

3 Uncounted and undercounted, unpaid and underpaid

In this section we look at the different types of work which women (and others) do. We look at work which is paid, as well as different types of work which are unpaid. We look at which forms of work are 'counted' by statisticians and economists, and which are usually uncounted.

In discussing 'counting', we note Diane Elson's skilful use of the word 'count' to show the different ways in which women's work can be ignored:

Women have challenged conventional views [of economics] and proposed new visions of economic life in which women's activities count, in several senses: counted in statistics, accounted for in representations of how economies work and taken into account when policy is made. (Elson, 2000: 21, italics added).

INSTRAW describes the problem of what it calls 'one-eyed decision making', where policy making is based on incomplete data. It notes as follows:

Government policy is designed either to maintain or to change the status quo. Knowledge of the need for change, what needs to be changed, what can or will be the object of change, and what will change, depends greatly upon the knowledge (data and information) base available to inform policy makers. If the knowledge base is inaccurate or is insufficient the resulting policy at best may have no effect, and at worst may have deleterious effects... (INSTRAW, 1995: 1).

The first parts of this section describe the standard rules which govern labour and economic statistics. A separate part discusses the informal sector and the informal economy. This part is included because of the confusion that surrounds these concepts, and the importance of informal work in our economies. The final part of the section suggests what the discussion in the previous parts means for the way forward.

3.1 Standard labour statistics

Most, if not all, countries in our region conduct censi, labour force surveys and other household surveys which provide information on the patterns of work in the country.

The difference between a census and a survey is that in a census everyone must be counted, whereas in a survey a sample is counted. The advantage of a census is that, because everyone is counted, it should be more accurate. The disadvantage is the huge cost in terms of money and labour. To cut these costs, the census questionnaire is usually kept quite short. This has implications for how well the questions about work capture all forms of work. Another disadvantage of a census is that it is usually conducted only once in every ten years.

The ILO makes rules about how countries must measure 'work' in its censi and survey. It does this to make comparisons between countries more meaningful.

Employed, unemployed and not economically active

Using the ILO, statistics agencies usually divide the population of working age into three groups:

- Employed;
- Unemployed; and
- Not economically active

People who are *employed* are usually defined as those who 'worked' in the past seven days. Work is defined as any activity which would be counted as work when calculating the GDP. This is discussed more below. For the moment, we note that it includes work for a wage or salary, work done by self-employed people, work as an employer, work in subsistence farming, and work (including unpaid) in a family business.

There are different ways in which the question about work is asked in censi and surveys. Some countries simply ask whether the person 'did any work, for pay, profit or family gain'. The problem with this way of asking is that many people will not recognise that work such as subsistence farming, or the work done by a woman 'helping' her husband in 'his' business, must be counted. So the respondents to the survey will say that they did not work.

Statistics South Africa tried to circumvent this problem in its surveys by asking whether the person did each of a list of activities. For each person, the interview prompts for each of the following activities:

- Run or do any kind of business, big or small for himself/herself? (Examples: Selling things, making things for sale, repairing things, guarding cars, brewing beer, hairdressing, crèche businesses, taxi or other transport business, having a legal or medical practice, etc.)
- Do any work for a wage, salary, commission or any payment in kind? (Examples: a regular job, casual or piece work for pay, work in exchange for food or housing.)
- Do any work as a domestic worker for a wage, salary, or any payment in kind?
- Help unpaid in a family business of any kind? (Examples: Help to sell things, make things for sale or exchange, doing the accounts, cleaning up for the business, etc. *Don't count normal housework.*)
- Do any work on his/her own or the family's plot, farm, food garden, cattle post or kraal or help in growing farm produce or in looking after animals for the household? (Examples: ploughing, harvesting, looking after livestock)
- Do any construction or major repair work on his/her own home, plot, cattle post or business or those of the family?
- Catch any fish, prawns, shells, wild animals or other food for sale or family food?

This way of asking the question resulted in a significant increase in the number of people reporting work in subsistence agriculture and work in the informal sector. These are both forms of work in which there are a lot of women.

