

Unpaid Work: Creating Social Wealth or Subsidizing Patriarchy and Private Profit?

By Diane Elson

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I am going to take as my theme unpaid work and its complex relation to social wealth, patriarchy and private profit. I want to bring to your attention some of the dilemmas that I have found in working on these issues in England, where I live half of the year, and also in the work I have been doing with scholars and activists in developing countries. I want to see if you face similar dilemmas here in the USA, and if so, how you deal with them. I am speaking with some trepidation because I know there are many people in this room who have done lot of work on these issues. I hope in the discussion we will be able to share different perspectives and experiences on this theme. I expressed the title of my talk as a question. I will not make you wait until the end for my answer. Let me say at the outset that I think that unpaid work does create social wealth, but at the same time, can subsidize patriarchy and private profit. I want to take as my point of departure some of the phrases that I found in the statement on the website of the Forum on Social Wealth. The first set of words I came to constitute what I call the ‘rosy scenario’ about social wealth and its relation to unpaid work. This part of the statement is full of good phrases like social wealth as ‘common wealth’ that is ‘created by families and communities’, “contributions of time and money that have their basis in kinship, community and

personal affection”, ‘gifts’ from ‘non-market realms’.” That is a very positive presentation of social wealth and its origins. But read the statement a little farther, and there are signs of recognition that it is more complicated than the ‘rosy scenario’ would suggest. For instance, the idea that “Women continue to bear a disproportionate share of the burden of caring for children and other dependents. This work contributes to our common wealth by creating and replenishing our labor force and sustaining human well-being, yet this is not adequately recognized or rewarded by either the market or the state.” So there we have the recognition that although common wealth is created, the work of creating it may not be equally distributed.

The statement goes on to mention the relationship between this kind of social wealth and the state –“The families and communities that sustain society are being stripped of public support and told to fend for themselves” –which suggests, I think quite rightly, that the relationship between the state and the public sector and the creation of social wealth through unpaid work is a critical one; and that we should not see households or voluntary organizations as, in some sense, being able to create social wealth on their own, without requiring any supports.

I felt there were a number of questions implied in the statement on the forum website about how far we share in common the fruits of unpaid work. Do some people benefit more than others from it? Do families and communities create social wealth by themselves, or is it produced by an interaction between families, communities and other

non-market institutions? And is it enough to say that we realize the social value of unpaid work or do we also have to transform the social relations of unpaid work?

I amused myself on Google this morning, looking to see who else besides the Forum thinks that unpaid work is important, should be recognized and is a creator of social wealth. Two things that I came up with were insurance companies and Christian groups. Insurance companies now want to sell life insurance to households so that non-earning adults, usually women in the household, will be covered by life insurance just as much as their earning spouses. These companies do the kind of calculation that tells you how much you will have to pay out for a nanny, for a gardener, for a cook, and for a cleaner if your wife is not available to carry out these tasks. It adds up to a large amount, so the message from the companies is that you had better buy some life insurance for your wife, otherwise you may find yourself out of pocket if she gets injured or dies. So the insurance sector is interested in unpaid work and social wealth, but from the point of view of increasing their profits.

Christian groups are also interested in unpaid work and social wealth. I found an Australian website of the Wesley Mission Resources for the Growing Christian, which had similar kinds of calculations about the value of women's unpaid work in the home. The purpose was not to sell life insurance, but to reinforce the belief that it would be much better for everybody if women, all women, *were* home-based mothers.

So there are a variety of different viewpoints (for instance, a commercial viewpoint, a religious patriarchal viewpoint) that will also agree with us that unpaid work in families

and communities is important and that it creates social wealth. But these viewpoints have very different motivations and lead to very different actions. These examples show that a concern with the value of unpaid work does not necessarily reinforce a belief in the importance of the social wealth. When we refer to unpaid work in public policy debates, we may face some challenging dilemmas.

