

# **Unpaid Work and Macroeconomics: New Discussions, New Tools for Action**

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- the original contribution that the report would make to existing work on this subject, and its usefulness to equality-seeking organizations, advocacy communities, government policy-makers, researchers and other target audiences.

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## **PREFACE**

Good public policy depends on good policy research. In recognition of this, Status of Women Canada instituted the Policy Research Fund in 1996. It supports independent policy research on issues linked to the public policy agenda and in need of gender-based analysis. Our objective is to enhance public debate on gender equality issues and to enable individuals, organizations, policy makers and policy analysts to participate more effectively in the development of policy.

The focus of the research may be on long-term, emerging policy issues or short-term, urgent policy issues that require an analysis of their gender implications. Funding is awarded through an open, competitive call for proposals. A non-governmental, external committee plays a key role in identifying policy research priorities, selecting research proposals for funding and evaluating the final report.

This paper emanated from a call for proposals in April 1997 to study the gender dimensions of the relationship between the changing role of the state and the changing nature of women's paid and unpaid work and their vulnerability to poverty. Researchers were asked to identify policy gaps and new policy questions or trends, to propose frameworks for the evaluation, analysis and critique of existing policies, and to develop pragmatic alternatives to existing policies or new policy options.

Seven research projects were funded by Status of Women Canada on this issue. They examine Canadian legislation surrounding women who work at home for pay, work and Aboriginal women, the social vs. the economic gain associated with the social economy, women in the garment industry, disability-related policies, restructuring and regulatory competition in the call centre industry and the relationship between unpaid work and macro-economic policies. A complete list of the research projects is included at the end of this report.

We thank all the researchers for their contribution to the public policy debate.



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## EXECUTIVE SUMMARY

Policy on unpaid work usually focuses on how more equitable distribution between women and men can be achieved or how unpaid work can be recognized through social and economic instruments. This paper focuses on a third, underdeveloped, but very promising, aspect that looks at the links between unpaid work and the macro-economy and what the consequences of these links are for policy makers. These new understandings are part of a relatively recent effort by feminist economists to develop new tools for policy makers and gender equity advocates. Unpaid work refers to child care, care for other dependent family members, such as the elderly and those with disabilities, and volunteer work of a caregiving nature in the community.

Feminist economics has been critical of the conventional macro-economic framework that guides fiscal, monetary and exchange rate policy. Researchers have argued that gender-neutral macro-economic policy will only address women's needs and experiences to the extent to which they conform to male norms. Yet, a substantial part of women's time and resources is dedicated to unpaid work — the work of producing and caring for human resources — which underpins the paid economy. This omission of the activities and values left out of macro-economic inquiry, is not simply an omission based on complexities of measurement. Rather, it reflects assumptions built into the model that exclude women's time in unpaid work as a used economic resource. This, in turn has serious implications for how macro-economic policies are formulated. Policy makers are rarely explicit about how such assumptions guide their decision making. Yet, policy development in Canada is informed by implicit models of the macro-economy as well as the family. These are detailed in Chapter 1.

Chapter 2 presents eight specific macro-economic concerns and discusses how a more complete recognition of the totality of economic activity will improve policy. Each macro issue is considered from three vantage points: the conceptual issues and empirical data which inform the macro concern, the policy implications of linking the particular macro issue to unpaid work and identification of the research gaps that, if resolved, would permit clearer links between particular issues such as growth and unpaid work. The eight areas considered are macro stability, cyclicity and household labour; adjustment and restructuring packages; growth; saving and investment; trade; social policy and human resources; the contribution/resource gap; and policy transparency, accountability and a greater voice.

A number of conclusions can be drawn from the existing research. Gaps in our knowledge are also identified throughout. Finally, several pilot studies are proposed focusing on one important expression of macro-economic objectives: the federal budget.

- Adjustment is a household process and inadequate attention to household circumstances and needs may limit the overall effectiveness of how individuals, families and communities respond to cyclical changes in the economy.