The ILO's standard definition of an *unemployed* person is someone who has not done 'work' in the past seven days, but who is available for work. Ideally, the person should also have taken active steps to look for work in the last month. If the person does not satisfy these criteria, they are classified as '*not economically active*'.

However, the ILO acknowledges that in some situations looking for work is not a viable option for many people. For example, where there are very few jobs available, where there is no established advertising system for jobs, or where the person is far away from potential jobs and does not have money for transport or other communication, it does not make sense to ask whether the person looked for work. The people who would like work but have not actively looked for it can be considered 'discouraged workseekers'.

Countries can choose whether they include looking for work as a criterion to be classified as unemployed. Most of the countries in the world exclude

the category 'discouraged workseekers' because, by so doing, they can record a lower unemployment rate. They think that a lower unemployment rate will make the economy look healthier and attract investors.

The decision to exclude discouraged workseekers has gender implications. In 1998, Statistics South Africa compared the unemployment picture with and without discouraged workseekers. It found that women and rural people are disproportionately represented among those who would be counted as unemployed if it dropped the criterion of looking for work, but would not be counted if the criterion were included. The decision as to whether to exclude discouraged workseekers also has policy implications. If discouraged workseekers are not counted, they will be invisible to policy makers.

Key Indicators of the Labour Market

The ILO's Key Indicators of the Labour Market (KILM) provides comparative statistics from around the world. Unfortunately, KILM does not have a full set of statistics for all African countries. The extracts below are nevertheless useful to highlight some important points about labour market indicators. It also shows some of the ways in which statistics can confuse and hide the real picture. For each of the tables, we have taken the most recent statistics available. All the statistics are for 1995 or later.

KILM 1 measures the *labour force participation rate*. This is the percentage of the working age population (usually 15 years and above) that is economically active i.e. either employed or unemployed. It shows what proportion of the working age population is available for 'work'. The table shows that in every country for which data are available, the labour force participation of women is lower than that of men. (Unfortunately, KILM does not include any statistics on Madagascar and Comoros.) The difference is largest in Mauritius and smallest in Tanzania. Namibia has the lowest participation rates for both women and men. Angola has the highest rate for men, and Mozambique for women. The large differences between countries to some extent reflect real differences. But the extent of the differences must also make us suspicious whether the countries are all measuring employment and unemployment in the same way.

Labour force participation rate

Country	Male	Female
Angola	89.6	73.3
Botswana	60.1	45.7
Lesotho	69.2	56.2
Malawi	87.2	78.8
Mauritius	80.1	38.8
Mozambique	90.8	83.4
Namibia	35.8	28.3
South Africa	57.7	43.9
Swaziland	80.1	41.1
Tanzania	88.6	82.6
Zambia	86.0	65.5
Zimbabwe	78.6	64.5

Source: International Labour Organisation, 2001

KILM 2 measures the *employment ratio*. This is the percentage of the working age population that is employed. This measure is, unfortunately, available for far fewer countries. Zambia has an overall statistic, but no disaggregation by sex.

Again, the table shows lower employment rates for women than men for all countries. And Mauritius again has the largest difference between women and men. The high percentage in Tanzania compared to other countries is almost certainly because Tanzania's surveys ask about employment in a way which encourages respondents to report subsistence work.

Employment ratio

Country	Male	Female
Lesotho	40.2	24.8
Mauritius	74.4	33.6
Namibia	46.0	33.5
South Africa	49.9	40.3
Tanzania	85.0	79.2
Zimbabwe	72.5	64.2

Source: International Labour Organisation, 2001

The fact that 85% of men and 79% of women in Tanzania are employed does not mean that policy does not need to consider them. In the first place, most surveys ask whether the person ‘worked’ in the past seven days, even if only for one hour. A person who works for only a few hours in a week is *underemployed*, and needs to be considered by policy makers if they and the country are to be optimally productive. Further, the fact that a person works does not mean that they have what the ILO calls ‘decent work’. To qualify as decent work, both the pay and conditions must be satisfactory.

