

UNITED NATIONS  
INTERNATIONAL  
RESEARCH  
AND  
TRAINING  
INSTITUTE  
FOR THE  
ADVANCEMENT  
OF WOMEN

**INSTRAW**



## INSTRAW UPDATE: MEASURING UNPAID WORK

**I**t had never seemed reasonable that calculations of a country's Gross Domestic Product (GDP), the standard of its wealth and development, should omit what could be 25% to 50% or more of its true economic productivity: the unpaid work performed largely but not exclusively, by women in providing for their families. Nevertheless, current rules dictate that cleaning or repairing one's own home, cooking meals, doing the laundry, or carrying out the myriad other tasks of daily life are not recognized as economically productive unless they are done and paid for in someone else's home. Until recently, the difficulty was that the scope and variety of unpaid work by both women and men had never been measured, nor was there an acceptable statistical system for doing so.

A year ago, after two years of research, INSTRAW, in collaboration with several UN agencies, recommended a framework and methodology for collecting and including this new data in calculations of GDP and other economic indicators. The technique essentially adapted an old tool, time use studies, to a new purpose within a new framework, a household satellite account to be part of the system of national accounts (SNA) on which GDP is based. Supplementary categories of activities in the satellite account would allow for recognition and measurement of economic contributions of unpaid household services as well as voluntary work and education which are not currently included in GDP. Because GDP is expressed in terms of US dollars, measurement of these activities would necessarily also involve devising a method of valuing this unpaid work.

The next step was to test the feasibility of defining and quantifying the household economy as well as the relative contributions of men, women and children. A year's pilot's study, undertaken in Canada, Finland, and Nepal, proved the practicality and validity of the proposed methods used in both industrialized and developing countries. Refinements will be necessary, but are largely technical in nature. At least one result of the pilot study was clear and dramatic: the proposed new system can help redress the current gender imbalance in conventional statistics. In Nepal, with total unpaid work including household activity counted, women's real contribution to GDP more than doubled, from 30% under current accounting methods, to more than 63%.

That the economic contributions of unpaid work of women and men are significant was recognized in principle twenty years ago, in 1975, at the first International Women's Conference in Mexico City. Ten years later, the Nairobi Forward Looking Strategies (NFLS) specifically called for action to recognize and to "measure and reflect these (unpaid) contributions in national accounts and economic statistics and in the gross national product". The first corrective steps were taken in 1993, when the SNA was revised for the third time to include all goods produced, whether or not intended for the market. Unpaid, unmarketable services, however, were still excluded. It is still too soon to evaluate the impact of this so-called augmented GDP. Full recognition of unpaid work was a major focus of discussion at the Fourth World Conference on Women and the call for development of improved methodology was reiterated in the Platform for Action.

The need for further revision was clear. Under conventional methods, GDP is broadly based on paid or marketable goods and services; this system tends to leave out as much as it includes, and may actually distort the results. In the industrialized countries, for example, as more women enter the paid work force, commercial household services have grown markedly, increasing the GDP accordingly. In reality, however, the new services are the result of corresponding decreases in household production of these same services. The GDP, therefore, is not a reflection of real growth, but rather a roughly balanced restructuring.

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## Devising the Formula

The impact of this statistical distortion is much more far reaching than gender bias, however, it can affect the validity of fundamental policy decisions on virtually every aspect of economic and social planning, from transportation to nutrition services. Comprehensive and accurate collection of the basic data is essential. The primary goal of the INSTRAW project is therefore to develop standards and guidelines for compiling statistics that will include all goods and services, marketable or non-marketable, paid or unpaid. The core requirement is to devise measurements that can be readily translated into internationally comparable terms which are roughly equivalent to conventional GDP values, but which are also flexible enough to adapt to widely differing national economies and cultures.

