GENDER AND ECONOMIC POLICY MANAGEMENT INITIATIVE
Asia and the Pacific

UNPAID WORK
GENDER AND ECONOMIC POLICY MANAGEMENT INITIATIVE – ASIA AND THE PACIFIC: UNPAID WORK

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Front cover: A mother and her daughter are seen walking through a field carrying a heavy load of dried corn crop leaves in the Ha Giang Province of Vietnam (CANH TANG/UNDP)

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INTRODUCTION

In most countries time spent in unpaid work exceeds time spent in paid work. In many countries, unpaid work activities are the largest sector in an economy. This module exposes participants to the concept of unpaid work first introduced in Module 1. It explores how unpaid work might be considered – or ignored – in policy making. A subsidiary aim of this module is to highlight common weaknesses and errors in how economic and social statistics are gathered and presented. The module suggests general guidelines for policy making regarding unpaid work. The module also offers reflections on whether or not, and how, unpaid care work can be measured or valued.
LEARNING OBJECTIVES

At the conclusion of this module, participants will:

1. Recognize the importance of unpaid work.
2. Understand the role that assumptions about unpaid work have for economic policy.
3. Be able to voice the general principles that should guide economic policy toward unpaid work.

OUTLINE

I. Understanding unpaid work.
   A. Challenging economic assumptions.
   B. Recognizing the existence of unpaid work.
   C. Why is unpaid work important?
   D. Measuring unpaid work.
   E. Reflections on assigning a monetary value to unpaid work.

II. Considering unpaid work in policy.
   A. Why is unpaid work important for policy?
   B. Community subsidization of government.
   C. Policy guidelines toward unpaid work.

DURATION

One day.
I. UNDERSTANDING UNPAID WORK

Objective: to gain an understanding of what unpaid work is, why it is important, and how it can be measured.

Most economic theories back grounding these modules were established without expectation that large numbers of women might enter the paid workforce, and without recognition of production, reproduction and service activities in the informal, subsistence, traditional or household economies, or the productive, reproductive and services activities of the environment. As such, there is often a gap between the theory and real life. The size and significance of unpaid work by women, men, boys, girls and third gender persons, and the environment\(^1\), provides major challenges for economics.

Work that is specifically excluded from being ‘counted’ is work that lies beyond the ‘production boundary’ in the United Nations System of National Accounts (UNSNA) that was first established in 1953. As we will see in later modules, this boundary has moved three times. In 1993 exclusions of work NOT defined as ‘economic activity’ were:

- The cleaning, decoration and maintenance of the dwelling occupied by the household, including small repairs of a kind usually carried out by tenants as well as owners.
- The cleaning, servicing and repair of household durables or other goods, including vehicles used for household purposes.
- The preparation and serving of meals.
- The care, training and instruction of children.
- The care of sick, infirm or old people.
- The transportation of members of the household or their goods.\(^2\)

\(^1\) Reproductive, productive and service activities of the environment are also excluded from being ‘counted’ in the UNSNA.

In the last UNSNA revision in 2008, these activities were described as:

A. The production of agricultural goods by household enterprises for own final consumption.

B. The production of other goods for own final use by households: the construction of dwellings, the production of foodstuffs and clothing, etc.

C. The production of housing services for own final consumption by owner occupiers.

D. The production of domestic and personal services for consumption within the same household: the preparation of meals, care and training of children, cleaning, repairs, etc.

The boundary of production had shifted between 1993 and 2008. Many activities previously included as ‘economic’ in 1968 were re-designated as uneconomic in the 2008 revision.

A. CHALLENGING ECONOMIC ASSUMPTIONS

LABOUR MARKETS

Labour markets are institutions by which firms obtain the labour needed to perform work. Households decide how much work they are willing to undertake, and the price of labour – the wage – is determined. Labour markets explain the process of wage determination and employment. Freely functioning labour markets operate identically to other markets discussed in Module 1, except that supply and demand move in the opposite direction: Demand for labour is made by firms that need workers to perform tasks for them, while the supply of labour is made available by households requiring income. As with other markets, the demand for and supply of labour in a competitive labour market should interact to produce an equilibrium quantity of labour demanded by

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firms and supplied by households, at an equilibrium price for labour, the prevailing wage rate.

**LABOUR SUPPLY**

Labour supply theory assumes that workers are available to be employed. It does not ask how workers come to be available for employment. It does not account for the work which lies outside the production boundary, all of which must be performed prior to labour being available for employment. Since subsistence production is seldom recorded, labour supply theory also does not account for time spent in significant work in agriculture, fisheries, transportation, or building and construction. In the Pacific, large numbers of men are engaged in these activities without pay. In Vanuatu, the subsistence economy is more important than the formal economy. Most land, labour and capital are reinvested into the subsistence economy and not the formal economy.4

The theory also does not account for significant voluntary and community work, whether this encompasses religious festivals or daily practices (feeding the monks), community health work (volunteers as carers to non-family members living with HIV and AIDS) or voluntary literacy classes, coaching children or adults in sport, engagement in community or village governance, or village environmental rehabilitation, for example.