The next table shows the proportion of employed people who work as ‘*contributing family members*’, which usually means unpaid work in a family business. This table, unlike the previous ones, shows higher percentages for women than men in all countries except Lesotho. This type of work is not the topic of this guidebook. But it is clearly one which has gender implications!

Contributing family members as percentage of employed

Country	Male	Female
Botswana	18.2	15.5
Lesotho	1.7	3.1
Mauritius	1.6	4.1
Namibia	6.4	18.5
Zimbabwe	12.7	15.4

Source: International Labour Organisation, 2001

The above are just a few of the standard labour force categorisations. Other common disaggregations include the following:

- Status in employment, which distinguishes between employees, employers, self-employed, unpaid family members, and so on
- Economic sector, which distinguishes between primary (agriculture and mining), manufacturing and construction, and services
- Occupation, which distinguishes between managers, professionals, skilled, semi-skilled and unskilled.

All of these disaggregations will provide patterns which reflect the sexual/gender division of labour of the society. Often these patterns reflect what happens in unpaid care work. For example, in terms of sectors women predominate in services rather than in manufacturing. And in terms of occupation, women predominate in areas such as teaching and nursing, which involve care. The female-dominated occupations also tend to cluster at the lower-paid end of the continuum because they are seen as involving less skill and value than male-dominated occupations.

3.2 Standard economic statistics

The Southern Africa Development Community (SADC) has a statistics committee which brings together the heads of the statistics agencies as members. It also has sub-committees, one of which deals with national accounts. National accounts are the statistical system which forms the basis for the calculation of GDP. The aim of the SADC national accounts sub-committee is to ensure that the GDPs of the different countries are comparable. The sub-committee is chaired by Mauritius.

In all countries except South Africa, the statistical agency is responsible for calculating GDP. In South Africa, the statistical agency works together with the Reserve Bank to do the calculations. Statistics South Africa calculates the input side of the accounts, while the Reserve Bank is responsible for the expenditure side.

As noted above, statistics bureaux base their definition of 'work' in censuses and surveys on what gets counted in GDP. What gets counted in GDP is, in turn, determined by the rules of the System of National Accounts (SNA). The GDP is a key economic measure used for all sorts of decisions, including decisions on debt and investment. The rules about how to measure it are drawn up by multilateral institutions to ensure that countries calculate this important measure in the same way.

The latest revision of the SNA rules was done in 1993. The 1993 SNA states that the following types of activities are included in its 'production boundary' (para 6.18):

- production of all individual or collective goods or services that are supplied to units other than their producers, or intended to be supplied, including the production of goods or services used up in the process of producing such goods and services;
- the own-account production of all goods that are retained by their producers for their own final consumption or gross capital formation;
- the own-account production of housing services by owner-occupiers and of domestic and personal services produced by employing paid domestic staff.

The first item covers goods and services produced for the market. The second item covers subsistence production. The third item covers housing and domestic work.

African countries have played a leading role in advocating for a more

inclusive definition of 'work' to be used in calculating GDP. Tanzania was among the first countries to include subsistence production in national accounts. The issue was important for Tanzania because the informal sector accounts for half of GDP in that country. In 1960 a working group of African statisticians recommended that estimates of rural household activities could usefully be added to estimates of subsistence production. The group noted that this approach would be consistent with the ILO definition of the labour force as 'all persons of either sex who furnish the supply of economic goods and services' (Quoted in Beneria, 1992: 1548).

The 1993 SNA is better than earlier SNAs in gender terms because it includes subsistence production, where women often predominate. In fact, even the fetching of fuel and water is meant to be included in the SNA production boundary since 1993. However, most statistics bureaux do not include collection of fuel and water in their calculations. They say that they do not have the necessary data, and that the calculations are too difficult. They could also argue that there is no good reason for including collection of fuel and water when other household tasks are excluded.

