

The Valuation of Unpaid Activities and Measuring Well Being: A Time Use Analysis

Mrs. Harpreet Kaur
Punjabi University

Anupama Uppal
Punjabi University

Paper Abstract: Unpaid work is a critical yet largely unseen dimension of human well-being that provides essential domestic services within households, for other households and to community members. 'Unpaid' means that the person doing the activity does not receive a wage and that the work, because it falls outside the production boundary in the System of National Accounts, is not counted in GDP calculations. Unpaid care work is both an important aspect of economic activity and an indispensable factor contributing to the well-being of individuals, their families and societies. National Accounts have long been viewed as partial measures of society's well-being by economists and non-economists because the National Accounts miss "near-market" activities, such as home production (e.g., unpaid cleaning, cooking, and child care), which produce services that could be purchased on the market and do not value social activities, which have an important effect on subjective well-being. Because economic activity is measured by prices, which are marginal valuations in perfectly competitive markets, the National Accounts miss consumer surplus from market transactions.

The discussion here relates to the contribution of time use approach as measure of well-being related to paid work. It does provide us with a reasonably clear means of identification of unpaid work because in today's world importance of anything is measured in terms of money. The worth of work is judged from the payment made for it. Looking in this lens, the unpaid work is not productive, or say has no worth because it is not paid for. Any activity that could be delegated, according to the third person criterion, but is not, is defined as informal or unpaid work. But a degree of unclarity remains, related to the genuinely dual natures, both means and end, of both work and leisure. All unpaid activities such as: housework, cooking, cleaning, household maintenance, gardening and pet care, all child- and adult-care, any driving where this is a means to the provision of some other service, any shopping that involves purchase of commodities are simply designated, for National Accounts extension purposes, as unpaid work.

It hardly needs to be dilated that the productive efforts in the society affecting the micro and macro economy and welfare include not only market production but also household non-market production. However, the official statistical system does not fully reflect this. Much of the work of women particularly the household women which forms major part of the household non-

market production goes unreported in the accounting framework of the System of National Accounts (SNA). Partly because of convention and partly because the work which connotes human effort devoted to production of goods and services having utility, but it does not necessarily generate income by way of marketability and hence poses measurement problems. So, it is primarily the contribution of women to the economy and welfare that is made invisible, which concerns the issues of gender and fairness, This gender difference cannot in itself be construed as unfair because, there is typically less paid work and more unpaid work in developing countries.

The two methods for extending GNP to include the extra-SNAPB component involve placing money values respectively on un-purchased final service output and on un-purchased final service consumption.

Subjective Well Being (SWB) is ‘a broad category of phenomena that includes people’s Emotional responses, domain satisfactions, and global judgments of life satisfaction’. Time-use provides the appropriate parallel metric for the extent of individuals’ experiences of such states (e.g. “how long in moderate distress”). Since all human states and activities occupy time, an appropriately designed time-use survey instrument can provide a comprehensive account of rhythm and balance among all the conditions and circumstance of daily life. As such, time-use accounts provide the basis for the systematic integration of various measures of subjective well-being.

In this perspective, this paper would be an attempt to shed light on the importance of measuring the value of unpaid domestic work which shows the great percentage of GDP. We calculate the percentage share of unpaid activities in GDP of India by calculating monetary values of domestic unpaid activities by using detailed Time Diary of people in both rural and urban areas of India using input output method of valuation and shows the relationship between the engagement of women in the domestic activities and its impact on LFPR (Labour Force Participation Rate) and on the empowerment of decision making. We also attempt to measure the well being of people by using the subjective well being prospective of measurement, with a detailed time use survey of men and women and shed light on the comparative analysis of well being and in the end we describe the problems in the way of including unpaid work in SNA boundaries and give some policy implications regarding it.