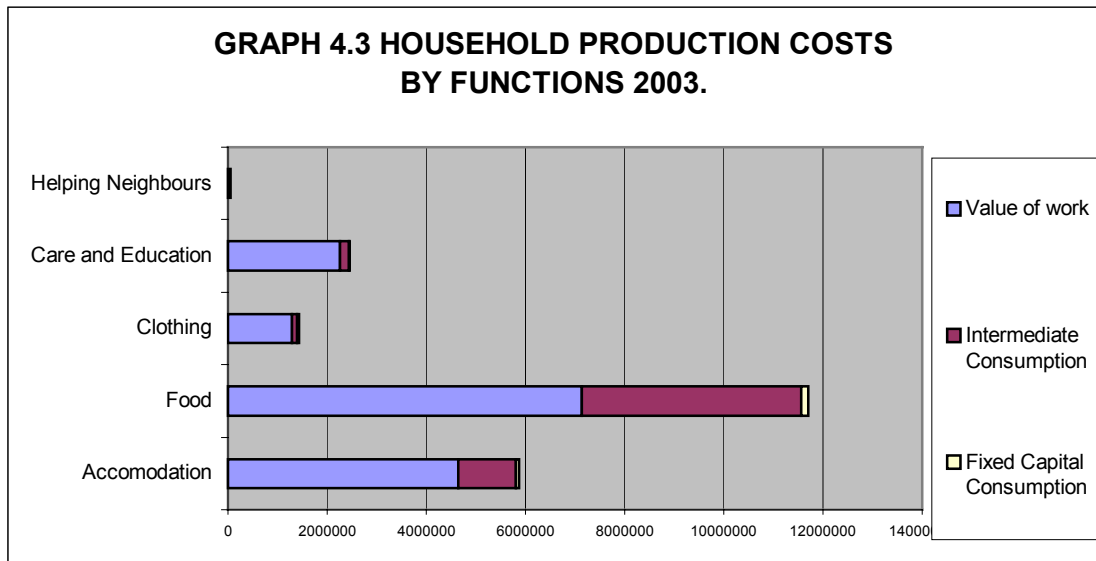
TABLE 4.5 DISTRIBUTION OF HOUSEHOLD PRODUCTION COSTS. COMPARISON WITH TOTAL ECONOMY (ESA). A.C. BASQUE COUNTRY

| | Household Satellite Account | | | | | Total Economy ESA | | |
|---------------------------------|-----------------------------|------|-------|------|-------|-------------------|-------------|-------|
| | 1993 | 1998 | 98/93 | 2003 | 03/98 | 98/93 | 2003 | 03/98 |
| | % | % | □% | % | □% | □% | Valor | □% |
| Production | 100 | 100 | 17.6 | 100 | 22.3 | 64.7 | 101,095,185 | 46.8 |
| Intermediate Consumption | 21.6 | 23.9 | 30.4 | 27.3 | 39.7 | 85.4 | 58,169,588 | 56.2 |
| Value of Work | 77.4 | 75.0 | 14.0 | 71.4 | 16.4 | 36.3 | 23,778,579 | 36.4 |
| Capital Consumption | 1.1 | 1.1 | 19.2 | 1.2 | 39.8 | 51.0 | 4,488,889 | 42.1 |

The composition of non-market Household Production Costs is marked by the value of the work contributed (71.4%); Intermediate Consumption and Fixed Capital Consumption contribute 27.3 add 1.2%, respectively. The evolution of these costs over the study period was similar to that of costs for the rest of the economy, i.e. with a rise in the participation of Intermediate Consumption in relation to Value of Work, due to the containment of labour costs during the 90s.

This last factor, the containment of the value of labour on the one hand and the number of hours invested in the tasks of housework on the other, have led Household Production to increase by 22.3%, to a much lower level than that of the total production of the

economy (46.8%), due to the boom period in the real economy which absorbed part of unpaid Household Production.



Extended Household Account

The Extended Household Account refers to the Economic Accounts and includes market and non-market production that are included in the Economic Accounts of the Economy according to the ESA, and Household Production not included in the ESA.