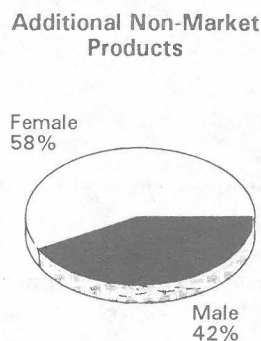
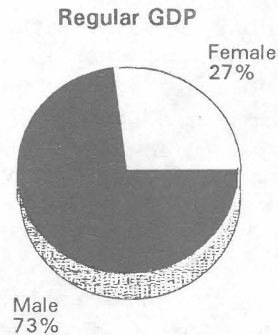
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The pilot studies carried out by the INSTRAW researchers used output or product-based calculations, a method chosen in order to determine the real economic contributions of household services without "double counting" other products or services. The process begins with traditional time use studies, which measure input in terms of labour, and can readily be disaggregated by gender. The final product, however, a meal, for instance, is the result of a series of different activities, e.g., producing, gathering or buying raw unprocessed foods, cleaning, cutting, cooking, washing the dishes. The product-based method used by the INSTRAW researchers therefore combined conventional time use accounting with household expenditures and other production data collected through a small scale survey.

## Adjusting for Everyday Details

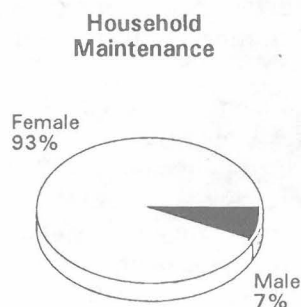
Although the methodology appears to be sound, some problems inevitably arose, largely the need for further refinements in the design of future studies. Many of the difficulties identified were generic. Measuring child care, for example, involves a series of variables which were not allowed for, not least the number and ages of the children involved. Future surveys will also have to give different weights to the relative importance of the hours spent actively tending the child feeding, bathing, telling stories, etc., as opposed to the hours when the child is sleeping but is still the care-giver's responsibility.

Other issues specific to a near-subsistence economy became apparent in Nepal; estimating a GDP measurement for household services for which there are often no market equivalents. Where such services are available, payment is usually in kind. In addition, many respondents had only hazy estimates of the costs of household supplies and even the time it took to buy them. Watches are virtually non-existent in some rural areas.



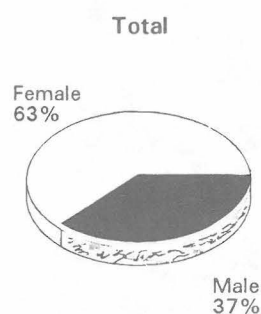
Typical of the future refinements which will have to be made are those involved in calculating a household's meal production and consumption. In Canada and Finland, for example, although it was generally a simple matter to place comparable values on meals, based on cost, time of preparation, the equivalent prices of meals produced outside the home, etc., the question of the origin of the meals arose. Was the meal prepared at home for later consumption at work or school? Was it prepared outside for in-home consumption? In other words, how much of a given meal was actually the product of the household? Other possible variables include its relative importance, e.g., whether it was a full lunch or dinner or a fast food snack. The ages of household members also proved important; younger people, according to the survey, tend to eat away from home more.

In Nepal, the problems were more basic, but perhaps more difficult to resolve. For example, the costs, including the time consumed in water and fuel collection, are meant to be calculated in the cost of a meal. Theoretically, these should already be included in the country's GDP under the 1993 SNA revision. This type of data is not yet available in Nepal, however, and had to be estimated. Moreover, units of measurement were informal and varied widely, such as the size of the kettles used for tea, or the bowls or glasses used in different recipes. To compensate for these problems, the INSTRAW team tried to be as detailed as possible in other ways. The meal preparation survey, for example, included 92 separate food products. Without many other similarly detailed adjustments, establishing comparable statistical standards on a nation-wide basis will be problematic.



## Gender Issues

The product-based method is essentially gender neutral. There is no direct link between the producer and consumer of a meal, for example, they are, by definition, separate. Nevertheless, from a gender perspective, the survey results were startling. In Nepal, as noted at the outset, women's contribution to overall GNP more than doubled. Moreover, their real contributions to non-market productivity, e.g. food production for the home, supposedly already included in GDP, proved to be almost 60% of the national total. Women also accounted for a somewhat predictable proportion of over 90% of household maintenance activities. In Canada, women accounted for 67% of household maintenance activities, and despite increased male participation, remained the major providers of food and child care. In Finland, women tend to carry a still heavier load of the household work.



