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The Unpaid Care Work–Paid Work Connection

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INTRODUCTION

Since the 1960s, a substantial amount of research has been undertaken to take stock of the differences in the socioeconomic status between men and women. At the same time, mobilization and awareness-building culminated in international fora and, under the auspices of the United Nations, many governments committed to eliminate all forms of discrimination against women. To document the progress made (or lack of), new conceptual frameworks were developed that made evident the need for gender-sensitive data collection processes. Thus came the great push forward for data gathering that allowed tracking of differences between girls and boys, women and men at the national level for both developing and developed countries.

In the decades that followed, research findings pointed out that ameliorating gender disparities in paid and unpaid work, a goal in its own right, is a contributing factor to promoting gender equality and also pro-poor growth, social cohesion, and improvements in overall human development.¹ As a result, policy attention and resources were devoted to address gaps in health, education, labor markets, labor rights, and access to credit and markets. These have been important initiatives and rising female labor force participation rates provide encouraging testimony to that end.

Progress made notwithstanding, gaps remain. Women are still overrepresented among the underpaid and unprotected workers around the world. Despite their contributions to the economy, returns to education are lower for women, gender-based wage differentials persist, and market segmentation and occupational segregation further exacerbate inequalities. Last but not least, gender disparities in the division of labor between paid and unpaid work also persist, with men spending more of their work time in remunerative employment and women performing most of the unpaid work.² It is this gap that constitutes the focus of the present paper. Time-use survey data³ reveal this to be the case in the North and in the global South among women that participate in the labor market and those that are “inactive.”

¹ Jahan (2005); Çağatay and Ertürk (2004); Lustig et al. (2002); Klasen (1999)

² An excellent introduction to the topic can be found in D. Budlender's (2002), *Why Should We Care About Unpaid Care Work?*

³ We will discuss time-use surveys in detail in a later section, as they are key to gathering data on unpaid work.

Unpaid work is interlinked with the location individuals occupy in paid work through many channels: it (a) shapes the ability, duration, and types of paid work that can be undertaken and therefore limits access to existing and potential collective action processes and social security; (b) does not offer monetary remuneration, which reduces the exercise of “voice” over decision making and ability to accumulate savings and assets; (c) as in many societies, it is regarded a woman’s “natural” work, performed in the “private” sphere of the family and therefore it essentializes this work and strips it of its socioeconomic dimensions and contributions; and (d) assigns paid social reproduction (care) workers to jobs that are presumed to be unskilled, with low pay, slender options for promotion, and scant social protection.

Taking care of one’s own household and family members’ needs may be a labor of love, but it is also a labor of sorrow and drudgery. Unpaid care work in particular, though embedded in feelings of obligation and commitment to others’ well-being, is also rooted in patriarchal structures that interact with the rest of the economy in ways that need to gain more visibility. The male-breadwinner/female-caregiver polar representation perpetuates a “gendering” ideology that distorts and limits human potential and narrows the range of experiences of “being” and “doing” for men and women. If we are to make further progress towards gender equality we have to address the fact that it is neither “normal” nor “natural” for women to be performing most of the unpaid labor.

Most importantly, unpaid care work entails a systemic transfer of hidden subsidies to the rest of the economy that go unrecognized, imposing a systematic time-tax on women throughout their life cycle. These hidden subsidies signal the existence of power relations between men and women; also, they connect the “private” worlds of households and families with the “public” spheres of markets and the state in exploitative ways. We must shed light on these interconnections in ways that motivate public dialogue and action on behalf of policy makers to remedy this phenomenon. The present paper joins existing efforts that aim to draw attention to this problem, a pervasive form of inequality, in the hope that progress and change is possible.

Part I of this document examines various aspects of women’s and men’s division of labor between paid work and unpaid work and consists of seven sections. Section I introduces the concept of unpaid work and contextualizes the use of “unpaid care work”

in this paper. Section II elaborates on the relationship of unpaid work to the economy at the aggregate level. Section III is concerned with the paid/unpaid work division of labor between men and women. Section IV discusses domestic work and the global care chain. Section V regards poverty and unpaid work. In the context of unpaid care work, in Section VI we consider the role of the state as it addresses issues of unemployment, poverty, and social care. Finally, we conclude Part I with a discussion on the importance of time-use survey data in Section VII. Part II identifies recommendations for selected issues that warrant further research and analysis. The tables and figures included in the text present selected statistics.

PART I

I. CONCEPT AND PURVIEW OF UNPAID WORK

Analytically speaking, people allocate their time to activities that can be classified as paid work, unpaid work, and no work. Leaving aside sleep time, the concept of “no work” is commonly understood as consisting of free time spent on personal care and leisure activities. A clear but often-neglected distinction must be drawn, of course, between “no work” as voluntarily chosen free time and “no work” as the outcome of enforced inactivity due to chronic lack of employment opportunities.⁴

Paid work refers to time contracted out that receives remuneration. Work arrangements and the extent to which paid work is performed under decent conditions show extreme variations, with notable consequences on workers. Informality and lack of decent work conditions have received considerable attention worldwide by government and nongovernment organizations, trade unions, and the International Labor Organization (ILO), as well as academic researchers. Labor market segmentation, wage differentials, unemployment, and labor force participation rates are also relatively well investigated subjects and national labor statistics departments routinely collect data on these issues. Unpaid work has received less attention and we now turn to this.

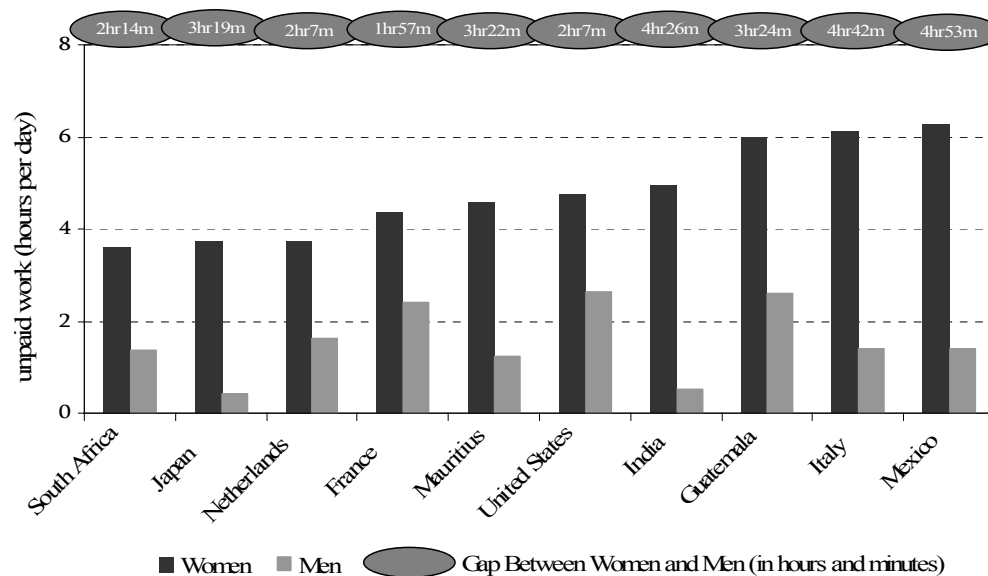
⁴ Traditional economics presumed that within the span of a day what is not accounted for by work-time is leisure (Pigou 1920; Becker 1965; Linder 1970). Heterodox economic traditions warn that “no work” can also be the outcome of social exclusion from paid work, in which case a person is rendered forcefully inactive for short or long periods of time (Vickery 1977; Minsky 1986).

