

# Integrating Unpaid work in to Development Policy

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# This presentation discusses

- What is unpaid work?
- Why it should be integrated with development policies?
- How can it be integrated with major macro policies?
- Labour & employment policy
- Other policies like policies relating to business cycles, poverty reduction, intra HH inequalities etc,
- social policy,
- statistical policy

# What is Unpaid Work?

- Work that is not remunerated directly or even indirectly
- Unpaid SNA Work
  - Under counted work – informal economy
  - Uncounted work – subsistence economy
- Unpaid ESNA Work
  - Uncounted Work

# This division is a part of an ongoing process

Gradual expansion of the SNA production boundary: In 1993 it included non marketed products:

- Household production of goods for own consumption
- Owner occupied dwelling services
- Paid domestic services

# Exclusion of unpaid services is made on the grounds that

- These services have limited repercussions on the rest of the economy (ass: HH is a self contained unit)
- It is difficult to impute value of these services (non-market production)
- Their inclusion will have adverse effects on the usefulness of the accounts for macro economic analysis and policy purposes

The validity of these assumptions is questionable

Inclusion of unpaid SNA corrects macro economic aggregates, leading to better understanding of the macro economy

- Workforce: total workers engaged in producing national production
- GDP: Total output / income / expenditure of the economy

# Inclusion of unpaid SNA work improves workforce estimates

- Under reporting of unpaid workforce from informal economy and subsistence economy, particularly in developing countries
- Limitations of concepts and methods of labour force surveys, which underestimate informal workers and exclude subsistence workers
- When this unpaid workforce is estimated through time use surveys and added, improved workforce estimates are available.

# Improved workforce estimates improve GDP estimates

- The practice of estimating informal production in developing countries
- Estimates of unpaid SNA workers will improve GDP estimates

## Inclusion of unpaid ESNA for improved understanding of macro economy

- Unpaid ESNA is a macro economic variable because it is not independent of the macro economy
- No rigid demarcation between SNA and ESNA activities
- SNA and ESNA are interlinked in many ways.
  - Trade off between the two
  - They impact on each other
  - Macro policies impact on both though differently
- Need to expand statistical paradigm to include ESNA to get a complete view of the economy – satellite accounts, national time accounts, monitoring of macro policies etc

# Characteristics of ESNA work-1

- There is a hierarchy of paid and unpaid work
  - Paid work is visible and counted – has a claim on public resources, while unpaid work is invisible
  - Unpaid work does not receive direct remuneration and is assumed to be unlimited and free
  - Unpaid work is boring, repetitive, tedious
  - Unpaid work is a dead end job – no upward mobility
  - Unpaid work has no retirement, no pension, no social protection
  - Unpaid workers have limited exposure and low human capital.

# Characteristics of unpaid work-2

- Unpaid work is unequally distributed
  - Between men and women
  - Between poor and non poor
  - Between regions

# Integrating unpaid work into development policy

- Recognizing full range of unpaid activities of men, women and children in to the national st system.
- Expanding the paradigm of development to include unpaid work in policy making and policy monitoring
- Sharing of unpaid work by different socio-economic groups in a way that all have an equal access to developmental opportunities and rewards and equal participation in decision making
- Ensuring that those performing unpaid work are not in a disadvantageous position just due to their unpaid work.

# Macro policies and unpaid work

- Studies on impact of globalization on vulnerable groups: poor, women, children
- Major limitation of these studies.
- If liberalization leads to downsizing or closure of units, it can have far reaching consequences on affected households
  - Unpaid household work, SNA and ESNA increases
  - Children withdrawn from school and are engaged in SNA / ESNA work
  - Health care suffers
- These issues are neglected as no data on them are collected

# Labour market and employment policy: Addressing Gender inequality

- Women enter the labour market with a disadvantage, the burden of unpaid work
- They tend to have less energy and time for economic work
- They tend to develop lower skills and lower human capital
- They have constraints in taking up more responsibilities, in physical mobility
- Their subordinate status at home comes in the way of their assertion and independent decision making
- Their flexible supply lands them in the work that has poor prospects for upward mobility

# Policies for integration of women in to labour market

- Family friendly work policies
- Financial compensation and incentives for child care
- Compensating women workers for their absence from work for child care
- Policies for promoting skills and productivity
- Facilitating re entry in to labour market