As highlighted in Module 1, the structure of the household affects and reflects the allocation of women’s and men’s labour time and resources between household activities geared toward the work that is a precondition of labour-force participation in commodity production. What is an assumption to labour supply theory – the provision of a labour force – is in fact a positive externality of the work done in households, as explained in Module 1.

4 Janet James, Senior Accounts Officer, VANWODS Microfinance, Vanuatu
INFORMAL LABOUR

The seventeenth International Conference on Labour Statistics (ILO 2004) defined informal employment as the total number of informal jobs, whether carried out in formal sector enterprises, informal sector enterprises, or households, during a particular reference period. Employees and entrepreneurs can be found in informal employment, as can own-account workers, members of informal producer co-operatives, contributing family members, out workers, subcontracted home workers, paid employees moonlighting for further cash, and more. Because much informal work is home based, it is frequently categorized with unpaid household work.

Informal work is often the same work as unpaid work: on farms across the world women cook the same meal in the same pot at the same time for farm labourers and for their family. Women collect water and fuel with a child strapped to their back. Household surveys and labour force surveys do not provide this data texture, and so underestimate the work performed in the informal economy.

SUBSISTENCE LABOUR

Subsistence activities include collection of basic necessities (water and fuel), raw materials for income generating activities, such as fodder for animals, or dung for fertilizer, as well as processing of animal products such as wool, hides and milk. As with informal labour, household surveys and labour force surveys do not capture subsistence activities and add to the underestimation of work performed inside the boundary of production.

UNPAID WORK

Unpaid work is a critical – yet largely unseen – dimension of human well-being that provides essential domestic services within households, for other households and to community members. Unpaid means that the person doing the activity does not receive a wage and that the
work is not counted in gross domestic product (GDP) calculations. Work means that the activity entails expenditures of time and energy. We differentiate between unpaid work inside or outside the boundary of production.

**OPPORTUNITY COST**

When one action is undertaken, another action cannot be undertaken. Opportunity cost measures the value of an action as being the value of the best possible foregone action. Opportunity costs can be found wherever resources available to meet wants and needs are limited, so that not all wants and needs can be met simultaneously, if at all. For example, the opportunity cost of unpaid work is foregone paid work or leisure. This means that, in strictly economic terms, unpaid work is a resource that has an opportunity cost. However, while the opportunity cost of unpaid work is foregone paid work or leisure, for paid work to be undertaken, bio-physically and socially necessary unpaid work must be performed beforehand. This suggests that there is a household maintenance constraint that limits the capacity to undertake paid work or leisure.

**DEFINITIONS OF CARE WORK**

A large component of unpaid work in any nation’s economy is care work, overwhelmingly done by women. Care work refers to activities involved in ‘catering for the material and other general well-being of the one receiving care’. These tasks range from the highly intimate (personal, social, health and sexual) to the less intimate (cooking, cleaning, ironing and general maintenance work).\(^5\)

A more restricted interpretation of care can be used, referring to ‘custodial or maintenance help or services, rendered for the well-being

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of individuals who *cannot* perform such activities themselves*6 – typically ill, disabled, elderly and children and young people.*7 This may miss important elements of unpaid care work, such as domestic work (mostly by women) in their household that provides for others who are independent and could easily perform such activities for themselves.

**B. RECOGNIZING THE EXISTENCE OF UNPAID WORK**

**EXERCISE 1**

*Objective: to reveal the existence of unpaid work in everyday life.*

Participants should be provided a copy of the following story and take a few minutes to familiarise themselves with it.

A man employs a housekeeper who cooks, cleans and shops for him. The man pays this housekeeper a wage. According to the System of National Accounts (SNA) and rules drawn up by bodies such as the United Nations, the Organisation for Economic Co-operation and Development (OECD) and the World Bank, statisticians count the wage when calculating the total value of all incomes—the GDP—in the country. After a time, the man marries the housekeeper. She continues to cook, clean and shop for him. But the man stops paying her a wage as she is now his wife. The amount of the wage is thus no longer added to GDP, and the GDP of the country falls.

After reading the story, participants should take 20–30 minutes to discuss the story in plenary, focussing on the following questions in particular:

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Are the SNA rules logical?

Why or why not?

How could the rules be changed to be more logical?

The background information that follows may provide helpful guidance during the discussion, and should be used to clarify any confusion or disagreement prior to concluding the exercise.

Background information:

A. The SNA rules define production or work in terms of the third-person rule, as anything that one could theoretically pay someone else to do. So cooking, cleaning and caring for children, as well as minding, doing paperwork and nursing, constitute production, while learning, eating, sleeping, watching TV and socializing with friends and family are non-productive activities.

B. The definition of production in the SNA does not distinguish between legal and illegal activities. As a consequence, sex trafficking, sex work, and indeed sex slavery count as production. So too does the trade in counterfeit drugs and illegal narcotics. Finally, the manufacture and sales of arms and munitions that are carried out beyond the regulatory scope of the government, smuggled or traded in the underground economy, also count in the SNA. These three examples are leading ‘productive’ sectors in the GDP of many countries.