Before I get into some of the detail of those dilemmas, I want first of all to situate unpaid work in the context of the market economy using this flow chart that I have put up on the screen. It depicts the economy in terms of four sectors that are all wealth-producing sectors –the business sector, the public sector, the household sector and the non-profit sector. The economy involves the interaction of all of these four sectors; and I see all of them as wealth-creating, rather than seeing only the business sector as the wealth-creating sector, and the others as sectors that spend the wealth that is created by the business sector. In popular ideology, a vision is often presented that it is only the business sector that creates the wealth; and then households consume (or save) the wealth; and the state taxes away some of the profits of the business sector, and spends it in ways that are presumed to be less efficient than the business sector. Even the non-profit organizations can be seen as existing on the bounty of the business sector, which through foundations gives grants to them. And so these other sectors are seen, I think, in popular ideology as wealth-spending sectors rather than as wealth-creating sectors. One of your purposes, in the Forum on Social Wealth, is to displace that view and to say, no, all of these sites of activity are sites of wealth-creation.

Turning now to the work performed in these sectors, there is unpaid work as well as paid work going on in all of these sectors, although in different proportions. Let me start with the household sector at the bottom of the diagram. We often think of this as the sector of the unpaid work. But there is a growing amount of home-based paid work –everything from the high-paid person who works at home on his/her computer, to the very low-paid person who works at home on his/her sewing machine. Moreover, better-off households often pay others to work in their homes, cleaning and caring for children, for instance. So a certain amount of paid work takes place in the household sector. Nevertheless, most of the work in the household sector is unpaid work. This includes subsistence work –the work of cooking and cleaning and washing, and in poor countries, getting water and getting fuel –as well as the work of personal care for people in the family.

In the public sector, (which is in the middle of my diagram) most of the work is paid and most of the workers have formal contracts, with social protection. However, there are a growing number of public sector workers whose contracts are irregular, precarious and lack social protection, whose employment status can be described as ‘informal’. There is also an increasing use of unpaid work in the public sector, through mobilization of ‘volunteer’ workers. I spent some time in the Netherlands this summer working with some feminist economists there, and one of the things that I learned was that in the Netherlands the public schools and the public hospitals are highly dependent on the ‘volunteer’ work of parents, and of relatives of patients. These ‘volunteers’ are predominantly women who work on an unpaid basis to ensure that the schools and the hospitals run.

In the non-profit institutions sector (on the left hand side of my diagram), there is again formal paid work, comprising people with higher paid jobs who run the organizations and volunteer work, done by people who give of their time to the organization. In the business sector, (at the top of my diagram) is paid work, a growing proportion of it informal. But there is a small amount of unpaid work even in rich countries. What are interns in the business sector if not unpaid workers? In developing countries there is a much larger group of people who are unpaid in the sense that they themselves do not receive any remuneration for their work, even though the fruits of their work are marketed. The farmer's wife, the farmer's son and daughter, in many countries will fall into this category. This is a different kind of unpaid work: it is not non-market work, but the person doing the work does not get a paycheck. To summarize, there are different proportions and forms of paid and unpaid work in the four sectors of the economy. The paid work may be formal or informal; and the unpaid work may be carework, volunteer work, subsistence work, or unremunerated market work.

These sectors are interdependent: none of them could produce any kind of wealth without interaction with the others. The arrows on the diagram are the symbol of this interaction. The household sector produces labor services for the other sectors; the business sector produces goods and services and payments to the other sectors; the public sector raises taxes and provides transfer payments (like public pensions) and public services and infrastructure. The non-profit institutions also provide goods and services (including advocacy for change) to the other sectors. However, this interdependence is asymmetric. That is why I put the business sector at the top of my diagram to symbolize

that in a market economy, the business sector dominates the other sectors. Its dominance stems from its ownership of the means of production and its competitive pursuit of profit, together with the innovation, the accumulation and the disruption that comes from that. My diagram is a still, not a moving image, and so is unable to symbolize the precariousness of this system, its contradictory nature, its unevenness, and its volatility. My still image is not good at showing that there is no smooth coordinating mechanism in this system. Market mechanisms have a limited ability to coordinate non-market activities, as well as having their own internal contradictions and precariousness. So the sustainability of this system is by no means guaranteed. To symbolize this, I have two arrows leading out of the household sector, and going nowhere. These leakages from the circular flow between the sectors symbolize that the ongoing risk of this system is the depletion: depletion of social wealth, depletion of human capabilities, premature death being the most dramatic and stark example of this depletion.

