

Valuing unpaid care work in Mexico

Unpaid care work is both an important aspect of economic activity and an indispensable factor contributing to the well-being of individuals, their families and societies.¹³ However, due to the perceived difficulty in measuring the value of care work, it is commonly left out of policy agendas. This leads to incorrect inferences about levels and changes in individuals' well-being and the value of time.

Mexico has developed the *Household Satellite Account (HSA)* to provide information on the economic value and importance of own-use production work of services of women and men. The HSA provides information on issues related to gender equality, consumption and household expenditure, total workload, care of children and the elderly, care of chronic and temporary sick, and home-schooling.¹⁴

HSA defines unpaid work of households, as time spent on housework and care, provided by household members to produce services for consumption within the household, without obtaining payment or remuneration, hence outside of GDP measurement.¹⁵ The Satellite account includes services for own final use made with unpaid work (Household's activities defined as productive, if it can be delegated to somebody else or provides a product or service that can be exchanged in the market), i.e. Cleaning and upkeep of dwelling and surroundings; Cooking, making drinks, setting and serving tables; Care of durable goods of household members; Physical care of children: washing, dressing, feeding, teaching, training and instruction of own children; Physical care of the sick, disabled, elderly household members: washing, dressing, feeding, helping; Travel related to care of children, the sick, elderly and disabled in the household; and Community services and volunteer work.

Methodology

- **To measure time spend on unpaid work:** National Time Use Survey generates two sets of data: number of hours of unpaid work and the individuals who perform it.
- **To determine the cost per hour spent on unpaid care and domestic work:** National Occupation and Employment Survey provides gross values from average earnings by economic activity, according to the North American Industry Interventions that enhance social participation of women

Further, two valuation methods are used:

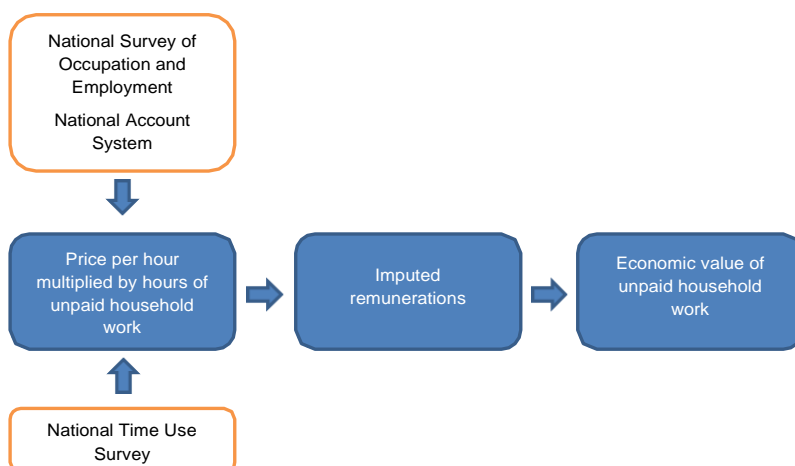
- **Replacement cost for individual function:** the cost of hiring specific workers for activities carried out with unpaid household work (opportunity cost).
- **Hybrid:** this approach uses pay to domestic worker to value the activities normally performed by a housewife and, for other activities, uses the replacement cost of each function.

¹³ Stiglitz, J., A. Sen and J.-P. Fitoussi (2007), *Report on the Commission on the Measurement of Economic Performance and Social Progress*, Paris: Commission on the Measurement of Economic Performance and Social Progress, Paris.

¹⁴ UNECE (2018) *Guide on Valuing Unpaid Household Service Work*

¹⁵ INEGI (2014), *Unpaid care and domestic work: valuation, and policy making use*, Fifth Global Forum on Gender Statistics Aguascalientes, Mexico

Methodological framework



Impact

The results from the Household Satellite Account have been used for shaping key indicators for the development of the country, such as "estimate of women's contribution to GDP by the economic value of unpaid household work" inscribed in the National Program for Equal Opportunity and Non-Discrimination against Women 2013-2018.¹⁶ For the compilation of high-quality satellite accounts, meeting two important conditions should have the highest priority¹⁷:

- Need for improved time use surveys including more granularity, better periodicity, better consistency over time, and improved timeliness.
- Availability of an internationally agreed set of standards and classifications for the compilation of satellite accounts for household non-market services.

¹⁶ UNECE (2018) *Guide on Valuing Unpaid Household Service Work*

¹⁷ Van de Van P., Zwijnenburg J. (2016) *A Satellite Account for Unpaid Activities: A First Step Towards Integration in the System of National Accounts*, IARIW Dresden