C. The SNA rules define a production boundary that distinguishes between production activities that must be considered when calculating GDP and those that are not. The production boundary includes all production of goods, but not those outlined as excluded by household consumption – agricultural products and home repairs for example. The boundary also includes all production of services produced for the market, but excludes the production of almost all services produced for own consumption.
D. The SNA production boundary should therefore in principal capture *subsistence work* in agriculture, fishing, forestry, transport and housing: work that is performed by women and men to meet the consumption and investment needs of the household and the wider community but which is not monetized. A key implication of this work not being renumerated is that it is not recorded, but may be estimated, often using time use data.

E. Subsistence work remains very widespread in the Pacific, in the uplands of Southeast Asia, in the Himalayan plateau, in Myanmar, and in other, more remote, parts of Asia. In this context, Steven Ratuva⁸ describes the characteristics of traditional communal systems in the Pacific as:

- Access to land for all who require it.
- Labour exchange or co-operative labour groups for tasks such as clearing land or house-building.
- Gift-giving both in relation to special feast days and to mark life cycle events such as births, weddings and deaths.

Inbuilt culturally constructed norms of social reciprocity and obligation constitute cheap and readily available systems of informal social protection that are embedded within the community and which respond readily to market-generated calamities such as sharp increases in food or fuel prices. Traditional subsistence work offers a strong challenge to the focus on the individual that is found in conventional economics. A former Governor of the Central Bank in the Solomon Islands estimates that subsistence work is 80 percent of the nation’s total economy.

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INVISIBLE WORK: THE CASE OF TRADITIONAL FALE/HOUSE IN THE PACIFIC

The building of a traditional fale/house in the Pacific provides an insight into the extent of unpaid and invisible work that occurs in building and construction in Pacific contexts. The situation may be more prevalent in rural and more remote settings where access to ‘modern’ materials, tools, services, transport and labour are very limited.

In more urban areas, building these houses has raised the expectation of cash payments or equivalents for many of these ‘family’ tasks. However, while this may be the situation for the carpentry and roofing for example, it is not clear that the women’s work of growing the pandanus and making the mats is now part of the ‘market exchange’in home construction.

Construction can take between two months to a year, but much is planned for in advance. The deliberate planting of trees for this purpose years in advance is practiced. There is deliberate planting of food crops and the rearing and raising of pigs to feed the labourers and for the final celebration. Many forms of goods and services - materials, tools, labour and expertise - are provided by other relatives and community members for construction.

Preparation of building materials may begin a year before the construction begins. Men cut trees to provide wood and other building materials. The materials are then transported to the building site. The wood is stripped of bark, and laid out to dry. Women weave the furnishings (walls, roofing, mats for sitting) guided by a female expert. Women also prepare the coconut husks from which the old men make tough string to hold building materials together. To prepare the floor and the surrounding ground space for the house, young men and women go to the beach and elsewhere to collect coral, pebbles and stones then transport them to the site. This requires several trips and is physical work.

In many cases there is little or no financial payment for work but renumeraton ‘in kind’ such as food, pigs, or mats. In the end the ‘formal’ payment (financial, goods, animals, and/or fine mats) for the head builder is handed to his wife – in respect for her allowing her husband to be absent from their own family over the duration of the project. It is not uncommon for the head builder to live with the family for whom he is working.
Meals are provided during the building and construction as part of the customary practice of taking care of the workers and maintaining relationships with all involved. Food preparation involves the transport also of water, cooking facilities, food and fuel. Some fuel (wood) and food is purchased while some is collected from the bush (vegetables, animals) which requires searching, selection, collection, and preparation. All this work is done by women.

F. The International Labour Organization (ILO) uses SNA rules in its international definitions of what counts as employment. So any work that produces goods and services that are counted in GDP are classified as employment, but services that are not counted in GDP are excluded. This means that subsistence work, unpaid work in a family business and the collection of fuel and water for a household is employment. However, as just noted, very few countries adequately count subsistence work. Housework as well as caring for children and those who are old or ill is not considered employment. It is also important to note, especially when reading and comparing historical data sets, that the definitions of ‘work’ and ‘employment’ have also changed over the last 50 years, and only in the last 20 years have these been aligned with the SNA.

G. Formally, economic activities that are excluded from GDP are defined by UNDP and others as unpaid work, as elaborated above. *Unpaid work* covers an extensive range of what women, men, girls, boys and third gender persons do in Asia and the Pacific. It can be subsistence production. It may also refer to unpaid care work or unpaid work in a family business inside or outside the home. It may include a vast range of community and voluntary work, such as traditional community-based work. It may include unrecorded informal work activities. It can be *domestic work* or *domestic labour* (another term for domestic work) which can be paid or unpaid. It can also be *reproductive work*, such as breastfeeding or pregnancy, work which may be marketed, as in vitro fertilisation costs, or surrogacy, or wet nurses.
H. Children are also involved in a range of economic activities which are uncounted or under-renumerated. Frequently children’s work when measured per volume is added to the output of an adult, increasing ‘per capita production’, as the child is not ‘working’. Time use studies have been used to capture child work participation.

I. Reasons given for not counting unpaid work in GDP include:

– A lack of data, although time use surveys are possible even in developing countries, and data availability is increasing.

– That unpaid work does not affect important factors such as employment and poverty, even though, as we will discuss in this module, these arguments are false.

– That a change in the GDP accounting method would make it difficult to compare trends over time, though if we followed this reasoning, we would never make any improvements to concepts and measures.

