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Time is money: an analysis of Italian production and consumption of unpaid domestic work

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Presentation outline

- 1. Background
- 2. Goals
- 3. Data and methods
- 4. Preliminary results
- 5. Discussion and future work



Background for Italy

 Among European Union countries, Italy has the second lower female employment rate (49.9%) (Eurostat, 2011)

	Employment rate				
	Italy	European Union			
Women	49.9 %	62.6 %			
Men	72.6 %	75.4 %			

- Weakness or absence of family support policies
- Strong Mediterranean family model: close intergenerational ties, solidarity and cohesivness (M. Ferrera)



Assumptions

- Women have a very important role in non-market production
- Significant non-monetary intergenerational transfers between family members



Goals

- Estimate National Time Transfer Accounts (NTTA) life cycle deficit (LCD) and compare it with "classical" National Transfer Accounts (NTA) LCD
- Estimate NTTA by gender with latest available data (2008/2009)



In order to estimate NTTA LCD, we need to:

- 1. Identify household production
- 2. Assign a monetary value to each actvity
- 3. Estimate sex specific age profiles of time production
- 4. Estimate sex specific age profiles of time consumption



Time is money...

Time Use Production activity (a)		Average Hourly Wage Italy, 2008 ^(b)		Time Use Activity and Average Hourly Wage US, 2009 ^(c)	
HETUS codes	Description ^(a)	Euros	Dollar s	Time Use Activity	Dollar s
31	Food management	6,38	9,57	3. Cooking	9.97
32	Household upkeep	6,48	9,72	1. Cleaning	10.00
33	Making and care for textiles	6,21	9,32	2. Laundry	9.91
341	Gardening	6,80	10,20	5. Lawn and garden care	11.53
342-344	Pet care	6,64	9,96	7. Pet care	10.18
35	Construction and repairs	11,35	17,03	4. Household maintenance and repair	17.32
36	Shopping and services	8,43	12,65	8. Purchasing goods and services	11.53
37	Household management	14,09	21,14	6. Household management	30.41
38	Childcare	6,04	9,06	9. Childcare	9.46
39	Help to an adult hosehold member	11,72	17,58	10. Eldercare and care outside the home	20.15
936-939	Travel related to shopping and services, childcare, other household care	6,56	9,84	11. Travel (related to care activities and purchasing goods and services)	10,93



Data & Methods

- Italian Time Use Survey year 2008-2009 provided by the National Institute of Statistics
- Production: average time dedicated to household productive activities by sex and age
- Consumption: we do not directly observe time consumption, hence we need to make assumptions



Assumptions on time consumtpion

- The overall time produced within the household is equal to the overall time consumed
- Two kinds of activities: general and age-target
- Time consumption varies with age



Two methods implemented to estimate time consumption

- Equidistribution between the appropriate age group (G. Donehower)
- Homogeneous linear model with coefficients varying by age, referred to all ages in the case of general activities and limited to specific ages in the case of age-target activities



Linear model for time consumtpion

• For general activities:

 $C_{j} = \beta(0) \cdot N_{j}(0) + \beta(1) \cdot N_{j}(1) + \dots + \beta(a) \cdot N_{j}(a) + \dots + \beta(90) \cdot N_{j}(90)$

• For age target activities, e.g. childcare (where child age limits are from 0 to 17 years) :

 $C_{j} = \beta(0) \cdot N_{j}(0) + \beta(1) \cdot N_{j}(1) + \dots + \beta(a) \cdot N_{j}(a) + \dots + \beta(17) \cdot N_{j}(17)$

where:

 C_j = total time for domestic activities produced/consumed by household j $N_j(a)$ = Number of members aged a for household j β (a) = Estimate of time consumption by a person aged a



Time consumption using different methodologies





Per capita age profiles of NTA and NTTA LCD, Italy 2008



Euros



Per capita age profiles of NTTA LCD by gender, Italy 2008





Per capita age profiles of consumption by gender





Per capita age profile of consumption by gender





Discussion

- Directions of monetary and non monetary transfers are not the same
- The NTTA surplus of young and central ages is completely due to women contribution



 Need to re-think pubblic policies, in terms of labor market and family support system

but ...

 In order to do that it is first necessary to consider unpaid domestic work in national accounts, since "the lack of visibility of women's contribution to the economy results in policies which perpetuate economic, social and political inequality between women and men. There is a very simple equation operating here: if you are invisible in a nation's economy, you are invisible in the distribution of benefits" (Waring, 1999)

Future work

To what extent the institutional setting and social norms affect the economic life-cycle and intergenerational transfers in Italy?

- Estimate NTA by gender
- Estimate non-monetary transfers



Thanks for your time ... !



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