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**REMOVING THE CLOAK OF INVISIBILITY: INTEGRATING UNPAID HOUSEHOLD  
SERVICES IN THE NATION'S ECONOMIC ACCOUNTS**

by

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# **Removing the Cloak of Invisibility: Integrating Unpaid Household Services in the Nation's Economic Accounts**

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*“One of the defining movements of the 20<sup>th</sup> century has been the relentless struggle for gender equality, led mostly by women, but supported by growing numbers of men. When this struggle finally succeeds – as it must – it will mark a great milestone in human progress. And along the way it will change most of today’s premises for social, economic and political life.”*

**UNDP Human Development Report 1995**

## **I. UN Schizophrenia and the Invisible Woman**

The UN System is at the forefront of efforts towards gender equality, the elimination of discrimination against women and “mainstreaming” them. There are the Commission on the Status of Women (CSW) going on its 51<sup>st</sup> Session, the Committee on the Elimination of Discrimination Against Women (CEDAW Committee) going on its 39<sup>th</sup> session, the Division for the Advancement of Women (DAW) in the Department of Economic and Social Affairs; there are the UNDP, INSTRAW, UNIFEM, ILO, to name a few.

The UN has also organized four World Conferences of Women starting in 1975, where the need to measure and value women’s unpaid work was recognized, with the clamor reaching its peak in the Third World Conference of Women in 1985 -- with the Nairobi Forward Looking Strategies, as endorsed by the UN Economic and Social Council, recommending that the value of household goods and services be included in GDP: “ *The remunerated and, in particular, the unremunerated contributions of women*

*to all aspects and sectors of development should be recognized, and appropriate efforts should be made to measure and reflect these contributions in national accounts and economic statistics and in the gross national product. Concrete steps should be taken to quantify the unremunerated contribution of women to agriculture, food production, reproduction and household activities.*”) [para. 120, Report of the World Conference to Review and Appraise the Achievements of the United Nations Decade for Women: Equality, Development and Peace, Nairobi, 1985].

Then there are also the Millennium Development Goals, the third of which is to “promote gender equality and empower women”.

Ironically, all these efforts are being undermined in another part of the UN System – the Statistics Division (also part of the Department of Economic and Social Affairs), with their System of National Accounts (SNA) that give the guidelines and procedures for estimating a country’s gross domestic product and national income. Introduced in 1947, this national accounting system was “based essentially on the model of an advanced industrial economy in which transactions in money are dominant” [F. Bos, “Constancy and Change in the UN Manuals on National Accounting (1947, 1953, 1968, 1993), in *The Accounts of Nations*, edited by Z. Kennessy, IOS, Amsterdam, 2005].

Since then, three major revisions have taken place (1953, 1968, 1993). There is one constant, though, according to Bos: “They all exclude unpaid household services, do-it-yourself activities, voluntary work and the services of consumer durables. These types of production are ignored despite the existence of paid counterparts that are counted as production.”

Thus have the economic contributions of women in households been rendered invisible by a statistical cloak provided by the SNA, which is supremely ironic, because “economics” is derived from the Greek “oikonomia” which means: the management of family and household. Thus have the efforts of the Dr. Jekylls in the UN system been

negated by the Mr. Hydes in the same schizophrenic system. What follows (Section II) is an examination of the narrow, inadequate, erroneous definitions and concepts that are used to weave that cloak of invisibility and ultimately lay the basis for a hidden, and therefore even more virulent type of discrimination against women. Section III discusses what is needed to remove the cloak of invisibility, and the Philippine experience in that regard. And the last section deals with the road ahead.

## **II. The SNA: Warts and All**

Originally, not only the value of services, but also the value of goods produced for own consumption at home were excluded from the so-called production boundary of the SNA. Slowly, exceptions were made for certain kinds of goods (primary products and their processing), until 1993, when all goods produced for home consumption were finally allowed to enter the national accounts. But the exclusion of services—household members producing household and personal services for own consumption (cleaning, meal preparation, caring and instruction of children, caring for the sick) and volunteer workers in non-profit institutions serving households -- has remained, as mentioned above, a constant

**Non-market, therefore non-economic:** The articulated reasons for their non-inclusion are as follows: large-non monetary flows of this type would obscure what is happening in the market, and thus reduce the usefulness of SNA; the inclusion of the production of personal services by household members for their own final consumption would imply that such persons were self-employed, thus making unemployment impossible by definition; the activities have a limited impact on the rest of the economy; it is difficult to obtain market prices to value these services; and there are differences in their economic significance for analytical purposes.

All the above are used to highlight the need to “confine the production boundary in the SNA and other related statistical systems to market activities or fairly close substitutes for market activities” [1993 SNA para 1.22].

I have been teaching economics for almost forty years, and never once have I come across a definition of economics which equates it with markets. There are command economies, there are non-market economies. The basic fact of economics is scarcity, not markets. The SNA's dictum that only what is marketed is economic (which is more descriptive of developed countries), this exclusion of the household economy from the total economy has not only distorted the macroeconomic picture (at best giving only a partial one), particularly in developing countries not far removed from the subsistence level; but the non-recognition of the contribution of women to the economy and society in the national statistics have also implicitly perpetuated gender inequalities. "Official non-recognition of contributions to the national as much as to the household economy obviously leads to non-recognition in policy making, planning, allocation of resources, the provision of support services and information, and of course in the distribution of the benefits of development. The failure to recognize much of the work which women do is therefore a failure to take women into account in all these areas" [APCAS/94/9].

**Producers of non-marketed services are therefore, not “ economically active.** There is a devastating corollary : since non-marketed services are invisible in GDP, the efforts that went into producing these goods perforce became invisible as well. How? Again by definition. Per the International Labor Organization (ILO), to be a member of the labor force, or to be “economically active”, one does not only have to be above a specified age (working age), but must be engaged in the production of economic goods and services – **as defined by the SNA.** And since the SNA-defined economic services exclude those produced for home consumption, those involved in the latter's production – mostly women -- are automatically excluded from the labor force. They are considered economically inactive – which is the greatest irony, since it is the work they do at home and in the community that makes it possible for husbands and children to participate in the economy as consumers and producers (now and in the future). Arguably, it is this labor that allows the rest of the economy to function, yet those who are doing it are considered to be at leisure, or “dependents”.

