

OECD/UNESCAP/ADB Workshop  
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## **Estimation of household production for own final use**

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### **2 methodologies for estimation of output**

- Valuation of output used for own consumption or capital formation
  - Household income-expenditure surveys as the main source on quantities
  - Values: Producer prices at harvest time
  - Problem: non availability of market prices in rural areas
- Monetary valuation of cost of production
  - Pre-condition: labour as main input in the production process
  - Data on labour input: time use surveys or LFS module
  - Values: average rural wage rates (opportunity costs: income foregone choosing to perform a subsistence activity instead of working as a paid employee)
  - Problem: differences/changes in labour productivity

### **Valuation of output used for own consumption or capital formation**

- Crops: select a limited no. of crops that account for the bulk of subsistence production
- Crop storage: gross output consists of intermediate consumption (pesticides, maintenance costs) and value added (labour costs and depreciation of storage building)
- Livestock and livestock products: usually fixed rates for estimating reproduction and slaughtering
- Food processing: estimates of crop consumption valued with cost data
- House building: replacement and growth rates applied to the estimated stock of houses in rural areas for the base year

### **Monetary valuation of cost of production**

- Time use survey: better measure of female labour force participation and of secondary activities;
- Labour force survey module: consistency with total employment and availability of information on wages
  - 2 examples: Pakistan and Kyrgyzstan.

### **LFS module in Pakistan: main characteristics**

- Target group: only inactive persons not available for work being housekeeper are asked these questions
- Coverage: comprehensive list of activities producing goods and services, inside and outside the SNA production boundary
- General questions: The interviewees are asked if during the reference week they were engaged in one of the listed activities and, if so, how many hours they spent in each one of them
- Questions for service activities: the interviewees are also asked if these activities were carried out for their own family and/or for other people, receiving some form of payments in cash or in kind
- Additional questions: occupation, industry, employment status, total No. of hours worked

### **LFS module in Pakistan: list of activities**

1. Agricultural operations, such as ploughing, sowing, transplanting rice, picking cotton, collection of vegetables & fruit, harvesting crops, weeding fields?
2. Processing food, namely milling, grinding, drying seeds, maize or rice husking?
3. Livestock operations, such as meat, feeding and milking animals, churning milk, grassing, collection of cow dung and preparing dung cakes?
4. Poultry raising, such as feeding poultry birds, collection & packing of eggs, giving injections or medicine to birds and preparation of feeds?
5. Construction work, such as mud plaster of roofs and walls of house and godown, construction and repair of boundary walls, rooms, etc.?
6. Collection of firewood or cotton sticks for use as fire wood for household consumption?
7. Bringing water from outside to the house, taking food from house to farm?
8. Making clothes, sewing pieces of cloth or leather, knitting, embroidery, mat and rope making ginning, spinning and weaving?
9. Shopping and marketing?
10. Washing, mending or pressing clothes?
11. Caring for children or health care of ill persons?
12. Helping children do homework or other educating activities?
13. Cleaning and arranging the house?
14. Other activities?

## **LFS module in Kyrgyzstan: main characteristics**

- Target group: All interviewees, regardless of their labour status, are asked these questions
- Coverage: selection of activities producing goods (subsistence agriculture, other primary products and food processing)
- General questions: The interviewees are asked if during the reference week they were engaged in one of the selected activities and, if so,
  - Check whether is the same job described in the previous sections
  - No. of hours worked
  - Check whether the products are used mainly for own consumption or are for sale (at least partially)
  - Description of the main product (industry classification)

## **LFS module in Kyrgyzstan: questionnaire**

### **For all respondents:**

Q1: Did you work on your personal (subsidiary) plot during the survey week (including lawn-and-garden land)?

- Yes                      Continue
- No                        )              Go to Q6

Q2: Is the work on your personal (subsidiary) plot the one that you told me about in the previous sections?

- Yes                        )              Go to Q6
- No                        Continue

Q3: Approximately how many hours did you work on your personal (subsidiary) plot during the survey week?

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**LFS module in Kyrgyzstan: questionnaire (cont.d)**

Q4: What is the main product you produce on your personal subsidiary plot?

Description

Code

Q5: Could you tell us please, the product you produce on your personal subsidiary plot (immediately or after processing) is mainly for?:

1. your own consumption, or
2. some part of it is regularly for sale

**LFS module in Kyrgyzstan: questionnaire (cont.d)**

Q6: Were you engaged in storing up firewood, wild forest products, in fishing or in processing of these products, stored by the members of your household, in making of wines vodka and other alcoholic products?

- Yes            Continue
- No            )        end

Q7: Is the work the one that you told me about in the previous sections?

- Yes            )        end
- No            Continue

Q8: Approximately how many hours did you work during the survey week to do this job?

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## **LFS module in Kyrgyzstan: questionnaire (cont.d)**

Q9: Name please the main type of product you stored up during the survey week?

Description

Code

Q10: Are the products stored up by the members of your household (immediately or after processing)?

1. your own consumption
2. or some part of it is regularly for sale

## **Concluding remarks**

- Choice of the methodology to be determined by each country on the basis of data availability (can also change over time)
- If possible make use of both methodologies for checking consistency of basic data
- LFS module to be asked to all interviewees
- Employment estimates to be integrated in the compilation of N.A. (in Pakistan not included in official figures of employment)
- Minimum No. of hours of work to be classified as employed (1 hour? In Kyrgyzstan = 15 h.)

**Thank you for your attention!**