The household sector is frequently called upon to play the role of safety net of last resort, in this risky system, but this is not something that it can always do. If the demands that are made on the household sector to provide the safety net of last resort are too great, depletion of human capabilities will occur. Unpaid labor in the household is not infinitely elastic; it cannot stretch to patch up all the holes in the safety nets that states used to be supposed to provide and increasingly do not. It is not be possible for unpaid work to make good all the deficiencies in the rest of the system. So the fact that we recognize how unpaid work contributes to the production of social wealth should not lead us into being

too complacent about how much that unpaid work can make good deficiencies in the rest of the system.

We need to recognize that unpaid work can in itself be depleting, a form of drudgery that uses up people's energies. This is particularly the case with some forms of unpaid subsistence work, backbreaking work –collecting water, collecting fuel –that exhausts the people who do it. So we must not lose sight of the complexity of unpaid work. It can create social wealth, but it can also deplete the bodily energy and bodily health of the people who work unpaid. Unpaid carework can also be depleting. If you are twenty-four hours on call caring for somebody who is seriously ill or seriously disabled for long periods then you yourself become sick, and you yourself become exhausted. That is why we make a demand for 'respite care' from publicly provided services.

Now I want to turn to the issues of measuring unpaid work. Increasingly, time use surveys are being conducted and can be used as one way of measuring unpaid work. In Britain, the official time use survey found that the average minutes per day spent on providing care to children and to adults in the household, (twenty eight minutes) and the average time spent on gardening and pet care, (twenty six minutes) was fairly similar. This is not just because Britons love their pets more than each other, it is because the time spent on providing care is not being measured adequately. Time spent caring for people often overlaps with other activities. People report they are doing housework or walking in the park, rather than that they are on call twenty-four hours a day to provide care for young children. Time spent caring for others tends to be under-reported. Different ways

of classifying activities and measuring time spent on them makes international comparisons difficult. My slides show more time being spent on unpaid work in Britain than in South Africa. But the British data includes activities (like travel to work) not included in the South Africa data. My slide for India based on a time use survey for six states comes up with a result similar to South Africa; one hundred and sixty minutes on average a day in India; one hundred and fifty-four minutes in South Africa.

We should note that unpaid domestic services are outside the system of national accounts and are not counted as part of the GNP. But some kinds of unpaid subsistence production, such as collecting fuel and water and growing subsistence crops, are now regarded as being inside the system of national accounts and it is internationally agreed that this work should be counted in the GNP. So there is unpaid work that is counted as part of the GDP in principle, if not in practice, and unpaid work that is not.

To be included in the statistics produced by the system of national accounts, a monetary valuation of unpaid work must be made. A monetary valuation is also required to make comparisons between the value of the work that is being included in the GNP, and that which is not. My slide shows that for the UK, the value of unpaid work excluded from the GDP is equal to 77% of the value of all the work that is included in the GDP. (That is using the output method and including things like travel to work as part of the unpaid work). For South Africa, the value of unpaid work excluded from GDP as a percentage of GDP has been calculated as ranging from 11% to 50%. These calculations use the input method. In other words, they value the time spent, not the output produced by the unpaid

work. There are different arguments about which wage you should use to value unpaid work, different wages will produce different figures. For instance, if you use the minimum wage to value all unpaid work, you will come up with a low figure. If you say, no, we must use the 'specialist wage' –for cooking, we must use the wage of a chef at a restaurant; for looking after children we must use the wage of the well-qualified nanny, or even of a child-psychologist, you will come up with the higher figures.