A recent objection is that if we counted all this work as work, the term ‘unemployment’ would be meaningless – which illustrates a problem with the definition of unemployment, rather than a reason to continue with an inadequate data base for comprehensive cross-sectoral strategic planning.

THE UNPAID WORK OF THE ENVIRONMENT

The environment is also engaged in ‘unpaid work’, in productive, reproductive and service activities. For example, winds and tides disperse oil slicks after a ship grounding. The wind, birds, and water can act as agents of reproduction. The island remnants of Krakatoa in Indonesia, the scene of one of the world’s major volcanic eruptions, are completely reforested, without human intervention. We all rely on the services of air and water to keep us alive, and there are devastating economic consequences when these act with full force. However, the environment only enters the SNA when it is mined, harvested, deforested, depleted, deleted or otherwise leads to market
transactions. Generally, the environment is an external sump or dump, and not addressed by cost benefit analyses or other tools. Stern’s work on carbon emissions is an interesting exception to this general treatment.

The boundary of production, and the gaps in counting even when activities should be counted, has a comprehensive gender bias, and presents major problems for environmental sustainability.

C. WHY IS UNPAID WORK IMPORTANT?

EXERCISE 2

Objective: to understand why unpaid work is important.

Participants should divide themselves into small groups of four to five people. Each group should spend 10 minutes brainstorming on why unpaid work is important, especially for policy makers. At the end of the 10 minutes, each group should prepare a flipchart sheet summarising the main reasons why they consider unpaid work to be important.

Following the group discussions, a representative from each group should briefly (in three to five minutes) present his or her group’s findings to the remaining groups. A plenary discussion of 20–30 minutes should be held, aiming to reach agreement on the most critical reasons why unpaid work is important. The background information provided below may be used as guidance during the exercise.

Background information:

A. A substantial amount of the population’s time and energy goes into unpaid work. Women, in particular, spend substantial amounts of time and energy on it.
B. If the work is not done, the population suffers in well-being; the economy suffers because it does not have a healthy, satisfied and capable labour force; and government is burdened with having to provide many services that households, in the aggregate, currently provide for free as a public good – and some of these latter services, the government cannot provide. In sum, a failure to provide unpaid work produces significant negative externalities.

C. That women spend so much time in unpaid work reduces the time that they have available for income earning, learning and leisure. Much unpaid work, such as child care, needs to be done at specific times, and both child care and housework need to be done in specific locations, restricting women’s flexibility in their choices of income earning activities. So the labour supply decisions of women discussed in Part A may be constrained by having to perform unpaid work. While collecting seafood, or working in subsistence agriculture, or weaving flooring may be put off for a day or more, most ‘care’ activities must be tended to immediately.

D. Not ‘seeing’ unpaid work, and making gender presumptions about it, are inefficiencies in policy making. In central Asia irrigation was previously planned and had finance from Moscow. Decentralisation has dismantled the collective forms and established Water Users Associations (WUA), to transfer on-farm irrigation management to farmers, where men are registered as land owners. In Uzbekistan, there are high levels of migration of men to other countries, and farm activities are mostly carried out by women. But women’s participation in WUAs is very limited.10 For Mongolia, fieldwork has revealed distinctive gendered patterns around water use, decision making, and management,

including an usually high degree of men’s participation in water collection.\textsuperscript{11}

E. That so much work, such as cleaning, cooking and looking after people, is done for free affects earnings in the paid labour market. In most countries nurses, teachers and domestic workers tend to earn less than other people with similar educational levels and similar levels of exertion, in part because these occupations and sectors perform work that is implicitly perceived to be similar to unpaid work; women also tend to be clustered in these occupations and sectors (see also Module 5 on Gender, Employment and Labour). This increases women’s poverty and lack of economic power relative to men.

D. MEASURING UNPAID WORK

**EXERCISE 3**

*Objective: to enable participants to measure unpaid work.*

Each participant should be provided a blank time use diary (see below). The participants should think back to the last Friday before they left their country to come to the course, recalling all the activities they did on that day, and fill in the activities on the time use diary. Note that for each one-hour period, up to five activities can be recorded. Participants should count both activities that were done one after the other in that hour as well as activities done simultaneously (e.g., listening to the radio and looking after a child) which should be indicated in the last column. The column ‘code’ does not have to be completed.

When most participants have completed their diaries, each participant should sit with another participant, ideally of the opposite sex, so that each pair is made up of one woman and one man. The pairs should discuss and compare their two diaries. In particular, they should compare how much paid work each of them did, and how much unpaid work. They should also consider whether there are any ‘grey’ areas making it difficult to categorise work as paid or unpaid. If participants have paid domestic help in their household, or a number of adults who do unpaid care work, they should try to list what this person(s) does, and discuss who manages and plans this work and liaises with the worker(s).