The view of this extended household account enables us to know the economic potential existing in the household sector and its importance for the whole of the economy

TABLE 4.6. EXTENDED PRODUCTION IN HOUSEHOLDS IN THE AUTONOMOUS COMMUNITY OF THE BASQUE COUNTRY

| | 1993 | | 1998 | | 2003 | |
|--|------------|------|------------|------|------------|------|
| | Value | % | Value | % | Value | % |
| Total extended production[1] | 28,727,013 | 100 | 33,739,534 | 100 | 44,368,425 | 100 |
| 1. Household Production ESA | 11,759,168 | 44.0 | 16,140,246 | 47.8 | 22,852,336 | 51.5 |
| 1.1 Production for final own use included in ESA[2] | -2,103,952 | -7.9 | -3,105,123 | -9.2 | -3,550,219 | -8.0 |
| 1.2 Market Production | 9,655,216 | 36.1 | 13,035,123 | 38.6 | 19,302,117 | 43.5 |
| 2 Household Production for own use total | 17,071,797 | 63.9 | 20,704,411 | 61.4 | 25,066,308 | 56.5 |
| 2.1 Service to Rent own housing (ESA) | 1,919,320 | 7.2 | 2,872,141 | 8.5 | 3,208,166 | 7.2 |
| 2.2 Household Production for own use included in ESA | 184,632 | 0.7 | 232,983 | 0.7 | 342,053 | 0.8 |
| 2.3 Household Production for own use not included in ESA | 14,877,291 | 55.7 | 17,480,179 | 51.8 | 21,468,879 | 48.4 |
| 2.4 Voluntary work (helping neighbours) | 90,554 | 0.3 | 119,109 | 0.4 | 47,210 | 0.1 |

In Table 4.4 we can see the Total Extended Household Production, taking into consideration production included according to the ESA, and therefore included in the assessments of the Economic Accounts, and the production that is not included in the ESA. Before proceeding to analyse the results, we shall explain the meaning of each of the items:

- Household Production ESA: includes household production that is within the limits of market production set by the ESA. Within these limits we find market production carried out by households as economic agents (1.2), i.e. self-employed, civil company, family companies... and production for own final use (1.1) set by the ESA (renting the own home, self-consumption in an agricultural household, own construction of the home...)
- Household Production for own use. This refers to household production for the satisfaction of its members and which mainly does not fit within the boundaries of the ESA. It also includes the part considered in the ESA, as well as Voluntary work in the terms considered in the methodology section.

If we analyse how the total extended household production is distributed, we can see that 43,5% is market production. This increased in 2003 to 19,301,117, the remaining 56.5% being production for final own use, 48,4% of which is not included within the boundaries of the ESA, and therefore is not in the assessments of the Basque Economic Accounts.

The development over the last ten years of the study once again reflects the gain in weight of household market production, around two percent between 1993-1998 and double between 1998 and 2003, compared with the continuous loss in the weight of production for final own use.

TABLE 4.7 GROSS VALUE ADDED GENERATED BY HOUSEHOLDS

| GVA | 1993 | | 1998 | | 2003 | |
|--------------------------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|
| | Value | %/Extended GVA | Value | %/Extended GVA | Value | %/Extended GVA |
| GVA at Market Prices | 4,915,820 | 26.8 | 6,823,063 | 30.0 | 9,264,106 | 33.4 |
| GVA Production own use | 13,429,045 | 73.2 | 15,893,777 | 70.0 | 18,469,876 | 66.6 |
| - Rent Service (ESA) | 1,568,089 | 8.5 | 2,346,543 | 10.3 | 2,617,864 | 9.4 |
| - Other production (ESA) | 119,819 | 0.7 | 155,079 | 0.7 | 214,229 | 0.8 |
| - Production own use (Not ESA) | 11,650,583 | 63.5 | 13,273,046 | 58.4 | 15,590,573 | 56.2 |
| -Helping Neighbours | 90,554 | 0.5 | 119,109 | 0.5 | 47,210 | 0.2 |
| Extended GVA | 18,344,865 | 100.0 | 22,716,840 | 100.0 | 27,733,982 | 100.0 |

In terms of the GVA generated by households, the production for own final use loses weight with regard to non market production, reaching 66.6% in 2003 and where 56.2% corresponds to Gross Value Added generated by Household Production not included in the ESA.