But differences can also arise because of differences in the amount of unpaid work being done. In India, the calculations ranged from 26% to 50%, not through varying the wage used to value the work, but because very different amounts of unpaid work are being done in different states in India. These comparisons illustrate the dilemmas we are in at the moment trying to put a monetary value on unpaid work. There is no internationally agreed convention on this. There is a range of methods being used, which come up with different figures for the same country and non-comparable figures across countries. Similar issues arise in the calculation of the GDP, how do you value the output of an army, for instance? But international conventions have been agreed; therefore nobody produces a range of figures for GDP based on different conventions. Some people think we need an international agreement on how to place a monetary value on unpaid work.

But we might also, of course, raise the issue – what do we want measures of unpaid work for? The women's movement in many countries around the world has been saying for twenty-five years "we must have this data." But how are we going to use it? What do we need it for? There are a growing number of countries that do have time use data, which

covers unpaid work, but often nobody is using the data for any kind of policy analysis; or in order to get things changed.

I now want to draw attention to some of the ways in which unpaid work might be said to subsidize patriarchy, including the unequal division of paid and unpaid work between the sexes; the disadvantages of specializing in unpaid work in terms of financial dependence and the poverty that tends to go along with specializing in unpaid work; the issues of coercion as well as reciprocity in unpaid work. We must not forget that the home is the site of domestic violence as well as the site of love and affection. There is often coercion involved in relations in households, as well as reciprocity. The inadequacies, or what are felt to be inadequacies, on the part of some members of the household, in the unpaid work done by others can be a trigger point for domestic violence. Unpaid work is social in some senses, but not in others. It is social in the sense that it is non-market, but it is frequently not social in the sense that it is done in some kind of wider public sphere with public visibility and recognition. There is a whole strand of feminist thought that characterizes unpaid work in the home as private, not social, because it is done behind closed doors and is individualized.

My slide on the unequal division of unpaid work disaggregates the data I put up earlier on the UK, South Africa and India into male and female. It shows the gender gap in average minutes spent each day on unpaid work –one hundred and sixteen in the UK, one hundred and forty in South Africa and two hundred and sixty-six in India. There are big disadvantages to being the person that specializes in unpaid work, as my slide for the UK

shows: over half a million more women than men living in poverty; women receiving on average just 54 pence for every one pound received by men (there are 100 pence in one pound). Following a divorce, a man's income changes little; a woman's is likely to decline by one-fifth. Labor market data show the concentration of women in part time paid work, which is badly paid, and has little in the way of social protection. There is a huge gap in hourly earnings between female part time workers and male full time workers. In the UK, the kind of pension system we have means that because of this specialization in unpaid work, we have an enormous problem of female poverty in old age, because only 13% of today's women of pensionable age in the UK are entitled to the full basic state pension, compared with 92% of men.

Let me now turn to how unpaid work may subsidize private profit. I found the work of Antonella Picchio, an Italian political economist, very suggestive in this regard because she looks at the issue of unpaid work in the context of a classical political economy framework in which there is some notion of the 'normal' standard of living as exogenously determined by historical and social forces. This standard of living can be achieved through a number of varying combinations of wages and unpaid work. Picchio's argument is that the larger the amount of unpaid work that is done, the lower needs to be the wages that are paid out in order to secure the exogenously determined conventional standard of living. This is one sense in which unpaid work might be considered to be subsidizing private profit. But Picchio also makes, I think, what is an important qualitative point about the way in which unpaid work, done by both men and women in

the household sector, reconciles workers to the capitalist labor process enabling them, she says, to feel like human beings in a system that treats them like commodities.