However, the post-1993 SNA still does not include all types of work. In particular, while it includes unpaid household production of 'goods', it excludes household production of 'services'. In other words, it includes unpaid care work.

The SNA documents explain the exclusion of unpaid care work as follows:

A large volume of household services including the imputed values derived from production would distort the usefulness of the accounts for policy purposes and for the analysis of markets and market disequilibria – the analysis of inflation, unemployment, etc. (quoted in Varjonen et al, 1999:12; also see paragraph 6.21 of SNA93).

The documents also argue that household production 'is relatively isolated from, and independent of, market activities' (quoted in Varjonen et al, 1999:14). And they say that the necessary data are not available, that unpaid care work is difficult to measure, and that it would be difficult to make GDP comparisons over time if unpaid care work were suddenly included.

Some of these arguments are stronger than others, but there are counter-arguments for all of them. The lack of data and difficulty of measurement are what this guidebook is all about.

On the supposed 'relative isolation' of SNA and non-SNA production, INSTRAW notes how, in the course of development, some activities that were previously done unpaid in the household are moved onto the market. For example, a household may choose to take its laundry to the laundromat

rather than do it at home. Or a woman may decide to hire someone to care for her child while she goes to do paid work rather than look after the child herself.

When these sorts of 'marketisation' changes happen, the value of the production involved shifts from being uncounted in GDP to being counted. GDP thus increases, even though the same services as before are being produced. If we are not aware of unpaid care work, we may interpret the increase in GDP as an improvement in living standards, while in fact this is not the case. Meena Acharya (1995:2) suggests that living standards can even deteriorate with marketisation because of hidden costs, for example for transport.

To address the problem of lack of comparability of time, the SNA itself suggests that countries develop a set of unpaid labour accounts parallel to the 'national account's which make up the GDP. By keeping the unpaid labour accounts parallel and separate, comparisons are possible both between the 'old' GDP measure and the new, fuller one which includes unpaid labour. Parallel, or satellite, national accounts for unpaid care work are discussed in section 6.

3.3 The informal sector

The ILO is not yet collecting information on the informal economy in a comprehensive way. If one looks at the world as a whole, most countries also do not collect this information properly, although many acknowledge that informal employment is growing.

African countries are performing better in terms of acknowledging the informal sector than some other parts of the world. The term 'informal sector' was, in fact, first used in Africa – in Kenya in the 1970s. Tanzania was among the first countries to conduct a specialised informal sector survey. Today most, if not all, SADC countries include estimates of the informal sector in GDP. If it is not included, this would probably be because of lack of data. However, there is still room for improvement even in countries where the informal sector is included, as the value is usually an estimate based on limited data and assumptions about the value of what is produced. Often these assumptions will tend to underestimate the true value of what is produced.

As in other areas, the international bodies have tried to draw up rules on the informal sector to promote comparability of statistics across countries. In order to meet the needs of both labour statisticians and national accounts, the international definition of the informal sector is based on the characteristic

of the *production unit (enterprise)* where the work takes place rather than the characteristics of the *person who does the work*.

The 15th International Conference of Labour Statisticians (ICLS) defined informal sector enterprises on the basis of the following criteria:

- enterprises owned by individuals or households that are not constituted as legal entities separate from their owners, i.e. where there are not separate financial accounts for the 'business' and the 'household'.
- enterprises where the number of employees is below a certain amount (usually 5 or 10); the business is not registered under national legislation such as tax or companies act, and employees are not registered;
- enterprises engaged in non-agricultural activities, although they could be using agricultural products e.g. making jam (Hussmanns, 2002: 3).

The final criterion is that at least some of the goods and services produced by the enterprise must be intended for the market. This criterion is relaxed in respect of paid domestic workers, who are considered to be part of the informal sector even though they produce only goods for the household itself.

The ICLS allowed countries a lot of flexibility in how they define the informal sector. Many international comparisons use a more narrowly-defined subset of the informal sector which allows more countries to give comparable statistics. The narrower definition is good in terms of achieving statistical comparability. It might be less useful for policy purposes in a particular country.