“Unpaid work” includes all nonremunerated work activities and it is safe to say that it lacks social recognition. The overall division of time between paid and unpaid work depends upon many factors including age, gender, type of household structure, social class, geographic location, and presence of children, to name a few. The very young, those that can purchase substitutes in the market, those with few or no children and nonsingle heads of households devote less of their time overall to unpaid tasks.

Equally important is the level of development of the economy, as it affects not only the duration, but also the distribution, of time between paid/unpaid work and the allocation of unpaid time among a variety of activities. In wealthier countries, larger segments of the population have access to paid jobs. Among those that work part-time or not at all, as one would expect, more time is devoted to subsistence production or fetching wood, for example. Finally, public sector infrastructure and state provisioning regimes determine social service delivery, which in itself plays a role in the specific allocation of time among a variety of unpaid tasks. Universal free access to health services, child and elder care, and water delivery to one’s doorstep reduces the amount of time needed for taking care of family/household members at home or gathering and transporting water, for instance.

Nonetheless, and despite the above mentioned differentiating elements, a most striking and well-known feature of unpaid work is that women, as compared to men, perform it disproportionately in developing and developed countries alike. Figure I-1 shows that the gender gap ranges from two hours to almost five hours.

Figure I-1. Time Spent on Unpaid Work: Selected Developing and OECD Countries



Sources: Author's tabulations; data from UNDP (2006) and ECLAC (2007)

In the next sections we will elaborate on several dimensions of unpaid work and their implications for men and women. As the term “unpaid work” is unwittingly conflated with nonproduction work, and at other times with performing production, but not market-oriented work, some conceptual clarifications are in order and we turn to this issue first. To complicate matters, unpaid work, unpaid *care* work, household production, and household reproduction are used interchangeably. It is useful to devote a bit of time then to clarify these terms and, in the process, to critically examine the meanings attached to them.

We begin with the question of whether unpaid work is *economic* work or *noneconomic* work. According to the United Nations System of National Accounts of 1993 (SNA), which provides the conceptual framework that sets the international statistical standard for the measurement and classification of economic activities,⁵ some unpaid work activities are deemed “economic work” and, much like paid work, are

⁵ It consists of an integrated set of macroeconomic accounts, balance sheets, and tables based on internationally agreed concepts, definitions, classifications, and accounting rules that delineate the market economy and provides details for constructing satellite accounts of unpaid work. For details, see: <http://unstats.un.org/unsd/sna1993/introduction.asp>

considered to belong within the “SNA production boundary.” Other unpaid work activities are classified as “non-economic.”

SNA 1993 convention indicates that the former (unpaid *economic* work) activities be measured and included in annual estimates of Gross Domestic Product (GDP). These pertain to: (a) production of fixed assets for household use, such as building a house; (b) subsistence production work, such as crop cultivation, animal husbandry, forestry, and fishery for own use; (c) collection of basic necessities, like water and fuel wood from common or private lands; (d) collection of raw materials for *income* generating activities like crafts and other manufacturing; and (e) activities such as unpaid family work for crop production that *reaches the market*, as well as animal grazing, agro-processing, and food processing *for sale*. Accordingly, unpaid economic work consists of activities in procuring inputs and producing for own use, as well as for the market. In practice, data collection gaps make measurement and inclusion of many of the above-mentioned activities in National Income and Product Accounts very difficult.

Other types of unpaid work are deemed by the SNA 1993 to be “noneconomic” and are relegated outside the SNA production boundary. Non-SNA unpaid work, often referred to as work that falls “outside the SNA production boundary,” consists of household maintenance, cleaning, washing, cooking, shopping, providing care for infants and children (active and passive care), care for the permanently ill or temporarily sick (as well as for older relatives and the disabled), and all volunteer work for community services. Recognizing these as contributing to society but not to the “economy,” the SNA recommendation is that parallel (satellite) accounts to the National Income and Product Accounts (GDP) are constructed. Table I-1 shows a schematic representation of the relationship between paid/unpaid work and SNA/Non-SNA work. To briefly reiterate, work that is *unpaid* is at times performed with a view to produce for the *market*, as in cell (B); it is considered *production* work by SNA, as in cells (B+C), whether it is destined for the market as in cell (B) or for own use within the household cell (C).

Table I-1. The Overlap of Paid/Unpaid Work and SNA/Non-SNA Work

SNA work (production boundary)	(A) Paid work (for the market)	(B) Unpaid work (for the market)	(C) Unpaid work for the household (non-market)	
Non-SNA work (outside the production boundary)				(D) Unpaid work (non-market, hh maintenance, care work, and volunteer work)

Influenced by the above-mentioned statistical classification, the term “unpaid care work” has come to signify the sum of childcare, eldercare, and care of the sick and permanently ill. Accordingly, these are treated as self-contained, well-delineated activities performed by household members for other household members. But this language/terminology may be problematic as it inadvertently creates some misrepresentations. There are two challenging issues here.

First, the assumption is that unpaid work provides *care* when the activity is devoted to those who cannot care for themselves due to their age (too young or too old to care for oneself) or due to a temporary or permanent ailment/disability, i.e., feeding a child, bathing a sick person, cleaning the room of an elder, etc. Yet, to feed a child, one must prepare the food. Furthermore, unpaid work that provides a sanitary and healthy environment for everyone in the family irrespective of age and health status, that transforms raw ingredients to consumable cooked food, and provides for clean and ironed clothing for all members of the household is not considered care.⁶ Calling it anything, but unpaid care work obscures the fact that the daily social reproduction of all members of

⁶ Harvey and Mukhopadhyay (2007: 60) make use of a more meaningful term, that of “*committed*” time, which refers to total time undertaken to maintain one’s home and one’s family. Adopted from Aas (1982) they identify “four main time categories: *contracted time*, *committed time*, *necessary time*, and *free time*.” *Contracted time* is time that, by agreement, has been set aside to undertake paid work or education. One is obligated by the nature of the employment or educational contract to allocate time to these activities as appropriate. *Committed time* refers to time undertaken to maintain one’s home and one’s family. *Necessary time* is time required to maintain oneself in terms of eating, sleeping, bathing, etc. *Free time* refers to the remaining time that is left when contracted, committed, and necessary time is subtracted from 24-hours of the day.

our society and the generational reproduction and upbringing of children is achieved through unpaid care work.

The second issue relates to access to “intermediate inputs” that are necessary for unpaid care provisioning. Across and within countries, households differ substantially in terms of the required “household overhead time,” e.g., the minimum number of hours a household must spend to transform raw materials to consumable goods and to provide a clean and healthy environment (Harvey and Taylor 2000). For example, the time women allocate to fetching water, a vital input for all sorts of unpaid work (from production of staple food, to processing of food, to cleaning) ranges from zero minutes per day in developed countries, to thirty-two minutes in rural Madagascar, to over an hour in Benin (Table I-2).