- Expenditure instruments such as services (health care, income supports) and subsidies (training and skills upgrading) need to target individuals in the context of their household and community structures not as isolated individuals.
- Privatizing coping strategies through unpaid work will have implications for government revenues. On the one hand, such downloading of costs to households and communities will appear as a saving in government budgets; on the other hand, costs still occur either in a hidden form through women's time use and opportunity costs, or in the short- and long-term capacities of individuals to pay taxes plus increased demand pressures on existing social services. In either case, the point is to make these policy decisions explicit so we know the basis for policy choices.
- Government transfers, tax credits and progressive tax rates have an impact on the ability of households to weather the cyclical ups and downs of the economy. Reductions in these can affect the ability of individuals and households to adjust. This, in turn, influences employment levels, savings rates and poverty levels.
- Current adjustment programs do not address all workers equally. In particular, adjustment programs frequently ignore gender differences in time use and access to resources both in the home and the labour market.
- Adjustment programs assume that unpaid activities will buffer the loss of paid activities and/or cuts in transfer payments. The long-term implications of offloading to the unpaid work of families and communities are beginning to be documented through tracking studies which document the personal mental and physical costs as well as community-based costs.
- A broader notion of well-being may be more cost effective in the long run.
- A gender-sensitive assessment of work, consumption, income and wealth would influence growth strategies by broadening their scope.
- An analysis of how the federal budget contributes to the lessening/deepening/neutralizing of gender inequality should be an annual exercise.
- Employer and public supports for newly feminizing sectors need to be strengthened.
- Adjustment packages for declining sectors and industries must reflect all aspects of work and coping. Women's and men's mobility patterns can affect the speed and direction of economic adjustment.
- Equality rights are influenced by trade agreements.
- Social spending is a necessary social investment, the lack of which also has costs, i.e., it is not gender neutral. Costs of reduced social spending directly influence women's economic and social equality.

- The totality of women's contribution needs to be recognized through policy. Determining appropriate instruments such as monetary compensation through tax measures is key to effective policy making.
- Policy instruments need to be assessed as hindering, enhancing or leaving unchanged women's civic engagement and their contribution to fiscal policy formulation.

The main overall conclusion is that policy makers must make explicit their assumptions which underpin macro-economic policies. Here the chief goal for feminist advocates and researchers is to establish the costs in both economic and social terms to policy makers of ignoring unpaid work and women's time use in these activities. The main guiding question is to identify which policies improve, worsen or leave the same gender inequality. This effort needs to be informed by repeated illustration of the relationship between budgetary decisions and the rights of women. Changes to social programs and measures, which place limits on a government's capacity to perform its stabilization function, such as balanced budget initiatives, have a direct and serious impact on how different groups of women contend with social and economic inequality. The major outstanding issue in terms of a better-informed policy framework will be to continue developing research supports which illuminate how various macro policy tools should be used to mitigate the effects of unpaid work on women's inequality.





## INTRODUCTION

Unpaid work has been identified as a key source of policy intervention by the Canadian government in its plan for gender equality (Objective 2) (Status of Women Canada, 1995b), and by the United Nations through its Platform for Action, Beijing (Section 206, f, g). Traditionally, policy responses to unpaid work have been characterized by two basic approaches:

- policies that encourage a more equitable distribution of unpaid work between women and men; and
- policies that attempt to provide economic and social recognition for unpaid work.

The focus of this paper is on a third, as yet, underdeveloped aspect:

- policies that recognize the linkages and feedbacks between unpaid work and the macro-economy.