After the discussion in pairs (about 20 minutes), participants should report back on any interesting observations they made. It is likely that women will report more unpaid work than men. However, the participants may differ from the majority of the population of their countries in terms of their age, profession or socio-economic profile; for instance, some participants may employ domestic workers or others to carry out care work for them. If the pattern of responses within the group does not correspond to what is likely to be the case of the average citizen of their countries, participants should consider what the situation of the majority of women and men in their countries is, and in particular those living in poverty.
Table 1. Time Use Diary

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After discussion, the following material should be covered:

A. The diary that participants have just filled in is similar to that used for the time use survey that was done as an add-on module to the Integrated Labour Force Survey of 2006 in Tanzania. The National Bureau of Statistics (NBS) included the time use module after years of advocacy and awareness-raising by the Tanzania Gender Networking Programme, a local non-governmental organization (NGO).

B. Similar diaries have been used in other countries. In Asian developing countries, time use diaries have been used in Cambodia, China (2008), India (1999), Indonesia (1998–99), Lao PDR (1998), Malaysia (2003), Mongolia (2000), the Philippines (2000), and Thailand (2001). The Tanzania diary is unusual in having one-hour time slots, rather than the half-hour or even shorter periods – as short as 10 minutes – used in some Western, African and Asian countries. Tanzania used longer time slots because the NBS felt that most Tanzanians, especially in rural areas, would not know exact times.

<table>
<thead>
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<th>Period</th>
<th>Description of activity</th>
<th>Code</th>
<th>Same time?</th>
</tr>
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<tbody>
<tr>
<td>22.00</td>
<td>1 to 5 activities per time period</td>
<td></td>
<td>Yes(1)/No(2)</td>
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<td>23.00</td>
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<td>02.00</td>
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</table>
C. The time use diaries used in developing countries are usually administered by a field worker, while in more developed countries, participants are usually expected to fill in the diaries by themselves. Field worker administration is preferred in developing countries because of both low literacy levels and low response rates for self-administered questionnaires, which make the data less reliable.

D. Diaries are the most accurate way to get information on time use for large numbers of people. Some surveys try the shortcut of asking people how much time they spend cooking (or doing some other activity). One problem with this approach is less accurate estimates because the person does not need to account for what they did in each part of the day. Another problem is that it is difficult to think of a comprehensive list that covers all possible activities.

E. Time use study analysis can show different economic activities by gender, age group, religion, ethnicity, etc., with policy implications across a range of sectors. When adults migrate seeking paid employment, this affects the time use of those left behind. In rural China from 1997–2006, household members’ migration increased the time spent on farm work and household work by those left behind, and that increase was greater for elderly women and girls than elderly men and boys.12

F. Questionnaires and other material relating to time use studies in different countries can be found on the website of the United Nations Statistics Division at http://unstats.un.org/unsd/demographic/sconcerns/tuse/.

G. Estimates published in 2011 of detailed time use surveys for 25 OECD member countries and three emerging economies suggest that between one-third and half of all economic activity in the countries under consideration was unpaid work, and as such was not accounted for in GDP. Moreover, in all countries women did more unpaid work than men.

E. ASSIGNING A MONETARY VALUE TO UNPAID WORK – A REFLECTION

Economists measure things in monetary terms: in dollars, rupees, yen, yuan or won. However, this still requires that some analytical judgements be made. For example, we will see in Module 6 that there are differences in the way various components of GDP are measured. Government services are valued only regarding their labour costs, but private goods and marketed services are valued at labour costs plus profit, and the value of owner-occupied housing is imputed.

Whether or not to connect time use data to market values is a vexed issue. Conversion achieves a visibility in ‘economic’ considerations. An economist can now value trade-offs, or use the data in a CBA. The size of the sector can now be valued alongside expenditure on military arms and equipment, the underground cash economy in ornaments, drugs, or even women and children. Unpaid work looks like one of the largest sectors in every nation’s economy.

Using China’s first national time use survey, researchers used five different methods to assign a monetary value to unpaid work. Depending on the methods used, the value of unpaid work was estimated to be between 25.1 and 32.2 percent of GDP, from 52 to 66 percent of final consumption, and from 63 to 80 percent of the gross products of tertiary industry.13

But we need to ask: so what? What has been gained in terms of rigorous data for strategic policy planning? Using these figures and converting unpaid work to a monetary value certainly gets attention, particularly when compared with the size of other economic sectors. Data is now abstracted to a monetary value, and aggregated about valuing time use, and in the same paradigm as the market for munitions, the underground economy or the destruction of the environment in market activities. Is this useful and helpful for policy making? What is more important for

13 Xiao-yuan Dong and Xinli An (no date), The Gender Patterns and Value of Unpaid Work: Findings from China’s First Large-Scale Time Use Survey, IRDC Unpublished paper.
policy making is the textured time use data, and policy makers need to exercise judgement across a range of indicators, including time use, economic data and physical characteristics of the environment.

If, for strategic purposes, there is a need to make some judgements about how to convert the time measurements into money measures, it can be done by assigning an hourly wage to the time spent. The levels to be used for these wages are taken from other surveys, such as the labour force survey that most countries conduct at regular intervals.

There are many different approaches to finding the correct wage to use in calculations. Which approach is used depends on what question one is asking (e.g., ‘How much would one pay if one had to buy these services?’; ‘How much money does the individual lose by doing unpaid work rather than paid work?’) and what wage data are available.