Table I-2. Time Spent Fetching Water in Benin and Madagascar (in minutes)

	Benin (1998)			Madagascar (2001)		
	Women	Men	Women/Men	Women	Men	Women/Men
Urban	16	6	267%	16	10	160%
Rural	62	16	388%	32	8	400%

Source: Kes and Swaminathan (2006)

We conclude this section with a remark we will return to in Section V when we discuss unpaid work and poverty. It is not only the length of time devoted to unpaid work that puts women at a disadvantage. It is also the types of activities and nature of the tasks that create (and reveal) further inequalities among women and between households. The exact duration of “household overhead time” and its distribution among tasks is determined, to a large degree, by income levels and availability of household appliances. The first allows for purchase of intermediate goods and services, and the second for use of technologies that reduce unpaid work time. It has been shown that the distribution of time allocated to unpaid work across nonpoor and poor households shows a lot of variation (Hirway 2005; Blackden and Wodon 2006).

Equally important is the existence of social and physical public infrastructure, which provide access to critical inputs such as water, sanitation, adequate health care services, and energy resources. Existing time-use information reveals that the pattern of time distribution to access such vital inputs matters a lot from a gender perspective as

more unpaid work is needed to fill in infrastructural gaps. This, as mentioned earlier, implies that longer hours in household overhead production are necessary for poor households, which further exacerbates the burden of poor women.

An expanded and more appropriate usage of *unpaid care work* (or some other category perhaps) ought to then be constructed around the concept of unpaid social reproduction work; it would consist of all unpaid non-SNA work *and* those parts of unpaid SNA work that are necessary in securing and processing the intermediate inputs for the daily and generational reproduction of people. This category would then consist of the direct unpaid care work plus the indirect care work. What it would exclude is family unpaid work that produces goods for sale in the market. Such a measure would make evident differences in necessary unpaid time between household types, as well as among men and women.⁷

II. UNPAID WORK AND THE MACROECONOMY

Among the contributions of gender-aware economic analysis is the reexamination of the function households play at the macroeconomic level of investigation. For our purposes it is worth noting that, traditionally, households have been presumed to supply labor to the business sector in return for income, which they either consume or save. This, as feminist economists have pointed out, is a rather limited view, as it conceals the fact that households are also linked to the rest of the economy through their *production capacity*⁸ in so far as they produce goods and provide services through unpaid work. Excluding the nonmonetized part of the economy is even more problematic for developing countries where fully marketized activities comprise a small fraction of the economy. We wish to highlight three aspects here: (a) the fact that GDP should be expanded to include the value of economic unpaid work by including the SNA 1933 guidelines, as well as the

⁷ It is this notional category that we use here when we refer to unpaid care work, recognizing that the use of the term is different from that of the SNA 1933, and in so doing we agree with the approach taken in the ECLAC (2007) document prepared by Sonia Montañó.

⁸ *New Household Economics* (Becker 1981) introduced to neoclassical microeconomics the idea that households also engage in production of goods and services. This field of study is predicated on unrealistic and gender-blind assumptions about preferences, behavior, and choices; the further presupposition of similitude in regards to regulating principles of the institution of the market and the institution of the family renders its findings quite problematic. For a discussion, see Ferber and Nelson (2000).

portion deemed “non-economic” contribution; (b) the link of unpaid work to the marketized part of the economy; and (c) the link of unpaid work to state provisioning of public goods and service delivery.

A. Expanding the Measurement of GDP

Our starting point is that household production expands the available pool of necessities human beings rely on for their physical and social reproduction. At one level then, household unpaid (care) work supplements the goods and services bought with income from the market and those made available through public-sector provisioning. Time-use survey data and the construction of parallel satellite accounts have made the contribution of household production transparent.⁹ For countries with available time-use data, satellite accounts estimates range from an additional 20 percent to 60 percent of GDP,¹⁰ highlighting the contribution of this hidden sector of the economy and, in particular, women’s contributions to economic well-being.

But even more important than assigning monetary value to the contributions of household production, awareness of unpaid labor’s value leads to the recognition that the three sectors—households, markets, and government (and for some developing countries, the NGO sector)—are structurally interlinked at the economic level. Accepting such a vision implies that while investigating questions related to growth, as well as fiscal, monetary, international trade, and financial sector policies, the household *production* sector should not be viewed as an add-on or afterthought, but rather as one of the fundamental building blocks.¹¹ From a policy point of view, how people divide their time between paid and unpaid work ought to be used to understand the impact of macro

⁹ The measurement of unpaid work was one of the major challenges to governments that came out of the Third UN World Conference on Women in Nairobi in 1985, as well as the Fourth UN World Conference on Women in Beijing in 1995. The Platform for Action that developed out of Beijing called for national and international statistical organizations to measure unpaid work and reflect its value in satellite accounts to the GDP. Few countries have developed full accounts though.

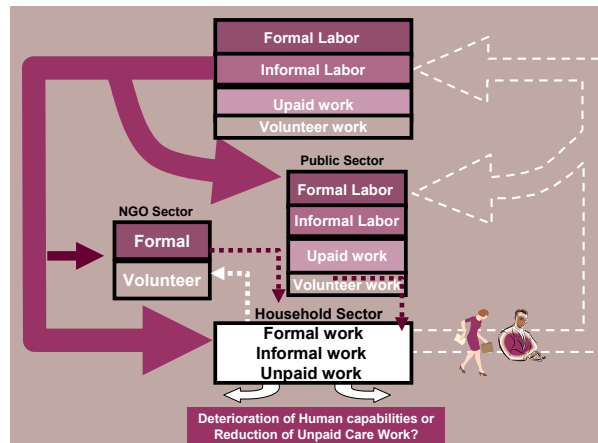
¹⁰ For Canada, it is estimated as more than 45 percent of GDP (Harvey and Mukhopadhyay 2007); for the United States, 42 percent of GDP. Japan ranges from 15 to 23 percent and for the Philippines 38 percent for the year 1997 (APEC 1999); for Mexico and Nicaragua the figures for the years 2002 and 1998 are 21.6 percent and 30 percent of GDP, respectively (ECLAC 2007).

¹¹ See *World Development*, special issue on Gender, Adjustment, and Development, December 1995 and *World Development*, special issue on Growth, Trade, Finance and Gender Inequalities, July 2000.

policies on those performing unpaid work, as well as those that operate mostly within formal markets.

A gender-aware vision proposes that studying the economy entails specifying the processes that take place not only within and between the marketized parts of the economy and the government sector, but also those related to the nonmonetized household sector. Figure II-1 shows a revised view of labor flows in the economy.

Figure II-1. Unpaid Works and the Macroeconomy



Note: Original graphic design is from E. Gomez Luna, “Unpaid Work and the System of National Accounts,” Conference on “Unpaid Work: Gender, Poverty, and the MDGs,” The Levy Economics Institute of Bard College, October 3–4, 2005.

B. Unpaid Work as a Subsidy to the Marketized Part of the Economy

Unpaid work activities entail everyday routine household maintenance work, such as cooking, cleaning, shopping, doing the laundry, caring for children, etc. Viewed from the point of view of classical economics, this work lowers the cost of labor; at the macro level this allows for a smaller wage fund and thus, a larger pool of profits, which facilitates the process of accumulation at any given time. Unpaid time spent on these activities can then be thought of as a “subsidy” to the business sector, as a transfer, a “gift” if you may, from one institution—the household/family—to the institution of the market.¹² That unpaid work may be important at a personal level, both to the giver and to the receiver, does not alter the fact that in its absence, in order to maintain the same

¹² Antonella Picchio (2003) and the 1970s discussion on the productive/unproductive nature of reproductive labor.

standard of living for employees and their families a higher real wage would be necessary, with consequences for cost structures and wage-profit rates. At the same time, the “subsidies” unpaid work provides result in lower overall levels of labor force participation, income that could have been generated, and lower levels of effective demand for goods and services that could be providing employment and generating further economic activity, especially in employment-intensive sectors.