**The SNA reasoning in a nutshell.** Reduced to its simplest terms, here is what the SNA would have us accept: If a service is not marketed, it is not economic. If it is not economic, then their producers cannot be considered economically active (i.e. they cannot be part of the labor force). This is much the best solution, because the alternative would be to classify them as self-employed – which would render “unemployment” virtually impossible – and that is a no-no.

In other words, for the high priests of the SNA, it is better to make unpaid labor services in the home invisible than to have to rethink our employment concepts. A case of the tail wagging the dog.

**Time to reconsider employment concepts:** But given the present realities, it may be really time to rethink such concepts, which because they are so deeply familiar, have been rarely questioned, starting from the one that considers anyone who worked at least one hour in the past seven days as employed (a definition which is as useless as it is arbitrary) – as long, of course, as the work was to produce an SNA-approved good or service.

Perhaps it is high time to shift the focus from unemployment to underemployment(those employed, but seeking more work), both visible and invisible. It is clear, from looking at the statistics on poverty and employment, that it is not the quantity so much as the quality of employment that is important. The general view is that unemployment and poverty are closely connected. That is a myth. In a country like the Philippines, the poor cannot afford to be unemployed. Family poverty incidence in the Philippines was 24.4% (2003, using national standards). Poverty incidence of families where the head was self-employed (using ILO norms) was 34.3%; while poverty incidence among households where the head of household was unemployed was a much lower 11.6%. The self-employed group, by the way, make up over half of the total number of poor families in the Philippines. It is they, the self-employed who deserve at least as much attention as the unemployed . And if they now include those who labor

without pay to produce goods, there should be every reason to also include those who labor without pay to produce services that are so necessary for basic survival and quality of life.

In any case, because of the kind of thinking behind the SNA, we are left with trying to justify why, when we pay for child care and house-cleaning and when we eat out, when we buy milk for our babies, these add to the gross domestic product and count toward economic growth and progress – but when we cook our own meals, clean our own house, breastfeed our babies, look after our own children, tune up our own cars, fix our own leaking faucets, these have no value in our current measures of progress.

We can go to great lengths to try to measure illegal activities in the economy as in the following: “4. Informal Activities: Countries should try to make estimates from both the value added and expenditure sides, of all the economic activities covered in the SNA production boundary. These include both informal and illegal activities where these are considered to be significant. *Where an informal activity is known to be going on at a significant level, the worst estimate is zero but this is implicitly the estimate that is being made if the informal activity is simply ignored. **Even a very crude estimate will improve the accuracy of the accounts.***” [International Comparison Program for Asia and the Pacific Regional Inception Workshop, National Accounts Workshop, Bangkok, Thailand, 28 July-1 August 2005] -- but we are not allowed to include the nurturing services that shape our very future.

Moreover, when there is a shift from the household economy to the market economy, this will then be registered as growth in the GDP – which will be inaccurate, because no additional production is actually performed.

Such nonsense.

**Is a satellite account the answer? NO.** In what is considered by many to be a major step forward, the 1993 UNSNA recommended the use of special satellite

accounts that can be linked to but are separate from the SNA accounts, in recognition of the limitations of the central framework in addressing specific aspects of economic life important to a specific country. They “expand the analytical capacity of national accounting for selected areas of social concern in a flexible manner, without overburdening or disrupting the central system” [1993 SNA para.21.4] – thus the terms “augmented”, “expanded”, “enhanced” GDP. It has been regarded by many as a “realistic” compromise between the advantages of tradition and the adaptation of new economic, social and political requirements.

Certainly, including unpaid household services in a satellite account is better than excluding it completely. But there are disadvantages to this: First, relegating women’s contribution to GDP to an adjunct, supplemental position, violates the concept of gender equality -- if men and women are to be treated equally, they should be equally visible in the national accounts. An augmented, expanded, enhanced GDP – such patronizing terms -- is not what is needed. What is needed is an accurate picture that reflects the reality on the ground. Why should women not be included in the “central system”? Second, insisting on a truncated GDP – and it is truncated, as we all know from various estimates (see *Annex 1*) of just how much unpaid work contributes to the economy – and then “enhancing” it is like amputating a person’s leg, and then throwing her a stick.

Third, the reference to the “advantages” of tradition vs. new economic, social and political requirements may be misplaced. The cavalier treatment of women’s caring services in the home, one should not be surprised to learn, has not always been the norm. Over 200 years ago, in the censuses of population in both England and the United States, housewives, or more accurately women whose work consisted largely of caring for their families, were considered to be productive/gainful workers. Unfortunately, over time, that view of the role of women slowly changed, so that by 1900, housewives were no longer considered productive workers – they were formally relegated to the census category of “dependents” (which included infants, young children, the sick, and the elderly) – mouths, rather than hands. This situation, I am

sorry to say, was partly due to the influence of Alfred Marshall, the greatest economist of his time. [Nancy Folbre “The Unproductive Housewife: Her Evolution in Nineteenth Century Economic Thought, in *Signs*, Spring 1991].

Fourth, as mentioned previously, “economic” and “market” are not, never have been, and never should be interchangeable. Certainly first world economies are market economies, but imposing that first world reality as a criterion for the developing world makes no sense. We should remind ourselves that Gross Domestic Product is the measure of the market value of **all** final goods and services produced in a country during a year; it is not the market value of **only** those final goods and services that are bought and sold in a market. Using the latter definition for fear of being overburdened is, to borrow an analogy, like looking for one’s car keys one block away from where one lost them – simply because the light is better in the new location. It is more convenient, but you won’t find the keys.

Undoubtedly, the valuation of unpaid work is difficult – but experiencing difficulties is par for the course in national income accounting, or for that matter in any endeavor where measurement is involved. I recall that prior to its publication (come to that, it is still being criticized), Mahbub UI Haq’s Human Development Index (HDI) was the subject of savage criticism, and he was advised not to use it until the problems were ironed out.. If he had followed that advise, the HDI would still be unpublished today and the world would be the poorer for it. Instead, he took the plunge – with the HDI being constantly fine-tuned, and is still a work in progress. What was important was that the methodology used was transparent, the need for improvement was recognized, and constructive criticism was welcome. Following the UNDP lead, many countries are now estimating intranational HDI’s .