The mean wage approach calculates the mean wage in the economy as a whole and assigns this wage to each hour. Usually, the mean is calculated separately for female and male; the male value is assigned if a male performs the unpaid work, while the female value is assigned if a female does so. This sex-disaggregated approach lowers the overall estimated value of unpaid work, because women generally perform more unpaid work than men and the average female wage is usually lower than the average male wage. Duncan Ironmonger of the University of Melbourne uses the average ordinary time weekly wage for both men and women to calculate this approach, and to avoid the built in gender bias.

The opportunity cost approach estimates the value of the earnings that the person would have earned in paid work if they had not done the unpaid work. We therefore take their normal wage or income from paid work as the value of the opportunity cost.

The generalist approach uses the mean wage of workers performing similar work to unpaid work. For housework, the approach could use the wage of paid domestic workers. For child care work, it could use the wage of workers in child care facilities.
The *specialist approach* focuses on the activity rather than the person who does the activity. For each activity, it uses the wage earned by paid workers whose functions and circumstances match the unpaid work concerned. For example, time spent on cooking activities could be valued at the wages of each specialisation: a paid chef or cook, a dietician and a kitchen hand, while time spent on cleaning activities could be valued at the wage of a paid cleaner.

As Module 1 pointed out, economists and policy makers should pay attention to unpaid work because, for society as a whole, it is a form of public good that involves positive externalities. This means that even if unpaid work is valued at the ‘correct’ cost in terms of labour input, it is still undervalued because the positive externalities that it generates are not reflected in GDP and similar measures, as mentioned above. Unpaid work brings positive externalities for employers because the care and preschool education of children and the feeding and care of the workforce improve the quality of the labour force. Women largely bear the cost of this work in terms of time and effort. The benefit is derived by society more generally. The value of the labour force is partly covered by payment of wages and partly by government when it pays for education and health services. But, by definition, no payment is made to the people who perform the unpaid work. There is often a further outcome, which is a denial of access to social protection, as a result of not being a ‘worker’. Because of a lack of data, no presumptions can be made about the effects of unpaid care or cultural obligations for third gender persons, and the way in which this may inhibit labour force opportunities.

Because there is no price tag for unpaid work, and because society does not pay for it, policy makers often assume that there is a limitless supply. But there is a limit to unpaid work. If the suppliers (mainly women) of unpaid work are pushed too far, and if the burdens placed on them are too heavy, the quality and amount of care they can provide will deteriorate.
II. CONSIDERING UNPAID WORK IN POLICY

Objective: to understand the implications of unpaid work for economic policy and how policies can integrate consideration of unpaid work.

A. WHY IS UNPAID WORK IMPORTANT FOR POLICY?

In the following section, some time use survey findings from the Asia-Pacific region are presented.¹⁴

INDIA¹⁵

In the 1999–2000 National Sample Survey Organisation (NSSO) survey, the survey asked probing questions of respondents whose main work focus was domestic duties only, and those who answered domestic duties and free collection of goods like fodder, fuel, wood and water. The response to these questions raised the number of women in the workforce by 99.29 million women.

About 41.5 per cent of rural and urban women participated in collection of wood, fuel wood, vegetables, fruits and leaves, and fodder, wood and other raw material for family livelihood, compared with 7 per cent of men. The average weekly time spent on these activities was 6.11 hours for women and 0.97 hours for men.

¹⁴ The UNSA changes in the boundary of production would affect the findings of analysis based on the 1993 rules. Care should be taken in use of this data based on the former boundary of production.

Earlier NSSO rounds had shown women spending 25 hours a week on household cleaning, washing, ironing, repairing clothes, and four hours per week on cooking, cleaning and shopping, with men spending 2.11 hours per week on these activities. Women spent 4.47 hours and men 0.88 hours on childcare and care for the elderly, sick or disabled in a household.

The high burden of total work 1) limits women’s access to and status in the labour market; 2) limits time for education, and capacity building; 3) limits mobility; and 4) means less time for rest, sleep and recreation, resulting in poor health.

Hirway and Jose described the following policy implications of this analysis:

**Addressing the unpaid work of women**
There is a need to reduce and redistribute unpaid work by providing basic infrastructure and services such as water supply and energy at the doorstep; organizing universal childcare facilities, including day care, at affordable prices through cooperation between the government, employers, the market, and civil society organizations; improving technology to reduce the drudgery of household work and bringing unpaid domestic work within the realm of government technology policy; and promoting egalitarian values that support equal sharing of unpaid work between men and women. Designing employment programmes for women without paying attention to their unpaid work will only increase their burden of work, which can have a negative impact on women’s well-being and human capital.

**Increasing women’s skills and productivity**
Since women lag far behind men in skills and productivity, special programmes need to be designed for improving their skills, so as to enable them to access better opportunities in the labour market.

**Creating opportunities for women to diversify their SNA work**
In order to promote diversification of the work women do within and outside the primary sectors, it is necessary to design special programmes to enable women to enter new sectors as wage earners as
well as entrepreneurs. Special efforts are needed to improve women’s access to credit, skills, marketing, and other infrastructure facilities.

**Environmental policymaking**
An important policy implication that this study calls attention to is the need to improve management of natural resources to ensure adequate supplies of water, fuel wood, and fodder to meet the basic needs of the population. There is a need to prevent depletion and degradation of resources and to promote their regeneration. Since the livelihood of the poor, including women, depends largely on the primary sector and therefore on natural resources, there is an additional reason to promote regeneration of natural resources in the economy through suitable policies. There is also a need to promote macroeconomic policies that lead to Decent Work and employment generation.