A recent study on selected Latin American countries shows that over half of the women aged 20 to 24 stated their responsibilities at home as *the main reason* for not seeking a job in the labor market (ECLAC 2007). This group is larger than those unable to find jobs due to lack of education. The study also reports that having someone in the household engaged exclusively in housework (i.e., another relative or domestic worker) does not have much impact on the amount of time that men spend on unpaid domestic work, but it has a major impact on women who report a positive affect on time spent on other activities, including work in the labor market. The study validates the fact that women’s domestic unpaid work forms a barrier in seeking or keeping a paid job.

C. Unpaid Work as a Subsidy to State Provisioning

The provisioning of a different linkage of unpaid work and the rest of the economy exists through its connection to public sector goods provisioning. For example, unpaid work provides care to the homebound, chronically ill, or those in need of protracted treatment; care is provided in hospitals due to lack of nurse-aides, sanitation personnel, cooks, etc., or at home due to shortened hospital stays dictated by structural adjustment policies of the late 1980s and 1990s. Time-use data and satellite accounts allow for estimations of the volume of unpaid work directed to the provisioning of goods and service delivery that the public sector should be making available: health, education, transportation, water, sanitation, and childcare. It is time spent performing unpaid work in these areas that we will refer to as “subsidies” to *public-sector provisioning*. Included in these activities are the delivery of raw foodstuff, cooking, serving and cleaning up for (school) children’s nutrition enhancement programs, fetching and carrying water, fossil fuels for sanitation and energy use in households, and childcare and eldercare provisioning for one’s own family and community, to give just some examples.

This work places an enormous time-tax on some people asymmetrically—particularly on women, and especially on poor women and children in developing countries—which limits other aspects of social engagement.¹³ In some cases, it reduces the time spent in self-employment or market participation, a case in point is taking care of HIV/AIDS patients in sub-Saharan Africa (Akintola 2004). In other cases it limits involvement in political processes, in attending school and medical appointments, skill upgrading, or artistic expression. At other times it reduces leisure and time available for self-care and sleep. In times of financial crisis, as in Argentina in 2001, as women increased their time for pay, the slack of unpaid work was picked up by elderly women (Esquivel 2006). This can lead to social exclusion, time poverty, and depletion of human capabilities.¹⁴ Internalized as one’s “destiny,” the inviolable obligations of unpaid work deprive some of their “rights” and citizenship by *de facto* segregation.

We have argued that from an economy-wide point of view, unpaid care work fills in *infrastructural gaps* in that it “subsidizes” public-sector provisioning of goods and services. We must keep in mind though that women are not a homogeneous group and therefore their engagement with unpaid work is quite varied. Creation of public assets that facilitate provisioning of drinking water and construction of feeder roads can alleviate burdens by increasing productivity and reducing the time spent on unpaid work in rural areas and urban slums (Hirway and Terhal 1994; Hirway 2006). In other instances interventions are needed to promote gender equality by allowing women to devote more time to higher productivity jobs in the labor market. Yet in other cases the issue is to create appropriate social/institutional infrastructure to better allow for reconciling paid work and unpaid work obligations for the population in general and women in particular.

From a policy point of view, being viewed as work that is not related directly to the rest of the economy suggests that addressing unpaid care work can be treated as an island to itself. Caring for adults and raising children can be seen as simply a family affair, effectively relegating the existence (and potential change) of gender inequalities to

¹³ Harvey and Mukhopadhyay (2007), estimating time-adjusted poverty thresholds taking into account the amount of time spent on unpaid housework in Canada, find high incidences of time deficit among employed single parents with children.

¹⁴ For documentation, see various reports at <http://www.levy.org/undp-levy-conference>

cultural biases in gender norms. Folbre (1994, 2001) has convincingly argued that the maintenance of a healthy pool of labor and the generational reproduction of the labor force raises the issue of the state's responsibility in its own right. From this angle, even if the principle of "women are carers by nature" holds steadfast, reduction in inequalities of overhead time are warranted.

In concluding this section a few words on empirical tools are in order. Greater availability of time-use data in recent years has facilitated construction of satellite accounts capturing production outside of the SNA boundaries. Still, there is great need to operationalize these ideas and to integrate them in modeling tools that can be used for macroeconomic analysis and impact-assessment exercises. Social accounting matrix (SAM) analysis¹⁵ is an effective way of examining the interconnection between unpaid work and the market economy.¹⁶

A gender-aware SAM is capable of containing information on institutional production sectors that rely on paid formal, paid informal, and household unpaid work, allowing for male-female intensity of labor factors to be identified and also to be broken down by skill level and occupation, where value-added can be split by gender for both paid and unpaid work contributions made to the economy in all sectors.¹⁷ Once a SAM is constructed, it can be also used as the informational basis of Computable General Equilibrium models (CGE). Recent efforts in constructing gender-aware SAMs and CGEs include models for Bangladesh (Fontana and Wood 2000), Zambia (Fontana 2002), Nepal (Fofana, Cockburn, and Decaluwé 2005), Pakistan (Siddiqui 2005), and Spain (Uriel et al. 2005).

To give some insight into the type of explorations such exercises allow, we present brief summaries of two papers. The paper on Bangladesh (Fontana and Wood

¹⁵ A SAM is a square matrix that represents transactions among various sectors and actors in an economy and usually consists of six accounts: activities (the productive sectors of the economy), commodities (intermediate, domestic, and imported goods used in production), factors of production (such as capital and labor, usually disaggregated by skill or other characteristics), institutions (such as households, firms, and government), capital account (which incorporates the financial side of the macroeconomy), and rest of the world

¹⁶ SAMs are of value in and of themselves and allow for short-term evaluations, but they also provide the informational basis for constructing Computable General Equilibrium (CGE) models, the most promising of which, in the view of this author, are the structural variety.

¹⁷ What has not been done as of yet is to identify activities and commodities by contributions of unpaid labor inputs.

2000) concentrates on the impact of foreign trade on women's wages, employment, and household work. In addition to the traditional market sector, the authors include and assign market values to two more sectors—the unpaid work (social reproduction) and a leisure sector. They proceed to model female and male labor separately as imperfect substitutes assuming higher female labor intensity in some production market activities and less male labor intensity in household reproduction work. Once the model is set up, they simulate several scenarios and record the effects of: (a) changes in trade policies and (b) foreign capital flows on the employment, wages, leisure, and social reproduction activities of women and men. Their findings suggest that a rise in world food prices would increase women's wages vis-à-vis that of men, but their available cash income would decline and so would their leisure time. On the other hand, an increase in inward foreign direct investment gives women higher relative wages, more cash income, and more leisure with clear implications for policy.

The study on Nepal by Fofana, Cockburn, and Decaluwé (2005) analyses the effects of trade liberalization on male and female work. The structure of their model is similar to the one mentioned above and its contribution is principally based upon the investigation of male participation in domestic work. The experiment conducted in this paper shows that the complete elimination of tariffs on imported goods in Nepal benefits women more than men in terms of earnings and that female market-work hours expand in rural households, but contract in urban households. It also shows that women end up with a “double day,” i.e., no reduction in the time they spend in domestic unpaid work. As a result, their leisure time declines as they enter the labor market. Furthermore, the study indicates that leisure time consumed by men, which is already greater than that consumed by women, increases with trade reform. Among other findings, the authors conclude that women are more responsive to the market when there is greatest opportunity to substitute between domestic household work and market work, i.e., when men are more involved in domestic work.