More to the point, it is not as if unpaid work in the national accounts is uncharted territory. The Norwegian national accounts for the period 1935-1943 and 1946 to 1949 included estimates of the value of unpaid household work, as apparently did other Scandinavian countries [UNIFEM, Valuation of Unpaid Work, Gender Issues Fact Sheet 1, referring to Asiaksen, Julie and Charlotte Koren, 1996, “Unpaid household work and

the distribution of extended income: the Norwegian experience]. The question raises itself – if it could be done sixty and seventy years ago, why not now?

In sum, the SNA cloaks the contribution of women to the economy with invisibility by using narrow, and at the very least inadequate definitions. That cloak should and can be removed. Including their contribution in satellite accounts should not be considered a final and permanent solution but rather a preliminary and temporary one.

### **III. Removing the Invisibility: The Philippine Experience.**

**Time-Use – valuation – satellite—full integration.** If it is indisputable that women's contributions to the economy are statistically invisible, it is at least arguable that time-use data, either from full time-use surveys or from time-use questions included in regular household surveys, are a sine qua non in counting paid and unpaid work of men and women, which in turn is a necessary first step in removing that cloak of invisibility. The second step would be to use the time-use data to create monetary measures of the value of non-market production to facilitate their integration into the GDP figures – in the current environment through the use of satellite accounts. The third step would be to create the satellite accounts and to institutionalize them (in the sense of not being one-shot deals). And the final step, which is beyond the horizon at this time, would of course be the full integration of unpaid labor into the country's national accounts.

Much work has already been done with regard to the first step. A 1999 Report [Horrigan, et. al "A Report on the Feasibility of Conducting a Time-Use Survey"] lists over 57 time-use surveys undertaken by 38 countries starting from 1924 (USSR) up to 1999.. The United Nations Statistics Division website features a map and a list of countries and areas – twenty in all -- that conducted TUS between 1990 and 2004, seven from the developed and thirteen from the developing world. A UN Ecosoc report shows that as of February 2004, 95 TUS had been undertaken in 19 countries of the

ESCAP region (58 country membership) since 1960, of these 44 had been conducted in the last 14 years, and 8 since 2000. It also reports that at the world level, 82 countries have carried out at least one TUS . And the US seems to be making up for lost time in a big way: Only one TUS is listed under its name (1965-1966), until 2003, when it started undertaking monthly time-use surveys. And of course along the way, many conceptual, methodological, and measurement problems have been ironed out , many lessons learned.

**Slow Progress.** But if anywhere up to 82 countries have undertaken at least one TUS, not as many have used the data gathered to value the time spent on unpaid household labor. Even fewer countries have started or developed household satellite accounts. And none, with the possible exception of Australia and Germany Ironmonger have institutionalized it, i.e. are doing it on a regular basis. *Annex 1* gives a partial listing of countries which have valued unpaid work together with notations on whether they have developed satellite accounts.

Why does there seem to be, for the greater number of countries, not much follow-through, as it were, in integrating unpaid work into the country's national accounts? One reason could be that the learning curve is a deep one, notwithstanding the enormous research and training efforts on the part of organizations like INSTRAW (United Nations Research and Training Institute for the Advancement of Womens) [Measurement and Valuation of Unpaid Contribution (1995) and Valuation of Household Production and the Satellite Accounts (1996) ] and ESCAP [Guidebook for Integrating Unpaid Work into National Policies (2001), prepared with UNDP and UNIFEM], not to mention national institutions.

Then there are the usual problems related to lack of financial resources, particularly in developing countries.

But resolving the technical problems involved in TUS and valuation of the unpaid work that it generates, are still not sufficient to achieve the goal of integrating unpaid

work into the national accounts and macroeconomic policy. The support of policy makers and stakeholders have to be mobilized, which requires that they are made aware of the benefits derived from such an integration. Without that support, the valuable data gathered and analyzed may end up as a matter only of academic interest, or worse, mouldering in library shelves.

**The Philippine Experience.** In this regard, the Philippine experience may be instructive. As far as gender empowerment goes (and it doesn't go very far), the Philippines has been shown to be better off than countries in East and Southeast Asia which boast of higher per capita incomes and a higher Human Development Index (HDI). This can be seen from the data in *Annex 2*, where the Philippines has the lowest GDP per capita and the lowest HDI, but the highest Gender Empowerment Measure (GEM), a measure which focuses on the participation of women in political and economic decision-making as well as power over economic resources. [UNDP, Human Development Report 2006]

At the same time, the country is one of four (with Canada, Ghana, and India) cited as good-practice case studies in the development of gender-sensitive indicators in a reference manual for governments and other stakeholders prepared for the Commonwealth Secretariat in 1999. [Tony Beck, "Using Gender-Sensitive Indicators: A Reference Manual for Governments and Other Stakeholders, Commonwealth Secretariat, 1999]. It is not coincidental that a majority of the high level personnel in the Philippine Statistical System are women. In short, if ever there was a list of developing countries that could be in the forefront of women's visibility-raising activities, the Philippines would have to be included in it.

***The effects of the International Conferences on Women.*** It must be said that much of the success the country has had at advancing the status of women and moving toward gender equality is owed in no small part to the galvanizing effects of the preparations for and the aftermaths of the International Conferences on Women starting in 1975. It is not coincidental that the National Commission on the Role of Filipino

Women (NCRFW), the first national machinery of women in Asia, was established by Presidential Decree at the beginning of 1975, in time for the First International Women's Conference in Mexico. The Nairobi conference caused another flurry of activity, this time focused on mainstreaming women's concerns in policy making, planning and programming of all government agencies. This led to the launching of the Philippine Development Plan for Women (PDPW) 1989-1992, (which may have been the first of its kind), and a successful lobby for legislation ensuring women equal rights in all areas (Women in Nation-Building Act). In the wake of the Beijing Conference came the Philippine Plan for Gender-Responsive Development 1995-2025, a 30-year perspective plan officially adopted as the country's main vehicle for implementing the platform of action adopted that outlines the policies, strategies, programs and projects that the government must adopt to enable women to participate in and benefit from national development. Under Executive Order 273, the PPGD was adopted as the country's main vehicle for implementing the 1995 Beijing Declaration and Platform for Action (PFA) adopted at the 1995 UN 4th World Conference on Women.

