Putting a value on unpaid work

On May 8, the Network for Economic Development (NEDM), a sub-group of the Human Resources Development Working Group of the Asia Pacific Economic Cooperation (APEC) forum, hosted a conference in Hong Kong on the linkages between paid and unpaid work and their implications for human resources policy. This article draws on a paper prepared for the conference by North-South Institute (NSI) Senior Researcher Heather Gibb.

Women make up from 29 to 49 percent of the formal labour force in APEC member countries. They also make an enormous contribution to the economy and the well–being of their communities through their unpaid work in the home and as volunteers. According to the United Nations Development Programme, as much time is spent on unpaid work as on paid work in industrialized countries. The value of that work ranges from 15 percent of gross domestic product in the case of Japan to 54 percent in Australia. Statistics Canada reports that women do two-thirds of all unpaid work in Canada: for one in four it's a full-time job.

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Women also make up the bulk of workers in the informal sector, which, for many, is the sole source of employment and income. And that sector is growing as a result of economic recession, reduced job opportunities in the formal sector, and an increased need for family income. Work in the informal sector also allows women to combine family responsibilities with income generation since it can often be performed in or near the home.

Invisible work

Unpaid and informal sector work, however, is largely uncounted in labour force and national income accounts. As a result, it remains statistically invisible and, despite its importance, is generally ignored in national human resource and economic policies.

This has serious consequences. For women, who perform a disproportionate amount of unpaid and informal work, the time spent on these tasks constrains them from availing themselves of training and education opportunities and from participating in formal, paid labour which is protected by labour, wage, health, and safety regulations. It thus can affect their health and well–being.

Social institutions suffer when the total demands on work time—paid and unpaid—become so great there is no time left for volunteer or civic activities. A recent study carried out in Nova Scotia, for instance, found that people under financial or time stress first cut back on voluntary commitments. And while the number of people volunteering in Canada increased between 1987 and 1997, the average volunteer contributed 25 percent fewer hours than a decade earlier. The value of this loss in services has been estimated at $1.83 billion a year.

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The consequences are also felt throughout the economy as women and men move in and out of the paid labour market as a result of retrenchments and firings, to pursue education and training, and because of family responsibilities. In periods of economic decline, parts of the informal sector expand because, without comprehensive employment insurance or other safety nets, few can afford the luxury of being unemployed for very long. Studies have shown, for instance, that the number of unpaid family workers in Southeast Asia increased in the wake of the financial crisis.

Even in developed economies, the unpaid sector expands when the paid sector contracts. There is often a price to be paid for these structural changes. Economist Diane Elson argues that the intensification and extension of unpaid labour is a hidden factor in many episodes of stabilization and structural adjustment. Unpaid labour can help absorb the shocks of adjustment since it replaces paid labour in the production of daily necessities, such as food and clothing. But unpaid work can also jeopardize the ability of the labour force to take advantage of opportunities in the formal job market.

Global industry, global problems

The problems noted in the Asia Pacific Economic Cooperation forum (APEC) studies are all too well represented in the global garment industry that employs women both in factories and as home-based workers. As North-South Institute (NSI) Researcher Julie Delahanty and Mashuda Khatun Shefali of Bangladesh's Nari Uddug Kendra (NUK), note in “From Social Movements to Social Causes: Assessing Local, National, and International Strategies for Improving Women's Health and Labour Conditions in the Garment Sector,” global economic restructuring has increased the opportunities for women to enter the marketplace. But, they say, it has also created “ghettos” of women labourers caught in low-skilled, low-waged jobs where poor working conditions endanger their health and well-being.

Joint research conducted by the NSI and NUK revealed that women in Bangladesh's garment industry work between 11 and 16 hours a day, seven days a week—while continuing to bear the lion's share of household chores and childrearing. Women are responsible for finding their own housing, which is scarce and sometimes insecure. They often have no access to even basic utilities and toilet facilities. Travel to and from factories is dangerous. Wages are so low that workers frequently find it difficult to buy enough food for themselves and their families. Finally, when they are no longer capable of factory work, there are few options for alternative employment.

Perhaps most significant, 66 percent of workers stated their health had declined since beginning factory work. Complaints include respiratory difficulties; repetitive strain injury; gastric ulcers; weakness and lethargy; back, joint and chest pain; urinary tract infections; and eye problems.

Among solutions offered for improving garment workers' working conditions are partnerships between nongovernmental organizations and the private sector; increasing worker organization activities, including union outreach; supporting capacity-building and the provision of services through international development projects; trade mechanisms such as linking preferential tariffs to labour conditions; and organizing consumer campaigns to advance workers' rights.

The paper “From Social Movements to Social Causes: Assessing Local, National, and International Strategies for Improving Women's Health and Labour Conditions in the Garment Sector,” by Julie Delahanty and Mashuda Khatun Shefali, was presented to the International Roundtable on Responses to Globalization: Rethinking Equity and Health, organized by the Society for International Development (SID) and the World Health Organization in Geneva, July 12-14. It will appear in the December issue of Development*, published by SID.*

On the APEC agenda

APEC members are beginning to recognize the importance of women's unpaid work. In October 1998, APEC ministers responsible for women

called on governments to recognize the economic significance of this

work. By identifying major issues in integrating paid and unpaid work, the nine country studies prepared as part of the project undertaken by the NEDM will contribute to understanding the key sectors of the economy where women predominate. They will also help understand how workers' family obligations affect their participation in training and employment and identify the policy supports—including social safety nets—that would facilitate their participation.

The NEDM researchers and experts note that governments' recognition of the value of unpaid work could enhance women's economic security. This could be done through measures such as tax credits for caregivers which, in turn would enable them to contribute to pension plans and take advantage of other government programs. Health, safety, and social security benefits could be extended to informal sector workers. Governments could also encourage banks to recognize unpaid work as collateral for loans, thereby providing an important bridge for unpaid workers to move into micro- and small businesses.

The project identified a number of steps for governments to consider, including:

- Reform of the tax system and social security policies to eliminate the concept of the sole breadwinner in a two-adult family;
- Maternity, paternity, and childcare leave for both women and men;
- Provision of family-friendly workplaces and social support structures;
- Provision of quality, affordable child– and elder-care services;
- Financial support of enterprises, such as tax rebates, to encourage them to provide social services for employees.

A key step for governments is clarifying the assumptions and principles about families that shape economic and social policy. Understanding how policy can reinforce gender disadvantage or promote equal access to the productive economy is important to successful human resource strategies. ■

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