A more dynamic assessment between the unpaid activities of households and communities, and the broader economic framework of fiscal and monetary policy would simultaneously enhance policy efficiency and government commitments to greater equity. For example, Elson (1996) observes that macro-economic policies in developing countries have assumed the elasticity of women's labour, and the household's role as a shock absorber is also confirmed in research from Canada, the United States, Australia and the United Kingdom (HRDC, 1996; Folbre, 1994; Bittman and Pixley, 1997; McDowell, 1991). Ignoring the sphere of unpaid work may affect macro-economic policy (for example, constraining labour mobility and supply responses). In other words, macro-economic policies may not be as effective and efficient precisely because unpaid economic activities are not taken into account by policy makers when drafting national economic strategies through such tools as the budget.



## CHAPTER 1: DEFINING UNPAID WORK AND MACRO-ECONOMIC POLICIES

Unpaid work in this paper refers to child care, care for other dependent family members such as the elderly and those with disabilities, and volunteer work of a caregiving nature in the community.<sup>1</sup> This definition corresponds to the 1996 Census questions on unpaid work the first results of which were made public in March 1998. Macro-economics deals with aggregates such as the gross national product (GNP), savings and investment, exports and imports, and public expenditures and revenue. Three main types of macro-economic policy exist:

- exchange rate policy;
- monetary policy; and
- fiscal policy.

The focus in this paper is on fiscal policy. Several common instruments are associated with fiscal policy goals<sup>2</sup> (see Table 1).

Engendering the categories of macro-economics has become an important focus of research and policy precisely because the experiences of the last two decades of restructuring initiatives in the OECD countries have revealed how policies which appear to be gender neutral are frequently gender biased.

Gender-neutral policies only address women's needs and experiences to the extent to which they conform to male norms. Yet the macro level appears to be the least conducive to an introduction of a gender analysis as it is seemingly composed of gender-neutral aggregates. Macro-economic policy absents unpaid work from its scope of inquiry. This work of producing and caring for human resources underpins the paid economy. The omission — the activities and values left out of macro-economic inquiry — is not simply an omission based on complexities of measurement. Rather, it reflects assumptions built into the model, i.e., the exclusion of women's time in unpaid work as an economic resource. This, in turn, has serious implications for how macro-economic policies are formulated (Razavi and Miller, 1997). For example, what may be regarded as an increase in productivity or efficiency for the economy may instead be a shift of costs from the paid to the unpaid sector. In many OECD countries, the attempt to make hospitals more efficient through the earlier discharge of patients, with convalescence taking place in the household, transfers the burden of costs to unpaid female relatives (Elson, 1992). While this may look like an overall gain in efficiency, it ignores the shifting of costs to the non-market sector. Such a shift affects women's use of time and can influence labour supply in the paid economy as well as revenues lost to government through taxes. Macro level feedbacks can result from the widely held assumption that the economy of unpaid work will continue to function irrespective of the changes in the rest of the economy. When governments choose to forego lost revenues in exchange for savings on health

expenditures partly realized through unpaid activities in households and communities, such a policy decision should be stated clearly.

**Table 1**  
**Policy Goals and Instruments**

<b>Policy Goals</b>	<b>Policy Instruments</b>
Private consumption	<ul style="list-style-type: none"> <li>• commodity prices</li> <li>• wages and other income</li> <li>• income taxes</li> <li>• indirect taxes</li> <li>• tariffs</li> </ul>
Government spending	<ul style="list-style-type: none"> <li>• transfer payments</li> <li>• public sector wages</li> <li>• size of civil service</li> <li>• income taxes</li> <li>• privatization</li> <li>• indirect taxes</li> </ul>
Investment and savings	<ul style="list-style-type: none"> <li>• interest rates</li> <li>• banking regulations</li> <li>• capital market regulations</li> </ul>
Net exports	<ul style="list-style-type: none"> <li>• exchange rate</li> <li>• tariffs</li> <li>• quotas</li> </ul>
Intermediate inputs	<ul style="list-style-type: none"> <li>• output prices (thus the inflation rate)</li> <li>• input prices (thus employment levels)</li> <li>• labour policies</li> </ul>
Money supply	<ul style="list-style-type: none"> <li>• interest rates</li> <li>• banking regulations</li> </ul>

### **Assumptions in Understanding the Relationship Between Paid Work and Macro-Economics**

Three assumptions are crucial for a better understanding of the relationship between paid work and macro-economics.