**Systematic collection of time use survey data**
On the statistical side, the authors’ major policy recommendation is to conduct time use surveys to acquire more accurate estimates and improved understanding of the workforce in India. Since time use surveys supplement labour force surveys, it is important that either a time use survey module is added to the forthcoming labour force surveys, or an independent time use survey is implemented when a labour force survey is conducted.

**CHINA**

In China men spend more time than women on paid work, and women spend more time than men on unpaid work. The female male time gap for paid work is 11.3 hours per week, while the gap for unpaid work is 16.7 hours per week. The gender gap in each type of work is more pronounced for the rural than the urban sector. Women spend 5.4 fewer hours than men per week on non-work activity. Women’s ability to substitute one type of work for the other is more limited, and women have less time for self-care and leisure.

Marriage decreases paid work time for women and increases paid work time for men. Marriage also increases unpaid work time for both, but
the increase is greater for women by a long way. Having young children reduces paid work time and increases unpaid work time for both men and women, but results in a greater reduction in non-work time for women. Women in every age group from 25 years onward spend three to four fewer hours per week on non-work activities than their male counterparts. Women’s ability to trade off paid work for unpaid work is more limited than men’s ability to do this.16

In the twentieth century in China, social services provided by the employer, such as childcare, healthcare, and access to retirees’ service centres, helped alleviate the emotional and physical strains resulting from competing demands on women’s time. Increases in women’s economic independence markedly weakened patrilineal care norms. It became socially acceptable for women to take care of their own parents, rather than their husbands’, and the number of disabled elders being taken care of by sons or sons in law increased.

In the late 1990s, most Chinese enterprises ceased to provide childcare services for their employees. In 1996 the Chinese government enacted the Elderly Rights and Security Law, which stipulates that care of frail elderly parents is a total responsibility of adult children. China’s ongoing demographic transition to an increasingly aged society has greatly increased the eldercare burden on families. With the effect of the one-child family policy, growing numbers of married couples are beginning to be responsible for four parents. China’s aged dependency ratio will surpass that of industrialized countries in 2020 and become the highest of any country by 2050. As the elderly population has grown, the number of seniors who have chronic diseases, such as cerebrovascular disease, arthropathy and dementia, have also increased. The increased population of disabled senior citizens has substantially raised the demand for eldercare.

The post-restructuring social welfare programmes directly link all of the individual’s entitlements to social security, such as unemployment ________

16 Extracts from Xiao-yuan Dong and Xinli An (no date), The Gender Patterns and Value of Unpaid Work: Findings from China’s First Large- Scale Time Use Survey, IRDC Unpublished paper.
support, healthcare insurance and pensions, to their labour market outcomes, which exacerbates the adverse financial consequences of caregiving for those who have to forego earnings or employment to look after their children, frail parents, and disabled family members. Recently, researchers have shown that Chinese women confront competing demands for care, for elderly parents, for parents in law and for their children. The estimates show differences in labour outcomes between caring for parents and parents in law. Caring for parents does not affect the caregiver’s employment status and work hours, whereas caring for parents in law has a statistically significant, sizeable, negative effect on the caregiver’s probability of employment and hours of paid work, which is a reflection of patriarchal care norms. Given women’s role in social reproduction, the deterioration of women’s economic, health, and social status has severe negative consequences for the well-being of children, the elderly and families.

The market oriented reforms are incompatible with the goal of promoting human centered development and social harmony. In terms of policy implications, to deal with the impending eldercare crisis, changes must be made to China’s existing labour market and eldercare policies. Such changes would need to include greater recognition of unpaid care work within social security systems; increasing workplace services and support for caregivers; encouraging men to contribute more time to unpaid care work; and developing decent eldercare and childcare facilities and making them more accessible to low income families.\(^\text{17}\)

EXERCISE 4

Objective: to evaluate the policy relevance of understanding patterns of time use.

Participants should be provided with copies of the summary of a detailed 24 hour time use survey undertaken on the Gilbert Islands of the Republic of Kiribati (Mulik and Werner 2002). A total of 226 surveys were completed for the 11 islands, seeking to answer two questions: What do people on each of the islands spend their time on, and how much is spent on these activities; and is there any difference in the way that men and women spend their time?

TIME USE IN KIRIBATI

In the I-Kiribati culture, women traditionally perform household activities – such as cleaning, cooking, child rearing, and gathering food, water, shellfish and fruits. Men, on the other hand, traditionally undertake more moneymaking and physically challenging labour – fishing, clearing land and such. It should be noted that large numbers of I Kiribati men are employed at sea and are not present for long periods in these islands. In this light, it was not surprising that of the 22,370 females that were surveyed and who were able to work, 85 per cent were not in paid employment. This was because 85 per cent of women were performing unpaid work, while another 13 per cent were performing village work. Most of this work was unrecognised and undervalued. Conversely, because women did the bulk of the unpaid work, men tended to have more leisure time than women.