These represent encouraging first steps toward building appropriate modeling tools for simulation and impact analysis. Data gaps and oversimplifying assumptions are often mentioned as caveats in this work and it is often the case that underlying assumptions and decisions about model closures make the findings somewhat difficult to

accept without reservations. Yet, they do point us to analytical thinking and empirical research that makes the invisible parts of the economy transparent, thus allowing us to trace the implications of trade, fiscal, monetary, and exchange rate policies on *all* segments of the economy.

III. THE INTERSECTION OF PAID AND UNPAID (CARE) WORK

In the world of paid work there is a continuum that runs from employed to underemployed to unemployed to discouraged workers. On another axis, we can distinguish workers by status of employment such as employer, employee (salaried and waged worker), own account, casual/temporary/informal, and unpaid family worker; there is yet another distinction in terms of the place of work between street, home-based, or formal place of work. In the world of unpaid work, there exist differences between the type of activity (subsistence production, direct care, indirect care, procurement of intermediate inputs) and location (home, private or common lands, public buildings) where the activity is performed, as well as who the direct individual beneficiaries are (household members, communities, institutions).¹⁸

Existing patterns in the division of labor between men and women manifest inherited differences and deeply rooted inequalities. These are not immutable though. Sometimes economic development and social policy interventions can result in positive changes. Textile factory production and the multi-fiber agreements in the South resulted in gains in employment for women and comparable-worth policies in the North are highly correlated with the lowest gender wage differentials. Redressing inequalities though, requires documenting current trends and monitoring changes. This is a lot more difficult in the area of unpaid work, as there is a dearth of time-use information for many countries.

As we have seen in Section I, women do most of the provisioning of unpaid (care) work, while men tend to devote most of their time to paid work. While these general patterns have been changing slowly, they are still the prevalent patterns in much of the

¹⁸ To give an example, unpaid care work subsidizes wages that benefit some employers, but also limits demand for goods and services produced by other employers; unpaid home-based care reduces the public budgetary allocations to health care provisioning.

world. Although female labor force participation (FLFP) is higher today than twenty years ago, FLFP has increased only slightly in the last decade, standing at 40 percent in 2006 as compared to 39.7 percent ten years ago (ILO 2007). It is interesting to note at this juncture (as the figure below illustrates) that when combined with unpaid work, women work longer hours than men in general.

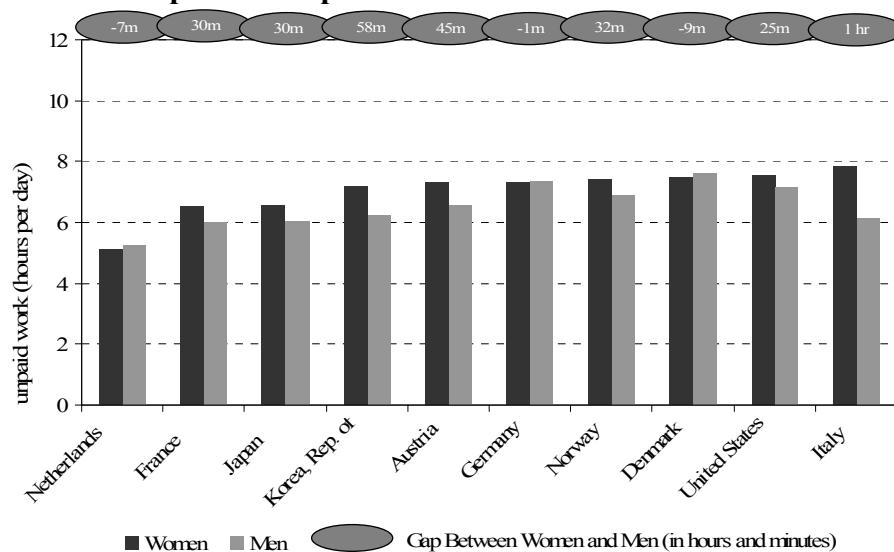
Figure III-1. Time Spent on Total Work—Selected Developing Countries



Sources: Author's tabulations; data from UNDP (2006) for OECD countries and ECLAC (2007)

Burda, Hamermesh, and Weil (2007) argue that this is not the case for many European countries, the exceptions being Italy, France, and Spain. This is an interesting question of research and more work is warranted in this area. Be that as it may, a simple tabulation below shows considerable differences among advanced countries, with Austria, for example, witnessing women working an average 22.5 extra days per year and 30 extra days in Korea, while in Denmark, where men work an extra nine minutes per day, males work longer, by an average of 4.5 days per year.

Figure III-2. Time Spent on Unpaid Work—Selected OECD Countries



Sources: Author's tabulations; data from UNDP (2006) for OECD countries and ECLAC (2007)

Another emerging finding from simple tabulations is that the difference in total work time between men and women is smaller in urban centers than in rural areas and declines overall with level of development of the area/country of residence (see Figure A-1 in the appendix).

As we proceed to provide a snapshot of differences between men and women below, we do so in the belief that “the step from unpaid contributing family worker or low-paid, own-account worker to wage and salaried employment is a major step toward freedom and self-determination for many women” (ILO 2007). It has been correctly argued that decent conditions of employment and living wages are very important for women’s emancipation and that simply expanding employment opportunities is not necessarily beneficial. We are in complete agreement, but we take exception with those who suggest that staying outside the market may be a preferable option for women. We side rather with those in favor of collective action and pressuring companies and governments to adhere and enforce international standards, even when the obstacles are many.¹⁹

¹⁹ This is an issue that comes up often in the context of conditions of work with increasing globalization, precariousness of jobs, etc.; it also comes up in discussions regarding “cash transfers” to mothers versus “employment guarantee programs.” We will return to this issue in a later section of this paper, but our view is that keeping women outside the labor market reinforces the male wage-earner ideology, which impacts on women’s self determination.

The fundamental gender-based division of labor between production of commodities and unpaid work devoted to the reproduction of human beings has resulted in women being concentrated in economic activities with low earnings, insecure and irregular jobs, and where there is little protection through labor laws. Data on employment patterns broken by sex confirms that women are less likely to be employers and, in developing countries (with the exception of Latin America and the Caribbean and few countries in North Africa), they are less likely than men to be waged or salaried workers (see Table A-1 in the appendix). In the short space provided in this paper we can not do justice to the many differences between men and women in paid employment, instead we restrict our discussion to presenting some stylized facts.

A. Women as Contributing Family Workers

Worldwide, there is a downward trend in people working as contributing family workers and overall an inverse relationship to level of economic development is evident. The other pronounced characteristic of this type of work is that many more women are found to be unpaid contributing family workers: while 11.6 percent of men are contributing unpaid family workers, over 25 percent of the world's women were found in this sector in 2006. Regional breakdowns show wide variation. In South Asia the ratio for women to men is 62.6 percent versus 16.2 percent, as Table III-1 shows below. In Latin America the rates are 5.1 to 3.7, correspondingly. Women are consistently found to be in this line of work anywhere between 150 to 380 percent more than men.