The numbers to support all the great words were provided by the work of an Inter-Agency Committee on Women and Statistics, which published the first edition of "Statistics on Filipino Women". The crowning glory to such efforts was to have been to empirically measure the contribution of women to the economy – their contribution to the SNA-type GDP, but more importantly, their share in a GDP that more accurately reflected all productive activities in the economy.

**Promising Start.** And this the country's National Statistical Coordination Board (NSCB) proceeded to do. Scarcely two years after Beijing, it proposed to construct satellite accounts which, first, identified the distribution by sex of the economy in accordance with the SNA production boundary, then identified, measured and included unpaid housework services of those in the labor force, also by sex, and finally included the unpaid work of those not in the labor force – those not considered economically active in the SNA

Of course, there were problems which would have discouraged the faint-hearted. The proposed national time-use survey project, the first nationwide TUS to be conducted in the country, whose results were to be used in the NSCB's valuation attempts, fell by the wayside – victim to the change in the executive directorship of the NCRFW and an accompanying change in priorities (in favor of an all-out push for programs and projects to eliminate violence against women).

The attempt to distinguish the contributions of males and females to the “conventional” GDP also met up with problems, e.g. GDP by employment reflects only number of employed persons by sex but not by labor input (and the one-hour per week definition of employment complicates matters); there was also the underestimation problem presented by the fact that unpaid housework is also done by persons younger than 15 years of age. All these aside from the problems associated with classification and valuation of the different types of unpaid labor (it is noteworthy that the value that was assigned to unpaid labor was assumed to be equal to the compensation of janitors – using the so-called generalist approach)

Nothing daunted, the NSCB decided to make a first pass anyway, using data generated from previous TUS. This in itself posed some challenges: the need to validate the data from these sources, the shortcomings of the data themselves – e.g., surveys were not nationwide, volunteer work and travel related to unpaid work not included in any previous TUS.

Still and all, the effort was an excellent start toward removing the cloak of invisibility of unpaid labor as far as the economy was concerned. The work was completed in 1998. The results, covering the years 1990-1997, and subsequently updated to 1998 are summarized in *Annex 3* [taken from Virola and de Perio, “The Contribution of Women to the Economy”, 1998].

***Women in the Philippine Economy.*** Briefly, it was found that:

1. The share of women in the “conventional” (including only SNA activities) GDP as measured by employment and by hours of work, ranged from 35% to 39% (see *Annex 3*) In the more accurate GDP which includes unpaid work -- the NSCB calls it the “adjusted” GDP -- women’s contribution increases to 48%-53% (see *Annex 3*)
2. With the inclusion of unpaid household services, GDP itself increases by 27-40% over the nine-year period (see *Annex 3*)
3. About 90% of the total unpaid hours of work is done by women (which is much higher than the 65-68% share in a developed country like Canada during roughly the same period. Among the employed and unemployed, about 71-73% are done by women, but it goes up to 91% among those not in the labor force (all per SNA-ILO definitions). (see *Annex 3*)
4. By economic activity, the contribution of women to unpaid hours of work in agriculture, fishery and forestry; manufacturing, wholesale and retail trade; financing, insurance, real estate and business services; and community, social and personal services – sectors which comprise about 80% of GDP— is greater than that of men (see *Annex 3*)

These results were presented nationally in the National Conference of Statistics and internationally in the International Statistical Institute biennial meetings in 1999 (where it was the only paper dealing with the contribution of women to the economy).

**No Effect.** While the paper was no doubt of interest to the professionals in the field, it made no dent whatsoever in the public consciousness, much less in the consciousness of the policy-makers and Filipino women. Actually, it never reached them at all. The results were as invisible as the unpaid work that was being measured, and therefore could not have made a difference.

And they remained in limbo until very recently.

The same fate seems to have been met by a TUS conducted in 2000 by the National Statistics Office. In spite of all the methodological and conceptual advances both in time-use and valuation processes, there seemed to be no felt need for a national TUS survey in the Philippines, so the proposal was scaled down to “pilot” status covering two areas – one urban, one rural. Even then, the results do not seem to have captured the attention of, nor made any impression on, the major stakeholders, although the NSCB used them to update the conventional and more accurate GDP figures for 1999 and 2000 – which nobody knows about.

**If at first you don't succeed...** But, as can be seen from today's proceedings, there have been new efforts on the part of the NSCB, which must be congratulated for trying again.

I of course share Dr. Virola's opinion that, although many conceptual technical, methodological, and measurement problems still have to be ironed out, he does not agree with the conventional (read UN SNA) thinking that these constituted the main obstacle to estimating women's contributions to the economy in general, and the integration of unpaid work into the national accounts in particular. These could be overcome, and the results of his earlier and recent efforts support his stand. In any case, the Philippines is ahead of its neighbors in this undertaking – and my dream is that it will be the first country to statistically integrate the household with the market economy.

But what was the constraint, that caused him to abandon his efforts for so long? It was a lack of demand. As he said, “How can we continue to produce statistics that are not being asked for, or used, when there are calls for other data to be generated?” [conversations with Dr. Virola, April-May, 2007]. And what is behind this lack of demand? There may be a lack of understanding of how the statistics can be used for more effective decision-making (on the part of the policy-makers) or how they can be

used as tools in influencing these decisions (on the part of the policy advocates). To overcome this, what is needed, according to Dr. Virola, is “capacity-building of the users of the statistics”.