Tasks and time use were however different between the northern and the southern islands, and from the outer islands in comparison with South Tarawa, where people had relatively large amounts of leisure time. This led the Kiribati Copra Cooperative Society to request to use the data to help determine why amounts of copra
varied from island to island. Their hypothesis was that it reflected differences in time use. Similarly, the Atoll Seaweed Company expressed interest in the results of the survey in order to restructure operations on islands in light of time use. From the perspective of government, in instances where islands were fishing relatively less, this time use might have reflected a problem with local fish stocks, while those islands that spent a lot of time making handicrafts required investigation to understand why such was the case. The time use study thus had far wider ramifications than just those working for the empowerment of women.

*Source: UNDP (2008).*

After reading the example, participants should talk to the person next to them as to whether similar imbalances in the distribution of unpaid work in their own country might have implications beyond the immediate household and, if so, to give some examples of what those implications might be.

After about 10 minutes of talking, each pair should describe any examples that they came up with in plenary. To conclude the exercise, a short discussion of 20 to 30 minutes should be held among all the participants on what the consequences of imbalances in the distribution of unpaid work are, and on how these should be addressed through policy.
B. COMMUNITY SUBSIDIZATION OF GOVERNMENT

EXERCISE 5

Objective: to critically consider the role of unpaid work in relation to policy interventions.

Participants should be provided with a copy of the following case study and familiarise themselves with it by reading through it, or listening to it while it is read by a volunteer from among the participants.

After the case study has been read, a short plenary discussion should be held where participants identify the positive and negative aspects of the scheme. It may be helpful to highlight during the discussion that in the scheme poor people – and women in particular – are subsidizing government. There seems to be no reason why third gender persons might not be engaged in the programme; however, in such an event, they would also be subsidizing the government. Participants should consider whether wealthier people, and men, are asked to subsidize government services in the same way.

After the general discussion, participants should talk to the person next to them in order to identify whether there are schemes in their own countries that use the unpaid work of poor people in ways similar to what is done in the example. After about 10 minutes of discussion, each pair should describe any examples that they came up with in plenary.

FEMALE COMMUNITY HEALTH VOLUNTEER PROGRAMME

The Female Community Health Volunteer (FCHV) Programme in Nepal has existed since the late 1980s and includes almost 50,000 volunteers. Although volunteer programmes are widely thought to be characterised by high attrition levels, the FCHV Programme loses fewer than 5 per cent of its volunteers annually. The degree to which decision makers understand community health worker motivations and match these with appropriate incentives is
likely to influence programme sustainability. Stakeholders saw volunteers as motivated primarily by social respect, religious and moral duty. The freedom to deliver services at their leisure was seen as central to the volunteer concept. While stakeholders also saw the need for extrinsic incentives such as micro-credit, regular wages were regarded not only as financially unfeasible, but as a potential threat to the volunteers’ social respect, and thereby to their motivation. These views were reflected in interviews with and previous studies of Female Community Health Volunteers, and appear to be influenced by a tradition of volunteering as moral behaviour, a lack of respect for paid government workers, and the Programme’s community embeddedness. The study suggested that it may not be useful to promote a generic range of incentives, such as wages, to improve community health worker programme sustainability. Instead, programmes should ensure that the context-specific expectations of community health workers, programme managers, and policy makers are in alignment if low attrition and high performance are to be achieved.18

C. POLICY GUIDELINES FOR UNPAID WORK

Unpaid work constitutes a significant share of total economic activity in Asia and the Pacific. The provision of unpaid work is dominated by females, and a significant proportion of female labour time around the world is spent on unpaid work. While the performance of unpaid work brings clear positive externalities, the need to perform unpaid work constrains the economy by limiting female participation outside unpaid work, which constitutes a negative externality. This suggests three points:

1. Unpaid work is a significant work load for many.

2. Unpaid work is unequally distributed between females, males and third gender persons.

3. Unpaid work has both positive and negative externalities that affect economic performance.

These three points provide the basis for thinking about the general principles that should guide economic policy toward unpaid work. To improve individual and community well-being and human security, there is a need to sustain the positive externalities created by unpaid work while reducing its negative externalities. This suggests that economic policy toward unpaid care work should be guided by two general principles:

1. The need for public policy to reduce unpaid work.
2. The need for public policy to redistribute unpaid work.

**EXERCISE 6**

*Objective: to identify ways of integrating unpaid work in sectoral/economic policies.*

Participants should divide themselves into small groups of four to five people. The small groups should take 2 to 3 minutes to come up with an example – that is economic in nature – where a sector-specific data set or policy (relating to sectors such as agriculture, forestry, fisheries, informal markets, infrastructure or energy in preference to social sectors) which is or could be impacted by unpaid work.

Once they have selected their sectoral example, the groups should take 20 minutes to discuss what are the features of unpaid work by men, women, third gender persons, boys and girls in that sector, and to outline measures that they would suggest to include such unpaid work in the sector-specific policy.
The groups should prepare a flipchart summarising the results of their discussions and, at the end of the group discussions, present their ideas briefly (in 2–3 minutes) to the remaining groups. A short plenary discussion of 10 to 15 minutes highlighting the importance of considering the unpaid work of men, women, third gender persons, boys and girls, for sound economic policy planning should be held to conclude the session.
FURTHER READING