# Family friendly work policies

- To help women manage family and work
- Reducing rigidities in time schedules: flexible timings, compressed work week
- Reducing the time demand on paid work: part time work, job sharing
- Reducing the gap between family and work: home work, home based work
- Providing support in domestic work: creche, child care etc

# Financial compensation and incentives

- Paid maternity leave and sharing costs
- Tax credit for caring children, old and sick persons
- Financial incentives to employers for family adopting friendly policies
- Ensuring equal remuneration for equal work

# Compensating women workers absence from work for child care

- Special breaks and leave to mothers for taking care of infants and children
- Paternity leave and special breaks to men for taking care of infants and children
- Extra leave to parents till children are two years old

# Policies for promoting skills and employment

- Preference to women in public sector jobs
- Special programmes for skill formation and human development
- Training and retraining and labour market information for women who re-enter the job market
- Improving their access to credit and infrastructure

# Women and men in the informal sector

- Burden of unpaid ESNA work on informal workers
- Constraints of unpaid / unobserved SNA work.
- Need for special interventions
  - Reducing burden of domestic services-child care and reduction in drudgery
  - Skill formation and capacity building
  - Support in credit, marketing and infrastructure.

# Understanding child labour problem

- Prevalence of child labour in developing countries-defying solutions
- Poverty is not the only reason.
- Limited understanding of children's work and their time use
- Significant size of “nowhere children”.

## Time use data to understand the child labour problem- India

- Economic participation is much more than what is estimated by conventional surveys
- A majority of working children go to school regularly – no need to eradicate children's work totally, need to categorize children's work burden
- Children engaged in household work, a factor responsible for their not going to school
- Nowhere children engaged in household work and roaming around – pushed out from schools
- Address domestic work, address school education

# Intra household sharing of paid and unpaid work

- Measuring and understanding decisions on sharing of paid and unpaid work can go a long way in addressing intra household inequalities.
- Understanding intra household dynamics can also help in formulating policies for children, old persons, disabled persons

# Unpaid work and policies for poverty reduction

- Poor, being income poor and cash poor, depend extensively on unpaid SNA (informal and subsistence work) and ESNA work
- There is a vicious circle of unpaid work and poverty
- There is a need to address their unpaid work to break this vicious circle

# Business cycles and Unpaid work

- Unpaid work also has cycles, which are reverse of business cycles.
- Measurement and understanding these cycles will help in addressing problems and constraints of unpaid workers.
- It will help in designing protection of well being and areas of support needed during economic crisis.

# Unpaid ESNA work and Social Policy

- People engaged exclusively in unpaid ESNA work also have a claim on national resources.
- They need different kind of support and help.

# Protecting well-being and quality of life of unpaid workers

- Budget allocation for improving well being of unpaid workers
- Improvement in technology of domestic services to reduce drudgery and to improve productivity of unpaid labour
- Providing other support to carry out domestic services and care of the sick or the old
- Support in childcare/ free lunch to children.

# Social Protection, social insurance for unpaid workers

- Retirement benefits and old age pension to housewives
- Social insurance with the state support
- Financial incentives, tax credit for unpaid workers.

# Support to men's child care responsibilities

- Paternity leave - for birth & adoption of children
- Special leave to fathers for domestic responsibilities /childcare
- Reduction (up to 25 % ) in work time when children are small.

# Crisis of care and Gender equality

- Crisis of care in the modern world
- Who can provide care?
  - The state
  - The market
  - The commodity
  - The households

Their respective roles depend on the socio economic  
– cultural environment

- Some care will have to be from the household.

Distribution of care within Household members depends on family structure and family values

- Patriarchal family structure.
- Family structure under socialism
- Democratic family structure – egalitarian values.

# Statistical policy

- Conducting time use surveys periodically
- Using the data for understanding the macro issues
- Designing and monitoring development policies incorporating time use data
- Valuation of unpaid work
- National time accounts
- Developing indicators

# Statistical issues that need to be addressed

- Under use of time use data.
- Development of standardized concepts, methods and classification for time use surveys.
- Regular time use surveys for expanding statistical paradigm
- Developing standardized concepts and methods for data analysis including satellites accounts, national time accounts, satellite accounts etc.
- Skill training and capacity building
- Need for global efforts by ILO, UNSD, UNDP etc.

# Developing macro models

- A beginning has been made of incorporating unpaid work in to development models at the conceptual and empirical levels
- We have a long way to go to achieve a full integration of unpaid work in to development policy

Thank you !