But the demand constraint, it would seem, may arise not only because of a lack of ability on the part of the “consumers”, but because of a lack of desire or willingness on their part as well. This point was made clear by Lourdes Beneria [“The Enduring Debate Over Unpaid Labor 1999, *International Labor Review* 138 (3), 287-309.]. There are those who think that it is worth neither the time nor the effort to measure unpaid labor, who do not see how such information could be of use to the poor exploited woman who is the subject of such information, that resources would be better spent on other activities that would benefit her directly. These views, held as they are by some feminists, cannot but weaken the efforts to integrate unpaid labor into the macroeconomy. And they could be used to explain, in the case of the Philippines, why the NCRFW leadership shifted focus from unpaid labor to violence against women.

It must also be pointed out, however, that there may be another reason, though never articulated, for the unwillingness to pursue the issue of integrating unpaid labor into the macroeconomy: the preservation of the status quo, where women remain invisible, exploitable and unable to widen the choices open to them.

#### **IV. The Way Forward: Towards a Tipping Point.**

**Conclusions:** What conclusions can be drawn from the foregoing?

First, it is the SNA that threw a cloak of invisibility over women’s contributions to the economy, by using narrow, and at the very least inadequate definitions. That cloak can and should be removed. Segregating these contributions in satellite accounts should not be considered a final and permanent solution but rather a preliminary and temporary one.

Second, the full integration of unpaid work into the macroeconomy which has been established to be done mostly by women, can be accomplished, given the present SNA reality, as a sequence of steps – gathering time-use data, then valuing that unpaid work, then creating the satellite accounts, then institutionalizing them (estimating them regularly), and then fully integrating them as part of the national accounts’ “central system”. To date, to the best of my knowledge, less than half of the UN system have gathered time-use data; at most half of that half have begun valuing unpaid work (mostly developed countries) , less again are creating satellite accounts, and at most one or two have begun institutionalizing them. Progress has indeed been slow in removing the cloak of invisibility.

Third, the slowness of this progress is less a problem of technical, supply constraints, as it is a problem of demand – either a lack of ability or a lack of willingness, or a combination of both, to carry it forward on the part of potential users, or even the potential beneficiaries themselves. This is not to belittle the supply constraints – and our statistical system must be supported , particularly financially, in their attempts to push the envelop further in identifying and integrating the contribution of women in our national accounts. But the demand side, like the second blade in a pair of scissors, has to be addressed as well.

**Recommendations.** It is the third point to which we must now address ourselves. What can be done to increase, or even create the demand for the data that will allow women’s contributions to be visible? Here, we have to reach out to other disciplines, other professions for help and guidance. In a nutshell, what is required is a series of consciousness-raising or awareness increasing activities. It is not enough that data are produced, and that the producers of the data know that they have a gold mine. It is not enough that the user capacity should be increased. The public should be on the side of the angels. They should also want that data to be produced in the first place, and want to know the results, and want their leaders to make use of those results. Because it is the public that can exert the pressure on reluctant policymakers or technocrats or organizations, or anybody else who is in the way.

In other words, the effort to integrate unpaid work into the macroeconomy must include not only time use-surveys and valuation processes and satellite accounts until the final goal is reached. It must include a proactive effort to get the public interested in what is being done or should be done. Not only should the public demand that data, but preferably the nature of that demand should reach epidemic proportions so that the only possible outcome is the desired outcome.

How did epidemics get into the picture? This is explained in a fascinating book that may not cross the path of economists and statisticians [Malcolm Gladwell, "The Tipping Point"]. The author, Malcolm Gladwell, posits that ideas, messages, behavior, spread like viruses do. As in epidemics. And an epidemic has three characteristics: it is very contagious, little causes have big effects, and tipping points.

How a tipping point is reached is also explained. Three factors are involved – starting with The Law of the Few, which says that the success of epidemics depend on the degree of involvement of a few people with a particular and rare set of social gifts. Connectors, who have at the hub of a large network of people from different walks of life, and who can connect these people with each other; mavens, who are to information what connectors are to people; and salesmen, who can sell ideas or products because they somehow can communicate that they believe in these ideas or products.

The second factor is the Stickiness Factor, which ensures that once a person gets infected (buys the message), she stays infected. What is involved in making something sticky is to find a way of packaging information that under the right circumstances, will make it irresistible.

And lastly, the Power of Context, which posits that people's behavior are affected by circumstance rather than any innate set of values. He illustrated it by recalling the so-called Stanford Prison Experiment, where 24 normal, ordinary students turned into either sadists or nervous wrecks depending on whether the role randomly assigned to

them was to be a guard or a prisoner (the experiment had to be stopped after only six days)..

Clearly, the integration of unpaid work into macroeconomics has not yet reached that tipping point. What is needed to achieve these are people – whether researchers, economists, statisticians, feminists, who have the talents to be either connectors, or mavens, or salesmen; with a message that will not be forgotten (here is where the talents of advertising and marketing agencies can be tapped, and where it is clear that research budgets should include a component for information and education); and an environment that will shape the behavior of people in a large way.

Unless these requirements are met, integrating unpaid work into the macroeconomy, removing the invisibility of women's contributions to the economy from their homes, will remain an idea whose time has not yet come. But we can all take heart from the last lines of the Gladwell book: "Look at the world around you. It may seem like an immovable, implacable place. It is not. With the slightest push – in just the right place – it can be tipped."

## Annex 1. Valuation of Unpaid Work, various countries

Country	Time series	Results	Data source	Remarks	Institutionalization	Link/Source
1 United Kingdom	1995	Value of unpaid work was estimated at between 40% and 120% of GDP, depending on the method by which its monetary value was measured	1995 General Household Survey	Experimental household satellite account		<p>III. <a href="http://www.radsstats.org.uk/no074/article2.htm">http://www.radsstats.org.uk/no074/article2.htm</a></p> <p>IV. Developing Gender Statistics in the UK by Linda Murgatroyd</p>
2 Finland	2001	GDP is increased by 40% and household consumption by almost 60% when production excluded from the national accounts are included in the figures. Among the various principal functions of household production, the highest GVA figure was recorded for housing. Its share was 43% of all household production. Meals and snacks accounted 27% of household production.	1999-2000 Statistics Finland's Time Use Survey, 2001-2002 Household Budget Survey	Finnish Household Satellite Account has been compiled in compliance with Eurostat and SNA93 guidelines		<ul style="list-style-type: none"> <li>• <a href="http://www.kulttajatutkimuskeskus.fi/files/4919/2006_household_satellite_account.pdf">http://www.kulttajatutkimuskeskus.fi/files/4919/2006_household_satellite_account.pdf</a></li> <li>• Household Production and Consumption in Finland 2001: Household Satellite Account</li> </ul>
3 Germany	2001	Using the generalist rate, the "GVA of HH production" for 2001 amounted to 820,000	1999-1992 and 2001-2002	Compiled a household satellite system on the basis of	V.	<ul style="list-style-type: none"> <li>• <a href="http://www.genderkompetenz.info/eng/gendercompetence/subjectar">http://www.genderkompetenz.info/eng/gendercompetence/subjectar</a></li> </ul>