- First, the scope of economic activity is redefined to make unpaid work visible and to treat labour as a produced input. This reshapes our understanding of the conditions necessary for the functioning of the economy and, more specifically, macro-economic policies.
- Second, gender is understood as a category of social and economic differentiation much like race or class which mediates and shapes the distribution of work, income, wealth and productive inputs, and behaviour of agents in the economy.
- Finally, institutions such as households, firms and government agencies are riddled with gender biases which influence macro-economic outcomes.<sup>3</sup>

Policy makers are rarely explicit about how such assumptions guide their decision making. Yet, policy development in Canada is informed by implicit models of the macro economy as well as the family. Eichler (1993), for example, claims that three models of the family underpin aggregate and specific policies such as those directed at the work–family relationship: the patriarchal family model, the individual responsibility model of the family and the social responsibility model of the family. At present, the patriarchal family model is being eroded with the individual responsibility model gaining in influence. Shifts from paid to unpaid work in the home due to health care restructuring, for instance, have not been supported by corresponding changes in tax policy which would give greater recognition to unpaid caregiving (Bakker, 1996). Also, cash transfer systems that have been the basis of

**Table 2**  
**The Individual Responsibility Model of the Family**

1. The ideology is one of sex equality.
2. Household and family membership is treated as congruous. This being so, a spouse is equated with a parent. Conversely, an external parent is treated as a non-parent.
3. The family household is treated as the unit of administration.
4. Husband and wife are equally responsible for the economic well-being of themselves, each other and any dependent children. Children are considered dependants of both their parents.
5. Fathers and mothers are equally responsible for the provision of care and services to family members in need of care.

The public has no responsibility for the economic well-being of a family or for the provision of care where there is either a husband–father or wife–mother. Temporary help will be provided in the case of absence or incapacity of one of them, but the assumption is that a parent–spouse is responsible for both the economic well-being as well as the care provision for dependent children (Eichler, 1993 cited in Cheal, 1996).

income security programs in Canada, are being replaced by employment initiatives intended to integrate individuals into the labour force (Bakker and Brodie, 1995; Cheal, 1996; Day and Brodsky, 1997).

Good policy making should make explicit the model that is being used. If we are now basing policy on the individual responsibility model, this should be made explicit and the consequences of this shift should be documented not only in terms of the impacts on households but also, potential feedbacks to the macro economy in terms of productivity, growth and income distribution.

## CHAPTER 2: TOWARD DEVELOPING POLICY LINKAGES

What follows are eight specific macro-economic concerns and a discussion of how a more complete recognition of the totality of economic activity might serve to improve policy. The discussion of links is preliminary; the intention is to suggest new directions for policy and research. Each macro issue is considered from three vantage points:

- the conceptual issues and empirical data which inform the macro concern;
- the policy implications of linking the particular macro issue to unpaid work; and
- identifying where the research gaps are that would allow us to make clearer links between particular issues such as growth and unpaid work.

### Macro Stability, Cyclicity and Household Labour

#### *Conceptual issues and empirical data*

One focal point of modeling household time allocation decisions has been to try to verify the cyclical relationships between market and household production. At the macro-economic level, it has been suggested that the two spheres of production vary in a counter-cyclical pattern.<sup>4</sup> That is, “over the booms and slumps of business cycles, the increases and decreases in market output and income are offset by opposite changes in household production and unpaid employment” (Ironmonger, 1996: 399). Data series on domestic work, volunteer work and unpaid family labour would allow us to measure the links between the paid and unpaid sectors of the economy. In particular, we would be able to go beyond case studies in determining the extent to which unpaid work picks up the slack when economic crisis sets in (Beneria, 1996: 140). Results of the 1996 Census questions on unpaid work may go some way toward giving us a more complete picture of these relationships. Time series of time use would be helpful here; Statistics Canada does publish the General Social Survey but only every five years (see Statistics Canada, 1995).