Final Household Consumption in the Satellite Account

One of the objectives that leads to this kind of study is to gain a greater knowledge of household consumption, with the understanding that households are also producers of goods and services, in order to give satisfaction to household members.

As we have already indicated in the methodology section, Final Consumption, as it is conceived in the Economic Accounts, has to be broken down into three components according to the viewpoint of the Satellite Account: Final Consumption as such, Intermediate Consumption, and Investment carried out by households in durable and semi-durable goods (excluding investment in the home itself).

This distribution for 2003 represents a weight of 78.3% for Final Consumption, 20.5% for Intermediate Consumption and 1.2% for the Gross Formation of Fixed Capital

As we have commented above, Final Consumption in the Satellite Household Account is defined as Final Consumption in the Economic Accounts minus Consumption destined as an input in intermediate production (Intermediate Consumption in the Satellite) and minus Consumption of durable and semi-durable goods that contribute to household production, plus household production not included in the Economic Accounts. The latter consumption represented 75.9% in 2003, which represents a 7 point reduction over the last five years and a fall of 10 points over the previous five years.

TABLE 4.8 DISTRIBUTION OF FINAL EXTENDED HOUSEHOLD CONSUMPTION

| | Expenditure on Final Consumption Products | | Household Production for Own Final Use | | Total Extended Household Production | |
|-------------|---|------|--|------|-------------------------------------|-----|
| | Value | % | Value | % | Value | % |
| 1993 | 12,584,428 | 45.7 | 14,967,845 | 54.3 | 27,552,273 | 100 |
| 1998 | 16,617,462 | 48.6 | 17,599,288 | 51.4 | 34,216,750 | 100 |
| 2003 | 22,103,112 | 50.7 | 21,516,089 | 49.3 | 43,619,201 | 100 |

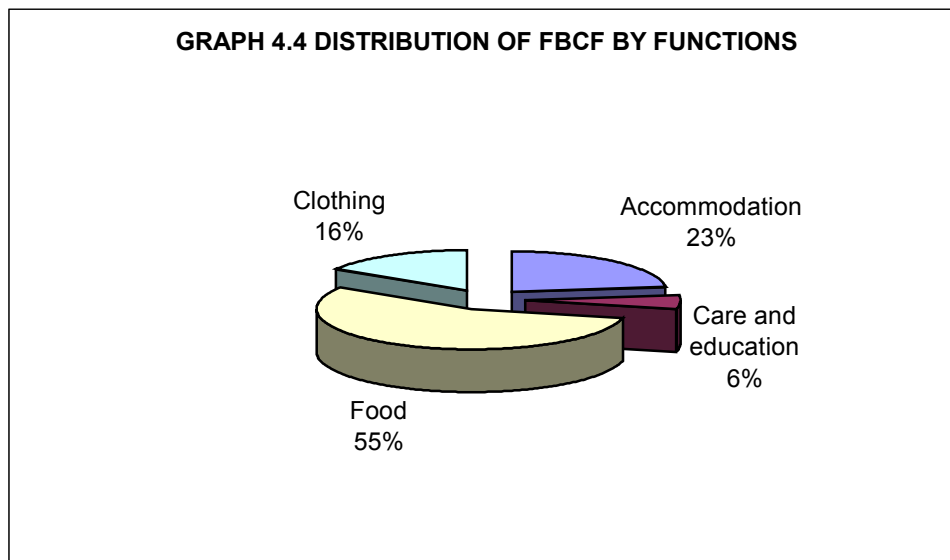
In the philosophy of Satellite Accounts, this conception of consumption indicates what households have really consumed for their satisfaction directly from the market and the value of Household Production generated in the home in order to achieve the satisfaction of its members. Once again we can see how in times of economic recession, as in 1993, the proportion of own production is higher than in a year of economic bonanza where the proportion of final consumption carried out directly on the market increases.

Finally, in the distribution of Intermediate Consumption by functions, the largest part corresponds to the function of Preparing meals (75%), followed by Providing accommodation (20%), while the functions of Providing Clothing and Caring for Persons use 2 and 3 % of intermediate consumption, respectively.

Gross Formation of Fixed Capital

Gross Fixed Capital Formation, following the criteria of the Household Satellite Account, consists of durable and semi-durable goods which are used as capital goods in household production for own final use, and whose value is included in the Final Household Consumption in National Accounts.