Country	Time series	Results	Data source	Remarks	Institutionalization	Link/Source
		million euros. This was roughly the equivalent of the value added of German industry and the trade, hotel and catering and transport segments together.	time-use surveys (TUS)	the time use surveys. Compiling a satellite account of household production is a compromise to accommodate the demand to take unpaid work into account in economic figures without including it completely in the GDP.		<p>eas/employment/unpaid/aspects</p> <ul style="list-style-type: none"> <li>Gender aspects in the area of unpaid work</li> </ul>
4 Australia	1992, 1997	<ul style="list-style-type: none"> <li>Unpaid household work accounted for 91 per cent of the estimated value of total unpaid work in 1997.</li> <li>The value of total unpaid work in 1997 was estimated to be about \$261 billion (48 per cent of GDP), compared with about \$225 billion in 1992 (54 per cent of GDP).</li> <li>Women contributed 63 per cent of the</li> </ul>	Time use surveys conducted in 1992 (pilot) and 1997	Results have been released as a "satellite account" to the national accounts.	<ul style="list-style-type: none"> <li>ABS has conducted the 2006 TUS and data from the survey is expected to be publicly available in 2007. Results will be used to update the</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.oecd.org/dataoecd/23/18/2508574.pdf">http://www.oecd.org/dataoecd/23/18/2508574.pdf</a></li> <li>Aspects of Sustainability: Australian Experience by Barbara Dunlop, Australian Bureau of Statistics</li> </ul>

Country	Time series	Results	Data source	Remarks	Institutionalization	Link/Source
		<p>estimated value of total unpaid work in 1997 (65 per cent in 1992).</p> <ul style="list-style-type: none"> <li>The estimate of the value of total unpaid work as a proportion of GDP in Australia is comparable with estimates made in other countries which have conducted studies using similar methodology (the estimates range between around 40 to 60 per cent of GDP, with the exception of Germany where the estimate is 71 per cent of GDP).</li> </ul>			monetary value of unpaid work (i.e., for 2007).	
5 Canada	1961-1992, 1992-1998	<ul style="list-style-type: none"> <li>The estimated value of unpaid work in Canada in 1998 was \$297 billion. Between 1992 and 1998, the value of unpaid work increased by 18.3% (in nominal terms)</li> </ul>	Major time use surveys conducted in 1986 and 1992, 1998	In the case of non-marketed goods and services, the national accounting approach is to assess value in	<ul style="list-style-type: none"> <li>Publication on Households' Unpaid Work: Measurement and Valuation is</li> </ul>	<ul style="list-style-type: none"> <li><a href="http://www.statcan.ca/english/conferences/economic2003/hamdad3c.pdf">http://www.statcan.ca/english/conferences/economic2003/hamdad3c.pdf</a></li> <li>Valuing Households' Unpaid Work in Canada, 1992 and</li> </ul>

Country	Time series	Results	Data source	Remarks	Institutionalization	Link/Source
		<p>comparing to 1992. As a percentage of GDP, however, it fell three percentage points, from 36% to 33%.</p> <ul style="list-style-type: none"> <li>Women who were not employed contributed the greatest proportion in the value of households' unpaid work with 36% in 1998. Those employed contributed at 27%. Conversely, a greater share of the value of households' unpaid work was attributed to men who were employed (22%) than men who were not employed (15%). This reflects the fact that a higher proportion of men than women are employed (65.9% for men versus 53.8% for women).</li> </ul>		relation with costs.	being published by the Statistics Canada's	<p>1998: Trends and Sources of Change</p> <ul style="list-style-type: none"> <li><a href="http://www.swc-cfc.gc.ca/dates/whm/1998/index_e.html">http://www.swc-cfc.gc.ca/dates/whm/1998/index_e.html</a></li> </ul> <p>Women's History Month 1998: Canadian Women Making an Impact</p>

Country	Time series	Results	Data source	Remarks	Institutionalization	Link/Source
6 Bulgaria	1988	The value of production in non-SNA activities is 47% and 71% of GDP based on net wages and gross wages, respectively. Estimate based on labour		Value of labor and value of production at cost of inputs in non-SNA activities (as percent of GDP) <sup>1</sup>		<ul style="list-style-type: none"> <li><a href="http://unstats.un.org/unsd/publication/SeriesF/SeriesF_75v2E.pdf">http://unstats.un.org/unsd/publication/SeriesF/SeriesF_75v2E.pdf</a></li> <li>Household Accounting: Experience in</li> </ul>

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<sup>1</sup> May not necessarily be women's unpaid work

Country	Time series	Results	Data source	Remarks	Institutionalization	Link/Source
		costs is 13 percentage points higher than those based on gross wages (84%).				Concepts and Compilation, UN
7 Denmark	1987	<p>The value of labor inputs in non-SNA activities based on labor costs is 37% of GDP, which is 16 percentage points higher than those based on net wages (21%). Net wages are calculated as gross wages for unskilled manual workers minus the average tax paid by these workers.</p> <p>The value of production in non-SNA activities based on labor costs is 43% of GDP. If gross value added for owner-occupied dwelling is included, the value rises from 43 to 50.</p>		-do-		<ul style="list-style-type: none"> <li>-do-</li> </ul>

