Value of household production 2019

Value of household production has grown at the same rate as GDP in 2019

The gross value added of household production was EUR 99.5 billion in Finland in 2019. Gross domestic product was EUR 240.6 billion in the corresponding period.

The statistics on the value of household production supplement the core system of national accounts in describing the significance of household production not included in national accounts. The statistics describe the monetary value of the goods and services produced by households for their own use.

According to the internationally agreed practice, unpaid household work or services produced by households for themselves are not as a rule included in gross domestic product. However, it is possible to calculate a value for this work done by households. The gross value added of household production covers the value of work done by households for themselves and consumption of fixed capital used in production, and it is the concept corresponding to gross domestic product in these calculations.

The 2019 calculations of the statistics on the value of household production make use of the data of the Household Budget Survey of 2016, the Time Use Survey of 2009 and several other annual statistics. The data of the 2009 Time Use Survey are updated with regard to the numbers of household types in 2019, and annual national accounts data have been used in the calculation of consumption data, which are divided by household type based on the 2016 Household Budget Survey. The figures concerning the value of household production are calculated according to international guidelines.

Household production refers to household production both included in gross domestic product and excluded from gross domestic product. In the calculations, these two items are kept separate, whereby household production excluded from GDP can be taken as a proportion to GDP or it can be summed with GDP to calculate so-called extended GDP.

Statistics Finland's StatFin database contains calculations for 2009, 2012 and 2016 to 2019 compiled in accordance with the international recommendation both at the level of the whole economy and by type of household. Previous calculations according to the model compiled in Finland for the years 2001 to 2012 can be found in the archive.

In 2019, gross domestic product was EUR 240.6 billion in Finland, and the gross value added of total household production EUR 99.5 billion. The share of household production in GDP was EUR 18.1 billion and the gross value added of household production excluded from GDP (so-called non-SNA) EUR 81.4 billion. The share of household production excluded from national accounts corresponded to 33.9 per cent of GDP. In 2009, 2012 and 2016, the gross value added of household production excluded from GDP as
a ratio to GDP has been slightly higher, after which it has decreased slightly. In 2018 and 2019, the ratio has been the same, that is, the value of household production has grown in the same way as GDP in 2019.

The so-called extended GDP, or the sum of GDP and the gross value added of household production excluded from GDP, was EUR 322.0 billion in 2019. The gross value added of household production – that is, we can now take into account both household production already included in GDP and excluded from GDP – is close on one-third of this extended GDP, that is, 30.9 per cent.
Value of household production has grown at the same rate as GDP in 2019

The statistics on the value of household production supplement the core system of national accounts in describing the significance of household production not included in national accounts. The statistics describe the monetary value of the goods and services produced by households for their own use. According to the internationally agreed practice, unpaid household work or services produced by households for themselves are not as a rule included in gross domestic product. However, it is possible to calculate a value for this work done by households. To calculate the value, there are two quite different methods: work can be priced either at market prices or as the sum of costs (work and products used in production). Pricing of household production at market prices would be a theoretically more correct method, but not enough information is found for it. The international guidelines published in 2017 recommend calculating the value of household production through costs, in other words, using the so-called input method. In Finland, the value of household production has been calculated using the input method since 2001 originally for the years when either of the main sources, the Time Use Survey or the Household Budget Survey were available. Previous calculations were made in collaboration between Statistics Finland and the National Consumer Research Centre, but Statistics Finland assumed full responsibility in 2018 and now publishes the data annually. The first calculations compiled by Statistics Finland concerned 2016 and, at that time, the 2016 Household Budget Survey was available as a new data source. Now the calculation concerning 2019 is released based on annually available sources; no new data are available from the main sources, the Time Use Survey and the Household Budget Survey.

The 2019 calculations of the statistics on the value of household production make use of the data of the Household Budget Survey of 2016, the Time Use Survey of 2009 and several other annual statistics. The data of the 2009 Time Use Survey are updated with regard to the numbers of household types in 2019, and annual national accounts data have been used in the calculation of consumption data, which are divided by household type based on the 2016 Household Budget Survey. The figures concerning the value of household production are calculated according to international guidelines, whereby the time on household work by those aged 15 or over is taken into consideration in the calculations and voluntary work is not included in household production, but it is shown as a separate part.

