Assessing the Impact of Gender in Macroeconomics in Ghana – *valuing unpaid work*

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What are time-use statistics?

Time-use statistics are quantitative summaries of how individuals "spend" or allocate their time over a specified period— typically over the 24 hours of a day or over the 7 days of a week.

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Strategic objective H.3.

- Generate and disseminate gender-disaggregated data and information for planning and evaluation.

- Actions to be taken including (g)

(g) Develop an international classification of activities for time-use statistics that is sensitive to the differences between women and men in remunerated and unremunerated work and collect data, disaggregated by sex. At the national level, subject to national constraints:

# BEIJING DECLARATION AND PLATFORM FOR ACTION FOURTH WORLD CONFERENCE ON WOMEN (2)

(i) Conduct regular time-use studies to measure, in quantitative terms, unremunerated work, including recording those activities that are performed simultaneously with remunerated or other unremunerated activities;

(ii) Measure, in quantitative terms, unremunerated work that is outside national accounts and work to improve methods to accurately reflect its value in satellite or other official accounts that are separate from but consistent with core national accounts;

In accordance to the declaration, the study assessed the impact of gender in macroeconomic policies in Ghana through the valuation of the mean time spent by persons engaged in unpaid household work captured in the Ghana Time use Survey conducted in 2009.

The 2005 ICATUS that defines 15 main groups of activities was used in the measuring of paid and unpaid work.

SNA General production boundary
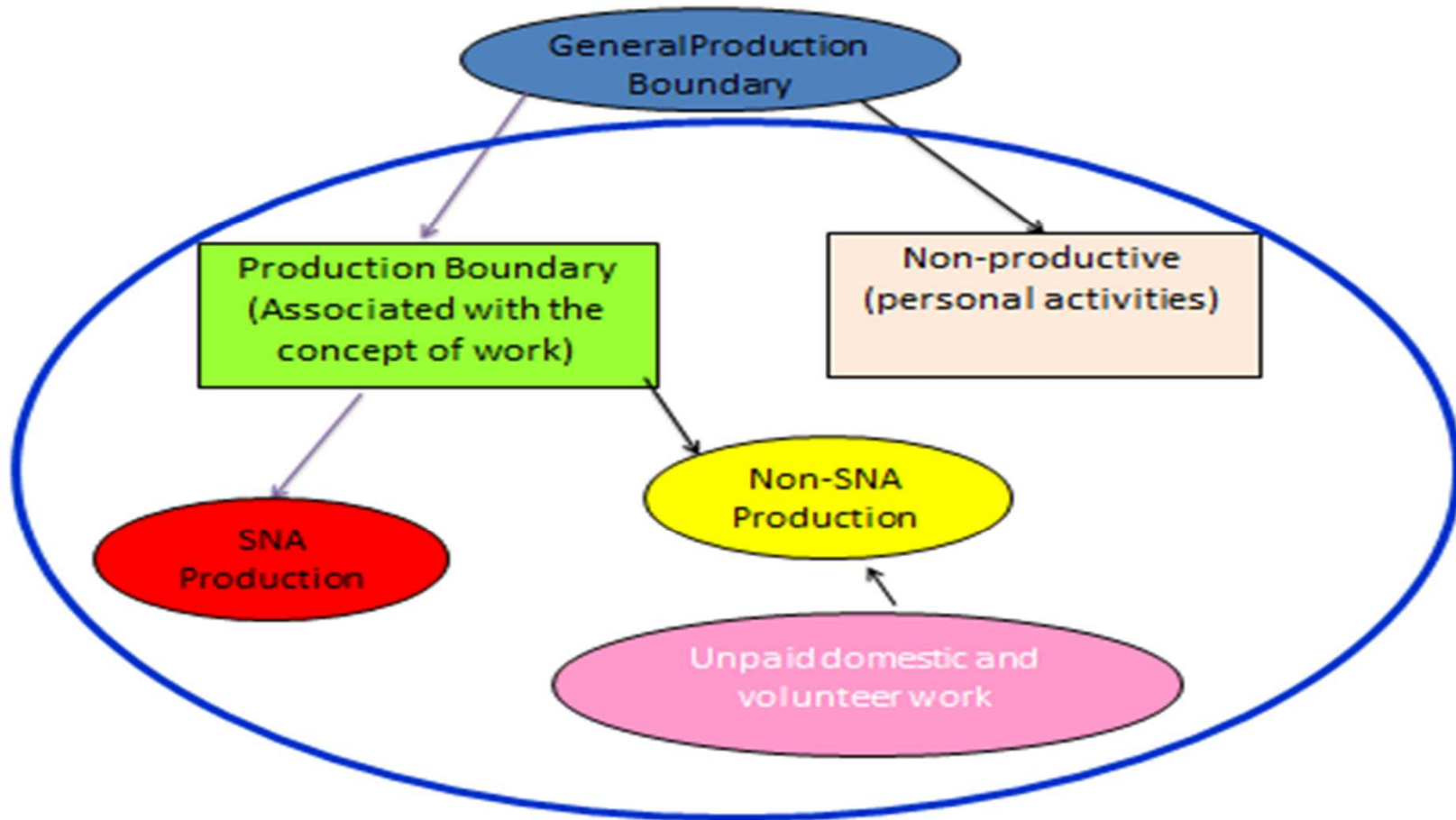
Valuation methods used