Table III-1. Male and Female Status of Employment, 1996 and 2006

	Contributing Family Workers			
	1996		2006	
	Women	Men	Women	Men
World	33.2	15.8	25.1	11.6
<i>Developed Economies and European Union</i>	3.5	1.0	2.1	0.7
<i>Central and Eastern Europe (non-EU) and CIS</i>	10.8	5.1	7.8	3.4
<i>East Asia</i>	38.8	20.4	20.9	12.8
<i>South East Asia and the Pacific</i>	47.2	18.1	37.1	14.6
<i>South Asia</i>	72.8	22.4	62.6	16.2
<i>Latin America and the Caribbean</i>	7.2	6.2	5.1	3.7
<i>Middle East and North Africa</i>	33.0	14.7	28.4	11.9
<i>Sub-Saharan Africa</i>	36.2	27.0	39.3	23.3

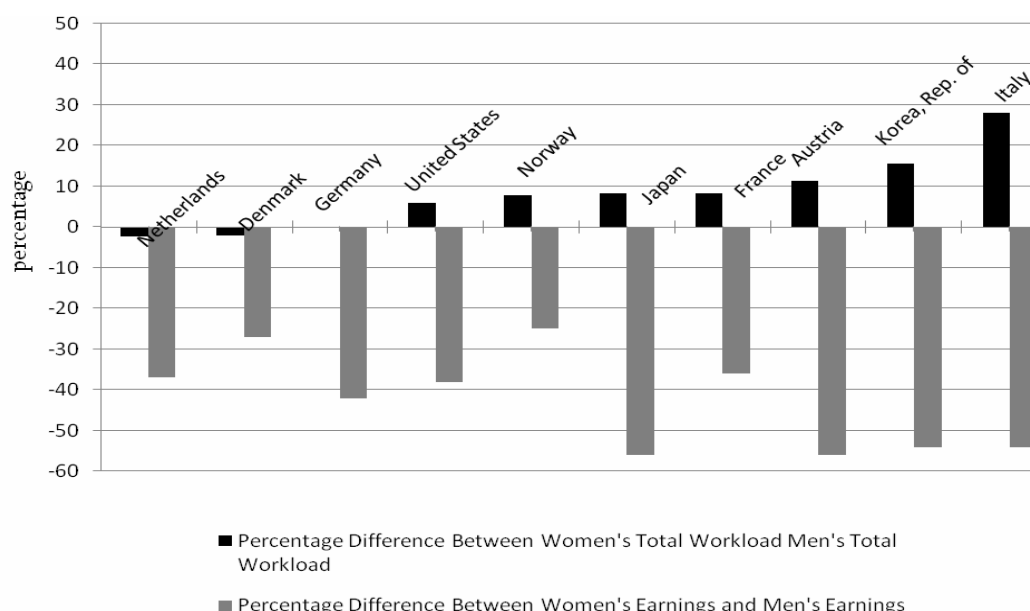
Source: ILO Global Employment Trends for Women (2007), Table 5.

B. Women in Informal Work

The redefinition of informal work, focused on the nature of employment (Chen et al. 2004) in terms of lack of protection and regulations, as well as lower earnings and inferior conditions of work, has pointed out that at least 60 percent of women workers are engaged in informal employment (except for North Africa where this figure is 43 percent) (ILO 2002: 19). There are, however, significant regional variations. For example, in sub-Saharan Africa the share of women workers in informal employment is even as high as 84 percent compared to 63 percent of male workers (Table III-2); in Latin America this ratio is 58 percent for women vis-à-vis 48 percent for men, while in Asia the proportion of female and male nonagricultural workers in informal employment is roughly equivalent (ILO 2002; Chen et al. 2004).²⁰ Further, with globalization (Standing 1989, 1999a, 1999b) informalization in employment has been intensified, as with the case of women as home-based workers.

²⁰ When informal employment in agricultural employment is included, the significance of women's employment in the informal economy is overwhelming. For example, in South Africa, 70 percent of women employed in the agricultural sector work in informal enterprises and they represent the 55 percent of total informal employment in agriculture. In India, while agricultural informal employment corresponds to 78 percent of women's total informal employment, the same figure is 58 percent for men (ILO 2002).

Figure III-6. Total Workload—Earnings Gap: Selected OECD Countries



Source: Authors' calculations. For the total workload series, see the source of Figure I-1. For the earnings gap, the ratio of estimated female to male earnings is used, which is provided by UNDP-Human Development Report (HDR) (2006).

IV. PAID AND UNPAID WORK: GLOBALIZATION, DOMESTIC WORK, AND GLOBAL CARE CHAINS

The free and borderless movement of goods, foreign direct investment, and speculative financial capital has brought mixed and uneven socioeconomic outcomes, with some groups benefiting while others are left behind. As a consequence, their positive or deleterious effects have been hotly debated for some time now.²² Gender outcomes of globalization processes have also been mixed, leading to much research and extensive debates.

A. Globalization and Gender Issues

There has been general agreement that liberalization of trade and foreign direct investment has been accompanied by expanded employment creation for women. In the North, a notable change occurred in the late 1980s and during the 1990s in that new

²² For example, see Bhagwati (2004) for views on one end of the spectrum and Stiglitz (2002) and Rodrik (1997) on the other.

female entrants in the service sectors of the economy included mothers with young children. In the South, many women—in addition to being employed in agriculture—sought and found jobs in textiles and clothing, undertaking factory jobs much like women did during early industrialization in the North (Beneria 2003).²³ According to Memis (2007), a variety of explanations underlie these trends, ranging from a gender-favoring comparative advantage of trade sectors between the North and the South (Wood 1994)²⁴ to sectoral expansion of female-intensive sectors (Elson 1996). In addition, it has been argued that feminization of labor has taken a stronghold (Standing 1989, 1999a, 1999b), a process adopted by employers as a reaction to intensified global competition, according to which substitution of women workers (lower paid) for men ensures a more “flexible” and cheaper labor force.

An equally important issue in the literature regards the degree to which increased female labor force participation has been transformative in reducing gender wage differentials and wage discrimination. The evidence is mixed. Using comprehensive ILO occupational wage data for over 80 countries, Oostendorp (2004) finds that in some cases wage gaps decrease with the level of development, trade, and foreign investment. In other instances, the key determinant turns out to be the skill category of workers, as the overarching trend has been for wage gaps to widen between unskilled and skilled labor over time. Berik et al. (2004) also finds that competition from international trade does not reduce gender-based wage discrimination in Taiwan and Korea.

Related to the above issues, there has been considerable debate on whether women employed in export-oriented industries and in export-processing zones became *victims* of globalization or *beneficiaries* of increased autonomy and bargaining power. On the one hand, it has been argued that increased female labor-market participation was based on exploiting women’s “nimble fingers,” characterized by proliferation of subcontracting, spreading of informalization of work, and the erosion of labor standards (Elson and Pearson 1989; Sayeed and Balakrishnan 2004; Unni and Bali 2002). Kabeer (2004) has challenged this view. Based on fieldwork in Bangladesh, she has argued that the process is much more complex, if contradictory, and that enforcing global labor

²³ See also Arriagada (1998) and Thorin (2001) for a review on Latin America; Benería and Lind (1995) discuss trade liberalization and gender issues in the context of NAFTA and the European Community.