For 2003 Gross Fixed Capital Formation represents 2.8% of the Gross Fixed Capital Formation for the whole of the economy (according to the ESA), where 55.3% is earmarked for Preparing Meals, 23% for accommodation, 16% for preparing clothing and 5.8% for Caring for and the education of household members.



Distribution of Household Production by Provinces.

The distribution of Household Production by Provinces does not vary with regard to weight in terms of population. Thus, Alava generates 13.6% of Housework, Bizkaia 53.4 and Gipuzkoa 33%.

| Province | % /A.C. of the Basque Country | Males | Females |
|----------|-------------------------------|-------|---------|
| Alava | 13.6 | 25.7 | 74.3 |
| Bizkaia | 53.4 | 23.3 | 76.7 |
| Gipuzkoa | 33.0 | 27.0 | 73.0 |
| Total | 100.0 | 24.8 | 75.2 |

With regard to distribution by gender, as may be expected, it is very similar in all the provinces, we can only highlight the two percent higher than average participation by males in the Province of Gipuzkoa

Conclusions

- Gross Value Added contributed by Household Production not included in the GDP of the Basque economy represented 32.8% of the total in 2003, and 49.1% and 38.5% in 1993 and 1998 respectively. This reduction in unpaid housework has come about as the result of economic growth maintained over the last ten years and specially over the period 1997-2000, which had a decisive bearing on the female labour market, the main agent of this production, causing the transfer of human resources from the Household Economy to the market economy.
- As with the previous study, carried out five years ago, it is still difficult to obtain data on unpaid housework relating to other countries on an international level, being practically impossible for 2003. Nonetheless, what we can perceive from the data available is that the evolution of unpaid housework over the last ten years has lost weight in most countries for which we have data, and the weight of the Household Economy in the Autonomous Community of the Basque Country remains within the boundaries set by the rest of the countries on an international scale.
- Distribution by functions does not present huge changes for the study years. The functions that concentrate a higher proportion of Gross Value Added are Providing Food (46.6%) and Accommodation (31.3%). To a smaller extent we find the functions of Providing Care (14.8%) and Clothing (8.4%). In terms of the evolution of the function related to Accommodation and Clothing lost weight progressively while those related to Care and Education and Food gained.
- Similarly, there are no great changes in relation to the female character of Household Production (75.2% female participation). Despite the fact that over the last ten years male participation has increased by around 4%, over the last five this trend has come to a standstill.
- The functions with higher male participation are Providing Accommodation (31.3%), where even over the last five years it advanced 1.4% and Helping Neighbours (34.2%). Similarly, males have increased their participation in the function related to Clothing, a function where male intervention is lower. In contrast, in the functions of Care and Education as well Helping Neighbours, women increased their participation over the last five years.
- Looking at the labour situation of the population who carry out unpaid housework, it was distributed in the following way: 53.5% is carried out by the population classified as "Housekeepers", 26.3% is carried out by "Workers", 13.2% by "Pensioners", 4.1% by the Unemployed, 1.1% by "Students" and the rest by "Others". There is a great imbalance between the weight of the populations of different groups and their participation in housework, especially evident among "Workers". Differences by gender are highlighted again in this analysis, and more significantly among "Students", where women carried out 83% of housework compared to 17% by males. "Pensioners", in turn, are a group with a lower imbalance between genders.
- The overall vision provided by the Household Satellite makes it possible to quantify both the market production contributed by households, which was 43.5% of

household production in 2003, and production of own final use which accounted for the remaining 56.5%, 48.4% of which is not included in the estimation of the GDP according to the ESA.

- The prolonged period of expansion experienced represented a gain in the household representativity in market activity compared to the loss of weight by unpaid Household Production, around seven percent in terms of Gross Value Added (2.2 percent over the last five years).
- Data on Extended Household Consumption once again reflected that the consumption of final goods bought directly from the market increased its weight by five percent with regard to Household Production for Own Final Use.
- The distribution of Household Production by Provinces does not vary with regard to weight in terms of population. Thus, Alava generated 13.6% of housework, Bizkaia 53.4% and Gipuzkoa 33%. Distribution between gender is similar, only in Gipuzkoa there was a two percent higher than average male participation in the Autonomous Community of the Basque Country.

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