When talking about household production, it means household production both included in gross domestic product and excluded from gross domestic product. In the calculations, these two items are kept separate, whereby household production excluded from GDP can be taken as a proportion to GDP or it can be summed with GDP to calculate so-called extended GDP.

Calculated with the input method, the gross value added of household production covers the value of work done by households for themselves and consumption of fixed capital used in production, and it is the concept corresponding to gross domestic product in these calculations. The calculations are compared with the figures of the national accounts. In connection with the 2019 calculation, a few items influencing the 2018 calculations were also updated because they had changed in the annual national accounts calculations, and some data that were not updated in connection with the time series correction in autumn 2019 were corrected for 2016 and 2017, but the effect of these updates on the total is minor.

Gross value added of household production EUR 99.5 billion

In 2019, gross domestic product was EUR 240.6 billion in Finland, and the gross value added of total household production EUR 99.5 billion. The share of household production in GDP was EUR 18.1 billion and the gross value added of household production excluded from GDP (so-called non-SNA) EUR 81.4 billion. The share of household production excluded from national accounts corresponded to 33.9 per cent of GDP. In 2009, 2012 and 2016, the gross value added of household production excluded from GDP as a ratio to GDP has been slightly higher, after which it has decreased slightly. In 2018 and 2019, the ratio has been the same, that is, the value of household production has grown in the same way as GDP in 2019.
The so-called extended GDP, or the sum of GDP and the gross value added of household production excluded from GDP, was EUR 322.0 billion in 2019. The gross value added of household production – that is, we can now take into account both household production already included in GDP and excluded from GDP – is close on one-third of this extended GDP, that is, 30.9 per cent.
Household production a wider concept

When we talk about household production, not only of the gross value added of household production, the concept includes both working time and the goods and services used in production. In national accounts, only acquisition of dwellings is calculated as households’ investments and other expenses are final consumption. When compiling the statistics on the value of household production, households’ consumption expenditure is grouped anew so that some of the products are calculated as intermediate products, some as investments and some directly as final consumption. Of these, intermediate consumption is included as such in the calculation. The so-called consumption of fixed capital is calculated based on investments and it is taken into account in the calculations. Final consumption is not included in household production.

In the model developed in Finland the time used on voluntary work is also included in household production: the results of the Time Use Survey show that 75 per cent of the time used on voluntary work in 2009 was neighbourly help and 25 per cent was used in associations. In the international model voluntary work is not included in household production, but it is recommended that it is calculated and shown separately in the results.

Table 1: Value of household production in Finland in 2019

<table>
<thead>
<tr>
<th>Value of household production in 2018 / Households total / EUR million</th>
<th>Household production (SNA + non-SNA) Total</th>
<th>Voluntary work non-SNA</th>
<th>Household production incl. voluntary work Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value added, net</td>
<td>88104</td>
<td>7 801</td>
<td>95 905</td>
</tr>
<tr>
<td>Consumption of capital</td>
<td>11 387</td>
<td>0</td>
<td>11 387</td>
</tr>
<tr>
<td>Value added, gross</td>
<td>99 491</td>
<td>7 801</td>
<td>107 292</td>
</tr>
<tr>
<td>Intermediate consumption</td>
<td>36 781</td>
<td>0</td>
<td>36 781</td>
</tr>
<tr>
<td>Value of output</td>
<td>136 271</td>
<td>7 801</td>
<td>144 072</td>
</tr>
</tbody>
</table>

Statistics Finland’s StatFin database contains calculations for 2009, 2012 and 2016 to 2019 compiled in accordance with the international recommendation both at the level of the whole economy and by type of household. Previous calculations according to the model compiled in Finland for the years 2001 to 2012 can be found in the archive.
Inquiries

Katri Soinne  029 551 2778
Head of Department in charge:
Mari Ylä-Jarkko

kansantalous@stat.fi
www.stat.fi
Source: Value of household production, Statistics Finland