²⁴ For a refutation of the Wood argument, see Kucera and Milberg (2000).

standards through international trade agreements would not serve the interests of women.²⁵

Sorting out the interaction of globalization with unpaid work has been pursued in two distinct areas. The first area concerns the implications of increased levels of international trade and foreign direct investment on women's time allocation between paid work, unpaid work, and leisure in developing countries. As discussed earlier in the paper, there have been several studies in recent years. To provide another example along these lines, Siddiqui (2005) develops a gender-informed model for Pakistan, based on social account matrix and computable general equilibrium analysis. The study explores the impact of two types of shocks: trade liberalization and fiscal adjustment. Her results show that trade liberalization over-burdens women but reduces income-based poverty and affirms the hypothesis that despite changes in the gender structure of market employment, an entrenched gender division of labor remains unequal within the household economy.

Second, a different set of issues emerged in testing the "convergence" hypothesis, which examines patterns in allocation of time to unpaid and paid work between men and women across time and countries. Burda, Hamermesh, and Weil (2007), using time-diary data from 25 countries, have recently demonstrated that there is a negative relationship between real GDP per capita and the female-male difference in the sum of work for pay and work at home, while estimates in some countries in the North show that there has been a *convergence* between the time allocated to unpaid work by women and men. European and North American men have increased the time allocated to unpaid domestic labor (Gershuny and Robinson 1988; Sullivan and Gershuny 2001; Beaujot and Liu 2005).

Despite the increase in men's participation in unpaid household production work, it is hard to dispute that women are the ones who overwhelmingly assume the responsibility of domestic work (Sullivan 2000). Recognizing the prevalence of changing work arrangements and allowing for the existence of simultaneous and overlapping activities (Floro 2003), the picture changes dramatically. Craig (2006), based on the 1997

²⁵ David Kucera (2002) has challenged the view that foreign direct investment "prefers" countries with lower labor standards.

Australian time-use survey data, finds that mothering in comparison to its fathering counterpart involves more multitasking, as well as more physical labor and a more rigid time table, thus time women spend in care work is more demanding—a finding that applies to part-time and full-time working women alike. Some findings have even suggested a reversal in the trend of men’s allocated time to domestic work. Crompton, Brockmann, and Lyonette (2005), based on 2002 survey data from Britain, Norway, and the Czech Republic, find a declining trend in men’s involvement in domestic work due to rising work pressures and rising needs for career development.

Trends summarized in the previous section have shown that women’s employment in services (particularly in the North, but also, as Beneria [2003] has argued, in India, the Caribbean, and Asia) has expanded substantially. The majority of these jobs correspond to clerical, sales work, and data processing for financial services in the banking, insurance, and airline industries. As women have entered paid work, in many countries, a care deficit has appeared. And where state and corporate responsibility have not stepped up to the plate to provide child care, eldercare, and care for the permanently ill, feminization of international migration has provided a means for alleviating the global crisis of care, especially in the North. This is the topic we turn to next.

B. Domestic Work and Global Care Chains

The paid care sector tends to evolve alongside the unpaid care sector. In many countries, paid care work is highly female-dominated, as well as being low-status and low-paid compared to other forms of paid work involving similar levels of skill and training. Race and ethnicity are also important markers in occupational hierarchies, with disadvantaged ethnic and racial groups often over-represented as frontline carers.

One common pattern observed across the globe is the fact that domestic work is one of the major sources of employment for women. In 2004, only in the Latin America region, 10 percent of all new jobs created were in domestic service and, not surprisingly, the domestic sector service became a highly growing one—by almost 5 percent a year (ECLAC 2007). Possible explanations behind this high growth are stated as the recovery in the earnings of middle-income groups, as well as lack of job opportunities for women. The intersection of unpaid and paid work becomes more evident when one recognizes the

particularities of paid domestic work, which tend to be not only undervalued and unregulated jobs with the lowest pay and low status, but also embedded in expectations of being on call twenty-four hours a day. An indication of this is the discrimination against domestic workers in national labor legislations and regulations (Box A).

Box. A. Regulation of Employment—Discrimination Against Domestic Workers—

Some Examples

Costa Rica: Costa Rica has a labor code that entitles employers to engage children from the age of 12 as domestic servants. Domestic workers are allowed to require a 12-hour working day of a domestic helper and 4 additional daily working hours if considered necessary.

Chile: Chilean Labor Code states that monetary remuneration of workers in private households can be set at 75 percent of the monthly minimum wage since the worker's food and lodging is counted as part of the remuneration.

Croatia: Safety and Health Protection at the Workplace Act (1996) states: "the provisions of this Act do not apply to domestic servants."

El Salvador: The Labor Code currently in use states that: a) employment contract for domestic service workers may be entered verbally; b) domestic service workers are entitled to at least 12 hours a day for rest, but a working hours schedule need not be set; and c) domestic service workers must provide services on their day offs on employers' requests.

Jordan: The Labor Code (1996) states "the provisions of this Code shall apply to all workers and employers, except domestic servants, gardeners, cooks, and the like.

Korea: The Labor Standards Act (1997) states: "This Act shall not apply to any business or workplace which employs only relatives living together and to a worker who is hired for domestic work."

Norway: Working Environment Act (1977) specifies: "The Crown shall decide whether and to what extent this Act shall be applicable to work performed in the employee's home. The Crown may further decide that the rules of this Act shall apply, wholly or in part, to workers who carry out domestic work, care, or nursing in the home or household of private employers, and may in this connection stipulate particular regulations for such employees."

United States of America: The National Labor Relations Act cites that "the term 'employee' shall not include any individual employed as an agricultural worker or in the domestic service of any family or person at his home."

Source: J.M. Ramirez-Machado (2000) and ECLAC (2007)

Trying to keep up with the responsibilities of care work and the paid domestic work adds to the hardship of the conditions of domestic work. Women who cannot delegate domestic work burdens at their own places frequently devote themselves to household work and stay at home without earnings if they can afford staying home. This stands as the underlying reason behind low activity rates of women (lower than 50

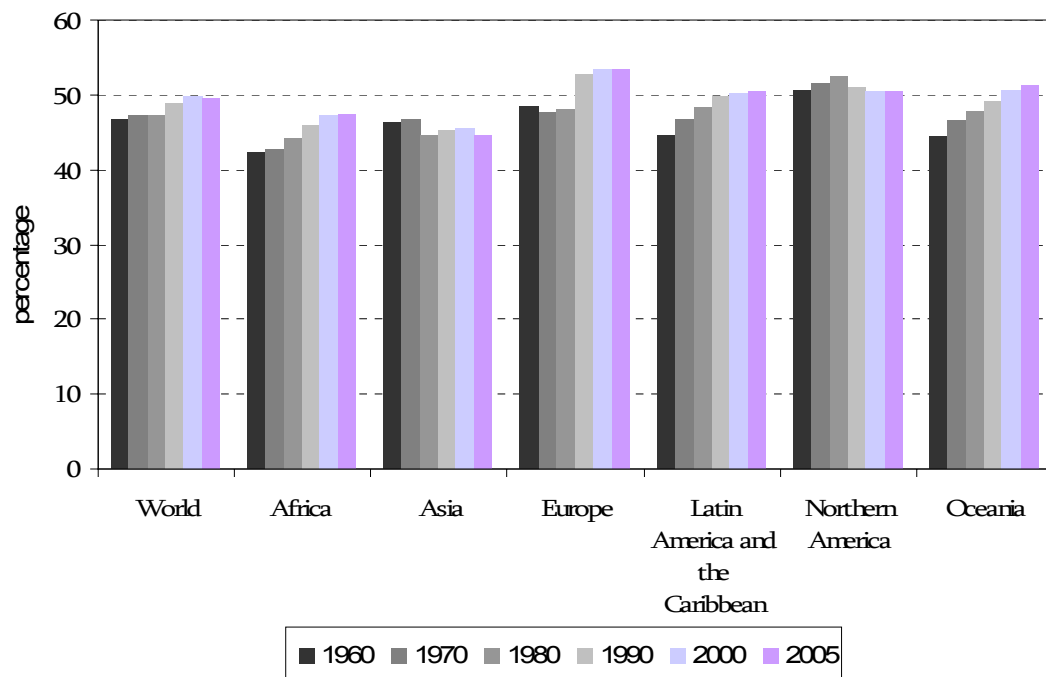
percent in 94 countries among 188 countries where data is available according to the latest figures²⁶ provided by UN).