Within the broad outline, however, several potentially significant factors were not yet included in this preliminary study. Perhaps most importantly, the gender-specific distinction has to be made between age groups. In addition, a more careful definition of these age groups is recommended for future surveys in order to capture their differing weights in all activity areas. What, for example, are the differences between the household role of young women or men as they move from adolescence to adulthood and beyond? There may be significant differences between the ages of eleven or twelve to sixteen, seventeen, eighteen or twenty.

More specific measurements will also have to be devised to distinguish among various household activities. Greater detail in data collection on such routine tasks as doing the laundry could greatly increase the accuracy of the measurement of household production. In this study, for example, household laundry linen, towels, etc. was included in the housework category while personal laundry was listed separately under clothing care. Obviously, in reality, the two are usually combined.

Relationships within households, and between these households and the larger community should also be explored more specifically. For instance, in Hindu society it is the daughter-in-law who traditionally bears the major burden of the household work. How does this affect the other females in her household? Does it, for example, free them for other pursuits outside the home?

Gender Contributions to GDP  
and Household Maintenance  
Satellite Account: Nepal, 1995

## **Future Perspectives**

A great deal of technical expertise will be required to accommodate these technical refinements and modifications in application to internationally comparable standards of measurement. Nevertheless, the three-nation study demonstrated the essential validity of the methodology in both industrialized countries and those like Nepal, in the early stages of development with few of the characteristics of a market economy. The satellite household account thus provides a promising conceptual framework for future data collection as well as the basis for correction of inaccuracies and distortions in the present system of national accounting.

The new method shows promise of doing far more than overcoming misconceptions, however. It can measure the links between the conventional economy and the household economy the latter already acknowledged to be too great a factor to be included in the regular GDP without overwhelming it. It can also help define the function of the household sector in creating demand for specific products or services, and to measure and evaluate the relative impact of that interrelationship. For example, if demand for meals can be met both inside and outside the home, is either one or a combination of both more productive, and if so, under what circumstances? Are there any differences between men and women in their efficiency in performing various tasks? The new survey methods may help provide the answers and help planners take full advantage of the new information.

Therefore, with careful design and intensive training for both users and producers of the new data, the INSTRAW project, which began as a means of measuring unpaid women's work, can eventually be used as tool to provide more accurate measurement of the overall economy. Within that broader perspective, the corollary effects will be profound; women will no longer be either underestimated or invisible, but recognized as integral and essential components of the society, equal partners in the functioning and development of their families and their wider local and national communities.



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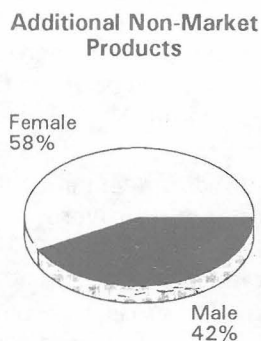
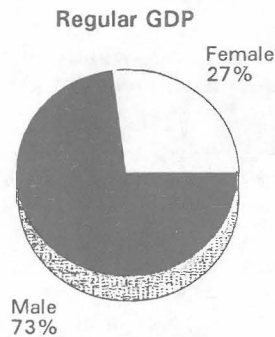
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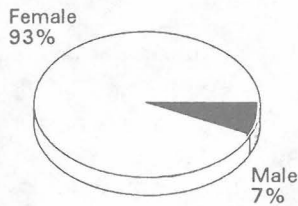
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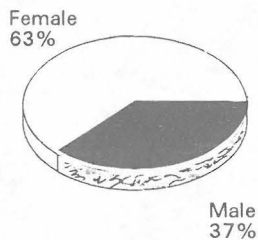
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Household Maintenance



Total



Gender Contributions to GDP and Household Maintenance  
Satellite Account: Nepal, 1995



## Future Perspectives

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