Country	Time series	Results	Data source	Remarks	Institutionalization	Link/Source
8 France	1985	The value of labor inputs in non-SNA activities based on gross wages and labor cost is 33% and 36% of the GDP respectively.		-do-	•	• -do-
9 Norway	1990 1992	The value of labor inputs in non-SNA activities using labor cost is 38% of the GDP.  Using opportunity cost approach, specialist method, and generalist method, the value of unpaid work was estimated at 39, 38, and 37% of GDP.		-do-  Based on a study by Dahle/Kitterod	•	• -do-  • <a href="http://www.unescap.org/stat/meet/wipuw/wipuw-01.pdf">http://www.unescap.org/stat/meet/wipuw/wipuw-01.pdf</a> Economic Evaluation of Unpaid Work in Republic of Korea
10 Korea		The value of unpaid work took up 30-40% of GDP and 70-90% of total annual wage.			•	• <a href="http://www.unescap.org/stat/meet/wipuw/wipuw-01.pdf">http://www.unescap.org/stat/meet/wipuw/wipuw-01.pdf</a> Economic Evaluation of Unpaid Work in Republic of Korea

Country	Time series	Results	Data source	Remarks	Institutionalization	Link/Source
11 Netherlands	1990	Using opportunity cost approach, the value of unpaid work was estimated at 108% of GDP. Using specialist method, it is estimated at 82% of GDP.		Based on a study by Bruyn-Hundt	•	• -do-
12 Austria	1992	Using opportunity cost approach, the value of unpaid work was estimated at 138% of GDP.		Based on a study by Franz	•	• -do-
13 Switzerland	1997	Using opportunity cost approach, specialist method, and generalist method, the value of unpaid work was estimated at 49, 41, and 52% of GDP.		Based on a study by Sousa-Poza	•	• -do-
14 Japan	1996	Using opportunity cost approach, specialist method, and generalist method, the value of unpaid work was estimated at 23, 15, and 20% of GDP.		Based on a study by M. Fukami	•	• -do-

Country	Time series	Results	Data source	Remarks	Institutionalization	Link/Source
15 New Zealand	1990  1999	Using opportunity cost approach, specialist method, and generalist method, the value of unpaid work was estimated at 66, 42, and 51% of GDP.  The value of productive unpaid work by New Zealanders aged 15 years and over was 39% of GDP.		Released by Statistics New Zealand  -do-	•	• -do-  • <a href="http://www.statistics.govt.nz/products-and-services/Articles/unpaidwork-Jun01.htm">http://www.statistics.govt.nz/products-and-services/Articles/unpaidwork-Jun01.htm</a>

**Note:** Other countries mentioned in some references which have started or developed satellite accounts of unpaid work are listed below. Further research is needed on the main documents for each of these countries describing the methodology as well as presenting the resulting estimates.

- Integrating women's unpaid work into economic indicators (Laura Lee, UNDP Malaysia) - [http://www.undp.org.my/uploads/files/unpaid\\_work\\_women.pdf](http://www.undp.org.my/uploads/files/unpaid_work_women.pdf)

*"The EU statistic agency, Eurostat, began developing a harmonized satellite system of household production under a pilot programme which allows the calculation of unpaid household labor..... Countries participating in the pilot include the **Basque region**, Finland, **Italy**, **Luxembourg**, and **Slovenia**...."*

- Time-Use Data for Policy Advocacy and Analysis: A Gender Perspective and Some International Examples by Lorraine Corner, Regional Economic Advisor, UNIFEM Asia-Pacific and Arab States - <http://www.unifem-ecogov-apas.org/ecogov-apas/EEGProjectsActivities/TimeUseMeetIndia200210/paperLC.pdf>

*“... Countries such as Australia, **Cuba**, Japan, and Republic of Korea have or are developing satellite accounts of the value of unpaid work. Australia integrated the monetary value of unpaid work into the analysis of the household sector in its national accounts for the first time in 1997.”*

- Policy Implications of Unpaid Work: Public Agenda for Gender and Development *“Paid and Unpaid Work in Bangladesh....Nonmarket work increase conventional GDP by 29%”*

**Annex 2. Per capita income, Human Development Index and Gender Empowerment Measure, Selected Countries, 2004**

<b>COUNTRY</b>	<b>PER CAPITA GDP (pppus\$)</b>	<b>HDI(RANK)</b>	<b>GEM(RANK)</b>
MALAYSIA	10,276	0.804(61)	0.506(55)
THAILAND	8,090	0.784(74)	0.486(60)
SOUTH KOREA	20,499	0.912(26)	0.502(53)
<u>PHILIPPINES</u>	4,614	0.763(84)	0.533 (45)

**Annex 3.**

**Percentage Distribution of GDP by Sex, 1990-1998 At Current Prices**

Year	Men		Women	
	Employment	Hours of Work	Employment	Hours of Work
1990	63.47%	63.18%	36.53%	36.82%
1991	62.75%	62.26%	37.25%	37.74%
1992	62.94%	63.06%	37.06%	36.94%
1993	61.90%	62.33%	38.10%	37.67%
1994	61.54%	62.33%	38.46%	37.67%
1995	61.81%	61.78%	38.19%	38.22%
1996	61.67%	62.54%	38.33%	37.46%
1997	61.55%	61.44%	38.45%	38.56%
1998	64.53%	60.52%	35.47%	39.48%
1990-1998	62.46%	62.16%	37.54%	37.84%

**Percentage Distribution of GDP and GNP Adjusted for Unpaid Housework services By Sex Using Hours of Work, Employed-Opportunity Cost; Unemployed and Not in the Labor-Market Price, In Million Pesos At Current Prices**

Year	GDP Adjusted			GNP Adjusted		
	Total	Men	Women	Total	Men	Women
1990	100.0%	51.95%	48.05%	100.0%	52.69%	47.31%
1991	100.0%	49.31%	50.69%	100.0%	50.14%	49.86%
1992	100.0%	48.45%	51.55%	100.0%	49.30%	50.70%
1993	100.0%	49.54%	50.46%	100.0%	50.29%	49.71%
1994	100.0%	49.04%	50.96%	100.0%	49.71%	50.29%
1995	100.0%	49.77%	50.23%	100.0%	50.33%	49.67%
1996	100.0%	50.21%	49.79%	100.0%	50.97%	49.03%
1997	100.0%	48.68%	51.32%	100.0%	49.50%	50.50%
1998	100.0%	47.27%	52.73%	100.0%	48.30%	51.70%
1990-98	100.0%	49.4%	50.6%	100.0%	50.1%	49.9%