From case studies, particularly those dealing with the impacts of structural adjustment packages (SAPs), we have been able to sketch provisional links between the unpaid and the paid economy in two specific areas: time-input effects of budget cuts and the privatization of social services (the so-called “hidden costs of adjustment”) and the intensification of domestic work as a response to declines in household income (the so-called “buffer effect”).

Unfortunately, little empirical research with a focus on gender awareness exists in Canada. The Statistics Canada Total Work Accounts System (TWAS) does offer the potential for a lot of empirical research on paid–unpaid work issues. There are also a number of tracking projects currently under way which will no doubt help to establish the links between economic cycles and unpaid work. One is the Elliot Lake Tracking Study (ELTAS) supported by Human

Resources Development Canada (HRDC) which includes the Social and Institutional Costs Sub-Project that examines the impact of mass layoffs on workers, families and communities. A main goal of this study is to assess the capacity of local social services to handle the total effects of mass layoffs in a resource-based community. In other words, one component of this study is to get at the hidden costs of adjustment by defining well-being to include four essential elements — productivity, equity, empowerment and sustainability — for not just the individual but families as well as communities. ELTAS has also found evidence to support the buffer effect, i.e., that unpaid work in households expands to make up for shortfalls in income.

*Elliot Lake Tracking Study evidence of household buffer effect*

In the 1996 survey, the women were asked whether they had made any of the following changes:

- cutting back on the amount and quality of food eaten;
- engaging in bulk or group shopping;
- making meals from scratch;
- vegetable gardening;
- canning or preserving;
- hunting or fishing;
- eating fewer snacks and junk foods;
- eating less often in restaurants; and
- using food banks.

The analysis of these data indicated that more than three quarters of the women had used at least one of these methods of coping with reduced income after the layoffs and 10 percent had used four or more (up to 11 of the 12 strategies queried) (Mawhiney, 1997: 9).

To what extent do these hidden costs of adjustment and responses have an impact on the effectiveness of macro-economic policy instruments? This is the more difficult question. The authors of ELTAS suggest that equity and sustainability are related and can have long-term implications for how individuals and communities adjust to changing economic circumstances. This has obvious feedbacks for macro-economic indicators such as employment, productivity and growth. For example, equity issues are related to how families which have experienced layoffs can respond. Some may have accumulated a significant amount of personal assets, others may not have the basic financial resources to sustain themselves. The major source of support for families without earnings in Canada is government transfers (Wooley, 1997). In

Ontario alone, about one million people rely on social assistance, half of these are children (Ontario Social Safety Network, 1996). This raises the issues of the role of government in meeting the needs of families with no or low earnings and the instruments (tax credits, social assistance, Employment Insurance) that should be used.

Equity is also an issue in terms of re-entry into the labour force as certain groups of workers — women, people of colour, members of First Nations and older workers — have more difficulties finding re-employment regardless of their amassed human capital (Mawhiney, 1997). One important aspect of adjustment is child care. There is a substantial body of evidence for both Canada and the United States that suggests that the cost of child care has a significant effect on women's labour force participation. Wooley (1997) cited research by Cleveland, Gunderson and Hyatt which found that a 10 percent increase in the price of child care reduces the mother's probability of employment by 3.9 percent, while a 10 percent increase in the mother's wage increases the probability of employment by 8.1 percent.

Such findings have important implications for minimum wage legislation and other public and private sector based employment policies. Some families cannot rely on the strategy of having another family member increase employment or seek new employment if they are sole parents with young dependent children. As the study concludes: "There is no question that those families who find alternate employment after layoffs and are able to hold onto their assets experience the adjustment process very differently than those for whom the layoffs represent a major, debilitating financial and emotional crisis" (Mawhiney, 1997: 16).