Some countries do not use the concept of informal sector at all in their data collection and statistics. Some, instead, use the concept of small and micro-enterprises. However, this is not the same as the informal sector, as some small enterprises are formal, while some larger enterprises are informal.

Many countries do not include rural areas and/or agriculture in their statistics on the informal sector. Many do not include paid domestic workers employed by households. Both of these inclusions undercount women, because women predominate in both these areas. South Africa includes paid domestic workers in the informal sector, but tabulates them in a separate column. It does so both because of the large number of people (mainly women) employed in paid domestic work, and because there are important differences between paid domestic work and many other parts of the informal sector.

3.4 The informal economy

As noted, the informal sector is defined on the basis of the enterprise. But many workers today, in both developed and developing countries, work in

formal sector enterprises but have informal conditions of work. For example, the workers may not be subject to labour laws and taxation, social protection and employment benefits. Casual workers, in particular, are employed on an informal basis whether they work for formal or informal enterprises.

The ILO report on ‘Decent Work and the Informal Economy’ therefore puts forward a definition of informal employment which is wider than the informal sector. The definition focuses on the person rather than the enterprise.

Informal employment, or the informal economy, includes:

- Own account workers and employers with their own informal sector enterprises. This would include street traders;
- Contributing (unpaid) family workers, whether they work in formal or informal sector enterprises;
- Employees with informal jobs, whether paid by formal or informal sector enterprises, or working as domestic workers in households;
- Members of informal producers’ cooperatives;
- People engaged in own account production of goods for own final use by their households.

All of these forms of work should be included in GDP. They are not part of unpaid care work, and thus not the direct focus of this guidebook. Nevertheless, they will tend to be undercounted, and thus not considered adequately in policy making.

3.5 Moving towards counting the uncounted and undercounted

INSTRAW (1995) suggests that in developing countries the first priority should be to ensure that all the elements that should be included in GDP are measured and valued accurately. This is an important area of work, but is not the focus of this guidebook. However, *Progress of the World’s Women 2000* notes that time use surveys – the main method used to collect information on unpaid care work – are also useful for improving data collection on other un- and undercounted economic activities (United Nations, 2000: 131).

Beneria (1992) suggests that undercounting of women’s work in labour force statistics and national income accounts occurs in four main areas:

- subsistence production,
- informal paid work,

- domestic production and related tasks, and
- volunteer work.

To improve counting of paid work and subsistence work, it is mainly a question of lack of data rather than a conceptual problem. The main area of need is for better instruments. Above we give one example of how Statistics South Africa has tried to improve instruments. In India, there was a big improvement in the capture of women's work when they employed women fieldworkers in surveys and censi. In addition to improving instruments, there might also need to be some conceptual work on subsistence production, in that sometimes respondents – and analysts – do not distinguish in a consistent way between housework and subsistence production.

This lack of distinction is sometimes carried over into national accounts. The SNA-93 manual recommends the inclusion in GDP calculations of all products for home consumption or for sale. But the manual also says that goods and services produced in 'unimportant amounts' can be ignored. The Nepalese manual on national account statistics notes that much of post harvest or later food processing done within the household by women is left out of calculations of GDP. Time use data provides information for advocacy around what is 'important'.

In respect of informal work, as discussed above, there are conceptual problems related to the definition and measurement. For domestic production and volunteer work, full (ac)counting will only happen if there is both conceptual work and development of better instruments.

Beneria sees the four sources of resistance to efforts to obtain better data as:

- lack of awareness of the problem and possible solutions;
- belief in the adequacy of current approaches and resistance to change;
- technical conceptual and methodological problems; and
- cost (Beneria, 1992: 1555).

She suggests that work is needed on four fronts:

- definitional and conceptual issue in surveys, etc;
- technical and methodological issues which influence accuracy;
- cultural issues; and
- practical issues of implementation e.g. training interviewers against class and sex bias.

These are all important areas of potential advocacy and work. However, they are not the main topic of this guidebook.