Three methods using the Input approach were applied in the valuation process of unpaid work. These are:

▶ Opportunity cost method

▶ Generalist; and

▶ Specialist

Unpaid work

- it cannot be valued or monetized

- The production of domestic and personal services for consumption within the same household: the preparation of meals, care and training of children, cleaning, repairs, etc.

Opportunity cost method

	Female	Male	Total
% of GDP	58.0	38.1	48.1

Generalist cost method

	Female	Male	Total
% of GDP	34.8	35.2	35.0

Specialist cost method

	Female	Male	Total
% of GDP	37.9	5.0	24.1

Significance of unpaid work

▸ Unpaid work plays an important role in people's lives and has significant economic value. Nonetheless, unpaid work, which is not part of a market, is not recorded in SNA.

Challenges (1)

- We conclude from the study that the scope of time use surveys need to be slightly widened to cover especially the inclusion of wages earned component to avoid over or under estimation depending on the wage rate per hour used.

Challenges (2)

- Using TUS for further analysis by locality, it would be difficult to value unpaid work in the rural areas using the opportunity costs method as they are mainly contributing family workers with no earned wages.

- Using the replacement cost method for same (rural locality), the estimation of unpaid work would also be difficult as the markets for domestic services are unavailable due to the same reason of contributing family workers.

Challenges (3)

▸ Using the minimum wage for generalist workers, which looks, though, consistent, generates a downward bias of its contribution to the economic wealth as the average earnings of domestic workers tend to be lower than the wages of most other occupations.

Challenges (4)

▸ Using the specialist method, the quality and productivity of the substitute hired from the market may differ from the quality and productivity of the person doing unpaid work as the substitute from the market might be more productive as a result of having received special training than the unpaid domestic work, thus yielding values of unpaid work that are too low.

- Confirmed by Folbre and Nelson 2000.

Challenges (5)

▸ The non-profit institutions generally have paid employees and thus it would be more appropriate to generate data on volunteer work from the non-profit institution surveys as the wage earned is needed.

- The difficulty is how to directly assess the value of services generated by household volunteer work by women in the rural areas.

- monetary valuation could largely differ depending upon the wage used.

Challenges (6)

▸ The data requirements associated with the output-based method represent a severe constraint for the adoption of this method, particularly in the case of developing countries (Charmes and Unni 2004).

▸ By the output approach, the value of output produced by unpaid work could be evaluated by multiplying the quantity of output by the price of a corresponding good produced in the market together with other components such as the inputs and assets used in generating the activity as in the SNA.

Conclusion

▸ Based on the challenges, we conclude that monetary valuation could largely differ depending upon the wage rate used.

- In this estimation, the monetary value of unpaid work was computed using three different types of wages in accordance with the three methods using the input approach.

Recommendation (1)

- It is recommended that the contribution of unpaid work to GDP is substantial and thus, very crucial for its integration into national policy agenda.

- From the results, the exclusion of unpaid work, would affect the outcome of policies and programmes and for that matter macroeconomic policies need to be designed to take into account the differences between women and men to help in achieving the goals of higher growth and greater stability.

Recommendation (2)

The scope of the TUS and the guidelines need to be broadened to:

▸ Capture wages earned per activity;

▸ Enable the output approached to be compiled from the TUS data captured; and

▸ The need to take a second look at the valuation of volunteer work using the TUS data

Note

▸ The findings, interpretations, and conclusions are the author's own and do not necessarily represent the views of the Ghana Statistical Service.

THANK YOU FOR YOUR KIND ATTENTION