A broader relationship between economic cycles and unpaid work is highlighted by a U.S. study. This is mentioned here because it may very well apply to the Canadian case. Philip O'Hara (1995: 113) links the contribution of household labour toward macro-economic stability during the period from the 1940s to the 1990s. He concludes that sustained fragmentation of households inhibits predictability of events and lowers confidence in the long term which, in turn, influences long-term economic performance. As "commodification," deregulation and labour mobility take hold, there is greater uncertainty and discontinuity in the social structures underlying economic growth.

### *Policy implications*

- Adjustment is a household process, and inadequate attention to household circumstances and needs may limit the overall effectiveness of how individuals, families and communities respond to cyclical changes in the economy.
- Expenditure instruments, such as services (health care, income supports) and subsidies (training and skills upgrading), need to target individuals in the context of their household and community structures not as isolated individuals.
- Privatizing coping strategies through unpaid work will have implications for government revenues. On the one hand, such downloading of costs to households and communities will appear as a saving in government budgets; on the other hand, costs still occur either in a

hidden form through women's time use and opportunity costs, or in the short- and long-term capacities of individuals to pay taxes plus increased demand pressures on existing social services. In either case, the point is to make these policy decisions explicit so we know the basis for policy choices.

- Government transfers, tax credits and progressive tax rates have an impact on the ability of households to weather the cyclical ups and downs of the economy. Reductions in these can affect the ability of individuals and households to adjust. This, in turn, influences employment levels, savings rates and poverty levels.

### ***Research gaps***

- How do the market costs of replacing unpaid work influence labour force participation? Savings? Long-term earnings, assets and wealth?
- How do changes in commodity prices, wages and taxes affect men's and women's consumption patterns? What impact does this have on aggregate demand?
- Does women's labour force participation enhance saving and investment or merely offset the market costs of unpaid work activities such as child care?

## **Assessing Adjustment and Restructuring Packages**

### ***Conceptual issues and empirical data***

The most developed body of literature directly linking macro-economic policies with unpaid labour is in the area of gender and adjustment. Research has focused on several factors which provide information for understanding how economic policies and changes in the market sector alter work patterns and affect well-being. Diane Elson has been at the forefront, illustrating how macro-economic policies appear to be gender neutral yet gender blind. Due to women's additional roles in the unpaid economy, she argues, further constraints are placed on women's ability to respond to changes within the paid economy through macro-economic policy initiatives (Elson, 1992). Efficiency gains in the paid economy (due to privatization, the introduction of user fees or cuts in public sector employment for example) fail to consider the transfer of costs from the paid to the unpaid economy. Hence, costs are rendered invisible and imposed on women through an intensification of their labour in unpaid and unmeasured activities.

The consequences for macro-economic policies are far reaching. The increased demand for women's time in paid and unpaid activities has intensified inequalities in the burden of adjustment between women and men. Beneria (1995: 1845), in her summary of such studies, writes:

They have shown the distributive effects of adjustment which have resulted in increased income inequality, tendencies toward social polarization, recomposition of social classes, shifts in control over resources and the biases in the distribution of the costs of adjustment at the household level ... Women have been affected both as members of households and of specific social groups and as a result of the gender division of labour. The gender dimensions of the costs of adjustment range from the intensification of women's domestic and market work to the interruption of children's education (girls in particular) to increases in time inputs either to obtain basic services or self-provision of them.

When it comes to the implicit elements of macro-economic policies of stabilization, adjustment and restructuring, there is a striking similarity between women in developing and industrialized countries. In attempting to define structural change or restructuring as it applies to the Canadian case, one runs up against a number of different concepts, measurements and approaches. For standard economics, structural change at the most basic level involves a change in the composition of something — the economy, a sector, region or firm, for example. Most conventional economic analysts distinguish structural change in industrial structures from cyclical shifts in the composition of output, employment and trade. A standard account is offered by the OECD (1992: 167-168) which isolates two aspects or dimensions of structural change: compositional and institutional.