**Percentage Distribution of GDP and GNP Adjusted for Unpaid Housework Services By Sex using Hours of Work, Employed, Unemployed and Not in the Labor Force-Market Price, In Million Pesos At Current Prices**

Year	GDP Adjusted			GNP Adjusted		
	Total	Men	Women	Total	Men	Women
1990	100.0%	52.15%	47.85%	100.0%	52.89%	47.11%
1991	100.0%	49.46%	50.54%	100.0%	50.29%	49.71%
1992	100.0%	48.57%	51.43%	100.0%	49.42%	50.58%
1993	100.0%	49.71%	50.29%	100.0%	50.46%	49.54%
1994	100.0%	49.18%	50.82%	100.0%	49.85%	50.15%
1995	100.0%	49.92%	50.08%	100.0%	50.48%	49.52%
1996	100.0%	50.35%	49.65%	100.0%	51.11%	48.89%
1997	100.0%	48.80%	51.20%	100.0%	49.62%	50.38%
1998	100.0%	47.33%	52.67%	100.0%	48.37%	51.63%
1990-98	100.0%	49.5%	50.5%	100.0%	50.3%	49.7%

**Table 6. Percentage Distribution of Total Unpaid Hours of Work (Housework Services) By Sex, Employed, Unemployed and Not in the Labor Force (In 000)**

	1990		1991		1992		1993	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
A. Employed	27.46%	72.54%	27.30%	72.70%	27.98%	72.02%	27.26%	72.74%
Agriculture, Fishery and Forestry	13.14%	14.97%	13.38%	14.63%	13.60%	16.19%	12.99%	15.75%
Mining and Quarrying	0.24%	0.09%	0.27%	0.10%	0.26%	0.09%	0.22%	0.08%
Manufacturing	2.44%	8.90%	2.60%	9.72%	2.79%	9.98%	2.59%	9.27%
Electricity, Gas and Water	0.15%	0.16%	0.17%	0.14%	0.15%	0.11%	0.17%	0.13%
Construction	1.92%	0.17%	2.00%	0.22%	1.98%	0.20%	2.03%	0.20%
Wholesale and Retail Trade	2.57%	22.12%	2.23%	23.15%	2.31%	23.30%	2.40%	23.12%
Transportation, Communication and Storage	2.47%	0.40%	2.44%	0.43%	2.57%	0.52%	2.76%	0.52%
Finance, Ins, Real Estate and Business Services	0.61%	1.66%	0.57%	1.51%	0.58%	1.54%	0.60%	1.72%
Community, Social and Personal Services	3.91%	24.09%	3.65%	22.80%	3.74%	20.10%	3.49%	21.94%
B. Unemployed	25.98%	74.02%	27.35%	72.65%	27.93%	72.07%	28.40%	71.60%
C. Not in the Labor Force	8.93%	91.07%	8.44%	91.56%	8.53%	91.47%	8.94%	91.06%
TOTAL	10.49%	89.51%	10.14%	89.86%	10.26%	89.74%	10.64%	89.36%

	1994		1995		1996	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
A. Employed	27.08%	72.92%	27.00%	73.00%	27.01%	72.99%
Agriculture, Fishery and Forestry	12.78%	14.47%	12.37%	15.19%	11.48%	14.01%
Mining and Quarrying	0.17%	0.04%	0.15%	0.04%	0.17%	0.09%
Manufacturing	2.60%	9.54%	2.51%	9.43%	2.65%	8.83%
Electricity, Gas and Water	0.15%	0.15%	0.15%	0.15%	0.18%	0.12%
Construction	2.08%	0.18%	2.29%	0.17%	2.56%	0.17%
Wholesale and Retail Trade	2.39%	23.75%	2.46%	23.86%	2.55%	23.86%
Transportation, Communication and Storage	2.75%	0.50%	2.85%	0.57%	2.94%	0.61%
Finance, Ins, Real Estate and Business Services	0.57%	1.64%	0.63%	1.81%	0.76%	2.01%
Community, Social and Personal Services	3.60%	22.65%	3.60%	21.77%	3.72%	23.30%
B. Unemployed	28.91%	71.09%	28.10%	71.90%	29.02%	70.98%
C. Not in the Labor Force	8.99%	91.01%	9.10%	90.90%	8.81%	91.19%
TOTAL	10.64%	89.36%	10.79%	89.21%	10.45%	89.55%

	1997		1998		Average 1990-98	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
A. Employed	26.42%	73.58%	25.81%	74.19%	26.99%	73.01%
Agriculture, Fishery and Forestry	10.95%	13.19%	10.71%	13.22%	12.30%	14.56%
Mining and Quarrying	0.19%	0.07%	0.17%	0.03%	0.20%	0.07%
Manufacturing	2.50%	9.05%	2.40%	8.78%	2.56%	9.26%
Electricity, Gas and Water	0.19%	0.16%	0.19%	0.16%	0.17%	0.14%
Construction	2.62%	0.27%	2.27%	0.24%	2.21%	0.20%
Wholesale and Retail Trade	2.62%	24.40%	2.53%	24.42%	2.46%	23.60%
Transportation, Communication and Storage	3.03%	0.67%	3.10%	0.74%	2.79%	0.56%
Finance, Ins, Real Estate and Business Services	0.68%	1.97%	0.71%	2.01%	0.64%	1.78%
Community, Social and Personal Services	3.64%	23.79%	3.74%	24.60%	3.68%	22.84%
B. Unemployed	29.41%	70.59%	31.36%	68.64%	28.60%	71.40%
C. Not in the Labor Force	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL	8.80%	91.20%	11.24%	88.76%	9.14%	90.86%
	10.47%	89.53%	12.79%	87.21%	10.80%	89.20%