Another form of subsidy comes via the public sector, in terms of the way in which unpaid work can contribute to reducing the public expenditure that is required and in turn, reducing taxation on businesses. I would like to share a few specific examples of this that I've come across in different countries. One example is in Peru, where women run a public food distribution program. If you take the unpaid time they spend doing this, and you value it very conservatively at the minimum wage, their contribution amounts to 20% of the budget for the program. If the state paid them for doing this, it would cost 20% more. In South Africa and Barbados, researchers have found that government funding does not cover the full cost of refuges and shelters for women who have been subject to domestic violence. The government puts up some of the money for these refuges and shelters –very often the capital costs. But it does not cover the running costs –this is left to women's NGOs to cover, drawing upon unpaid volunteer work. There are also examples of the way in which measures to contain the costs of public health services transfer costs to the shoulders of women providing unpaid care in the home and community. A very dramatic and stark example is in sub-Saharan Africa, where enormous numbers of people are living with HIV/AIDS. Hospital systems are unable to cope because debt repayment is given priority over public expenditure on health care. And so a huge burden of care is being put upon the families of people living with HIV/AIDS. Not only is the person living with HIV/AIDS unable to generate an income, but neither are other family members, because of the demands of caring for people living

with HIV/AIDS. Research shows that unpaid care in the rural community results in less time for farming, and a substantial loss in income.

I want to end by signaling what I think is a critical dilemma about how we can recognize and value unpaid work without reinforcing patriarchy and the pursuit of profit. Income tax, income transfers related to children and regulations and subsidies for parental leave are the three examples I chose. Income tax –should income tax systems recognize the value of unpaid work by providing taxpayers with allowances for non-earning dependents that do unpaid work at home? There are large numbers of women in Europe, in Canada, and in the USA who say yes, that is the way the unpaid work of women who are “homemakers” should be recognized. But this system of income tax perpetuates the polarization between the male breadwinner earner and the dependent stay-at-home non-earning “homemaker”. So are there other ways we should do it? Can we do it through tax allowances or tax credits that provide some kind of compensation for the fact that you have to buy substitutes for some of that unpaid work if more than one person in the household is an earner? An example would be childcare tax credits. Can you design such a system in a way that does not continually reinforce the idea that it is solely the mother’s responsibility to make sure that children get taken care of and to make sure that substitutes are purchased if she is not providing all the care needed? Can public money provide childcare in ways that doesn’t just give huge boosts to a new growth industry in the commercial provision of childcare? These are kind of dilemmas we have been wrestling with in the UK. Dilemmas, which I think are also being discussed in Latin America in the context of income transfers related to children. Is it better to do it the way they are doing it in Mexico, with big program called ‘Oportunidades’ which provides

cash payments to poor families directly to the mother; in contrast to the way in which they are doing it in Argentina, through government funded employment schemes, some of which set up child care centers or bakeries, which both reduce women's unpaid work and increase their paid work. Both schemes provide support to poor mothers, but one of them brings mothers together in a group under the auspices of a non-profit organization to take care of children or to bake the bread and get paid for doing so; and the other reinforces the idea that these tasks are women's individual unpaid responsibility in their homes.

My third example is regulations and subsidies for parental leave. The UK government has now decided that they will extend parental leave to provide something more comparable to the Nordic countries. They have announced that paid maternity leave will be extended from six to nine months and that fathers will be entitled to take the last three months if mothers return to work. This is being heralded by ministers in the UK as a great step forward towards equality because fathers can take this extra three months if mothers decide not to take it. But the subsidy to parental leave is not funded with an earnings-related benefit but with a flat-rate benefit, a flat-rate benefit that is nowhere near going to be enough to replace male earnings. This means that a great many men are not going to take up this opportunity. Iceland has a better approach: fathers in Iceland have entitlement to three months parental leave following the birth of a child on 80% of the salary that they were earning. This leave is not transferable to mothers. Fathers get it on a 'use it or lose it' basis. As the BBC puts it, "Quality time thrills Nordic dads." But I don't think quality time is going to be thrilling UK dads until we have a scheme like that in

Iceland. It is only when those two conditions are met: that if men don't take the leave it is not transferable to the mother; and that the leave is funded through a generous earnings-related benefit that substantial numbers of fathers will take parental leave. We need the kind of policies that we're starting to see in Iceland, if unpaid work, particularly in care, is to produce a genuine social wealth that is equally contributed to and equally shared by everybody. Until we can get more men doing the caring work –more men caring for children, more men caring for elderly people –I think that there is still quite a long way to go before we can be confident that unpaid work is creating genuinely common wealth.