



United Nations Statistics Division

ISIC Rev.4 Section T

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Section T

Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use



Why this section?

- ❑ This section covers activities of households that are intended for own consumption
- ❑ In typical industry surveys, such household units are not covered and their output is not measured
- ❑ However, for the National Accounts and also for policy purposes information on such activities is necessary



Content

- This section covers two distinct divisions
- Division 97 – Households as employers of domestic personnel
 - Transactions take place
 - Formal employment is provided
 - Service provided is consumed by the same household
- Division 98
 - No transactions take place
 - No formal employment is provided
 - Service is consumed by the same household



Division 97

- Activities in Division 97 are recorded by the National Accounts (within the production boundary)
- They represent the production of domestic and personal services by employing paid domestic staff, such as maids, cooks, gardeners, chauffeurs, secretaries etc.
- Note: It is the **household** that is classified here, not the maid, cook etc.
 - The maid, cook etc. are employees and not recognized as separate units in ISIC



Division 97

- ❑ The services produced are consumed by the producing household
- ❑ Provision of the same type of services by independent providers (i.e. not by employees) is excluded from this division and classified according to the activity carried out
 - E.g. gardening activities in ISIC 8130



Division 97

- The value of the output, i.e. the services provided, is usually based on cost of wages paid by the household



Division 98

- Requires subdivision due to production boundary of the SNA
 - Activities within the production boundary include all production actually destined for the market whether for sale or barter.
 - Problems arise for activities that produce goods or services that could have been supplied to others, but are actually retained by the producers for their own use.



Division 98

- The SNA includes within the production boundary:
 - All production of goods for own use
 - Services produced by employing paid domestic staff
 - Own-account production of housing services by owner-occupiers (not in div.98)
- Excluded are:
 - All other production of services for own use

- See SNA 2008, para. 1.40 ff.



Division 98

- ❑ As a result, activities in group 981 are within the production boundary, while activities in group 982 are not

- ❑ This division was created to account for the production of these goods and services that are produced, but difficult to observe

- ❑ Typically, the households classified here cover a variety of goods- or services producing activities for which no accounting system is maintained

- ❑ Assigning a primary activity would be extremely difficult and also misleading



Division 98

- This division is generally not used in industrial surveys
- However, it covers economic production that should be measured
- Initial push for creation of this category came from ILO for the use in Labor Force Surveys (LFS)

- Importance of these activities and inequality in measurement can be demonstrated with some examples
 - “disappearance” of activities due to change in family status
 - Different recording of “rich” vs. “poor” households



Division 98

- Actual measurement is difficult due to lack of explicit transactions
 - Measurement using market prices of comparable market services
 - Measurement via time use, e.g. through ICATUS