When the responsibility is delegated, unless there is an active state involvement in some sort of public policy to support families, it is passed off to relatives and other family members—either to grandmothers or to the daughters. ECLAC (2007) presents evidence for the fact that over half of the women aged 20 to 24 do not seek outside employment because they are performing unpaid work. The number of women who are in this group is higher than the number in the education system (30.1% as against 15.9%), whereas when men are economically inactive it is because they are studying or for some other reason. Similarly, 85 percent of children spending over 20 hours a week on housework in Chile in 2003 were girls; in Bolivia, in the data for 2001, girls under 14 spent over 20 hours a week carrying wood or fetching water and 20 hours a week washing and ironing clothes, which are actually the activities that are likely to impact their health adversely (ECLAC 2007). On quantifying the scale of child labor, the ILO defined concepts such as light work (work that does not affect children's health or personal development), child labor, and worst forms of child labor, each classified according to the number of hours spent on these activities and the extent to which children's health or physical safety is imperiled. However, all these definitions consider only "economic" (paid or unpaid) activities as work, which is carried out for the market or for private consumption. Thus, these concepts do not pay much attention to the possible harmful implications of unpaid domestic service on these children's health and development. When housework is considered, there is evidence now showing that such types of activities are mostly pursued by girls (ECLAC 2007).

Societies need for managing to maintain both paid care work and unpaid care work requires further support and consideration as the situation becomes so brutal for domestic workers who cross borders for some reasons. As of 2005, there were about 200 million migrants across the globe, supporting a population in their respective countries that is as big if not bigger. Of these, 200 million (a number that corresponds to 3 percent of the world population) are women (Figure IV-1).

²⁶ Data updated in June 2007 is available at:
<http://unstats.un.org/unsd/demographic/products/indwm/tab5a.htm>

Figure IV-1. Female Migrants as Percentage of All International Migrants



Source: United Nations Population Division, World Migrant Stock: The 2005 Revision Population Database: <http://esa.un.org/migration/>. Note that as a result of the disintegration of the former USSR, the former Czechoslovakia, and the former Yugoslavia, as well as the reunification of Germany, the composition of several regions and major areas changed shortly after 1990. Information on these changes and the regional classification of countries is available at: <http://esa.un.org/migration/index.asp?panel=3>

Either because of the demand for cheap labor in destination countries (Ehrenreich and Hochschild 2002; Sassen 2003) or due to lack of available job opportunities in the country of birth (with expectations of finding better-paying jobs) or for both reasons, millions of women move across borders (UNDP 2005; ILO 2004b). However, given the basic gender division of labor in destination countries, women migrants are often restricted to traditionally “female” occupations—such as domestic work, care work, nursing, work in the domestic services, and sex work—that are frequently unstable jobs marked by low wages, the absence of social services, and poor working conditions (Human Rights Watch 2007).

Discrimination in labor legislations and laws against domestic workers, a majority of which are women, adds to their vulnerability. On top of the fact that they are isolated from their own families and communities, women are more subject to deprivation,

hardship, violence, theft, fraud, or abuse. More significantly, young women are at greatest risk for unwanted pregnancy and sexually transmitted infections, including HIV/AIDS. In situations where women know little of the language of the country of destination or where their qualifications are not recognized in their new places, they find themselves in extremely dreadful situations. Thus, discrimination of “otherness” is added to gender discrimination.

This said, it has been argued that migration can offer economic opportunities, financial independence, and decision-making power for women to escape restrictions. In addition, it is also argued that migration through remittances can play a significant role in poverty reduction and growth in developing countries, benefiting the countries of origin (Lucas 2004; Adams 2005; World Bank 2006). Estimations show that in 2005 remittances were as high as \$300 billion, which corresponds to almost three times the \$104 billion from the world’s combined foreign-aid budgets. For example, remittances bring Morocco more foreign exchange than tourism does and bring Sri Lanka more than tea does (DeParle 2007); for Latin America and the Caribbean region they bring 2.67 percent of the region’s GDP (ECLAC 2007). By increasing reserves of foreign exchange, remittances reduce government borrowing costs, saving the Philippines about half a billion dollars in interest each year. While 80 percent of the money sent to Latin America is spent on consumption, nearly \$12 billion is left for investment (DeParle 2007). Evidence also points out that households receiving remittance income account for a large percentage of incomes, such as in Uruguay (45 percent), in Paraguay (41.9 percent), and in Mexico (35.6 percent) (ECLAC 2007). However, with respect to recipients, there is still significant variation among regions as the largest recipients are middle-income countries, whereas sub-Saharan Africa received only 1.5 percent of all remittance flows in 2002. Given also the fact that members of the very poor households are less able to migrate, the outreach of these remittances to the poor families and poor regions is less likely.

Since care work is traditionally a woman’s responsibility back in their countries of birth and/or in country of destination, when one considers the intersection of unpaid care work and paid care work, one should recognize that without any support to the migrant families, remittances alone are not sufficient to redistribute the burden of their

workload. Supporting families with social provisioning for their children becomes extremely vital. Sometimes the children are left behind because the working conditions for the women do not permit them to have accompanying family members, so more frequently they are left with grandparents or other relatives, subsidizing the system of global care chain (Ehrenreich and Hochschild 2002).

As a result of all these patterns, women tend to be in sectors/industries and occupations that remain unprotected. In the context of globalization, it makes it harder for them to realize their fundamental rights as workers, even in countries where such rights exist in law and are enforced. The problem is not only the existence of the laws and their enforcement, but also the differential ability of men and women to realize these fundamental rights (such as freedom of association, the right to bargain over conditions of work, etc., as well as the absence of forced labor).

V. UNPAID WORK AND POVERTY

In securing basic needs, the provisioning of necessities and conveniences of life occur through a combination of paid and unpaid work in four key institutions: market, state, households, and nongovernment (nonprofit) institutions. In general, the contribution of each of these institutions in securing material needs varies by the level of economic development of the country people live in and in accordance with the prevailing public provisioning policy regime.

In turn, the degree to which a person is able to procure “goods” and “services” from the market depends on whether markets are relatively well developed, as well as the ability of household members to participate in paid work and earn sufficient income to make the necessary purchases. Income poverty due to joblessness or substandard living wages limits access to marketized inputs. On the other hand, independent of how poor or wealthy a household is, some time must be devoted to “overhead household production,” i.e., time needed to transform purchases into consumable final goods. Wealthy households are in a position to often substitute hired services for their own unpaid overhead household production contributions. A cook, gardener, or laundry services do just that.