ISIC Rev.4
Section T

United Nations Statistics Division
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
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