Compositional structural change refers to changes in the industrial composition or profile of an economy, e.g., changes in the output or employment shares accounted for by different industries or changes in the mix of factor inputs used by industries. It examines individual industries, the capital and labour inputs they use, and the way in which industries are connected to one another, both domestically and internationally.

Institutional structural change looks at the behaviour of labour and financial markets, the traded goods market and the operation of the public sector. It examines broad markets not necessarily restricted to any one industry and the deviations from competitive market behaviour.

The problem with this definition is that it leaves out unpaid work and its links to compositional and institutional structural change. In other words, it leaves out a considerable amount of women's time which is devoted to unpaid work in social reproduction.<sup>5</sup> It also misses another insight of feminist economics. The meso level is a relatively new area of inquiry which explores how institutions beyond the household, such as markets, state and community institutions, reinforce and reproduce gender inequalities in access to assets, services and socio-economic power. The focus here is on the norms and practices in the institutional arenas of states and markets. As Anne Marie Goetz (1995: 3) observes:

Each area is gendered in its male bias (failure to value, recognize, or accommodate reproductive work, defining it as “unproductive”, basing effective participation on a capacity to attain freedom from the reproductive sphere), and in its active male preference (excluding women as members or

clients/recipients; or alternatively actively “feminizing” women’s participation to re-establish their secondary, nurturing, supportive roles, or dependence on men, in institutions outside of the household).

From this approach, all institutions beyond the household are also influenced by gender because they are located (materially or conceptually) in the production economy. They neglect how the labour process within reproduction contributes to the economy of production (the paid economy).

There are several Canadian studies completed or under way which attempt to gauge the interlinkages between macro-economic instruments, such as subsidies and transfers, and unpaid work in households and communities. These are discussed in some detail as they offer a good indication of the dynamics of adjustment once paid and unpaid work are combined in policy assessments.

The three studies referred to are:

- the Elliot Lake Tracking Study;
- the TAGS Household Study of the Atlantic Groundfish Strategy; and
- the Speaking Out tracking study by the Caledon Institute which seeks to document the impact of changes in government policies, programs and taxes on Ontario households.

### ***The Elliot Lake Tracking Study***

The Social and Institutional Costs Sub-Project of the ELTAS attempts to develop a more complete picture of the adjustment costs of layoffs by introducing a broader notion of well-being (beyond the individual and beyond having a job) into the analysis. The study is critical of today’s adjustment programs because they rest on assumptions and beliefs that promote well-being as a personal or individual, rather than a collective or social responsibility. This offers a promising start to a more complete view of economic processes that recognizes the links between paid and unpaid work.

The study notes that recent layoffs are the result of post-industrial changes in the Canadian economy yet adjustment responses are still characterized by notions of the postwar boom. Services to the unemployed, for example, are still addressing cyclical unemployment rather than long-term changes in the structure of the economy. Furthermore, these structural changes require a broader conception of productive activities beyond those found in standard, paid work situations.



### **Why we need to value unpaid work**

If we were to value reproductive and home production activities, creative and artistic endeavours, and self-employment — in addition to standard paid work activities — so people engaging in all these activities were rewarded in similar ways to those engaged in traditional work, then our policies and programs would be much more relevant to today's context than is the case. This would also mean that our social policies would promote goals that are more consistent with the present economic policies and trends. These trends result in shifts toward short-term contracts, part-time and temporary work, technological innovation, extensive overtime and entrepreneurship, so fewer workers are needed by business and industry. This means, in turn, that unless we move away from our assumptions that the unemployed could find work if they tried harder, we risk creating a society where an ever-decreasing group benefits economically and an ever-increasing group becomes disaffected (Mawhiney, 1997).

The study concludes by identifying structural barriers to well-being with a particular emphasis on equity issues. For example, individuals and families cannot be seen as responsible for unsuccessful labour adjustment in isolation from structural discrimination, government and industry decisions about economic priorities and dominant ways of thinking which reward paid production and ignore activities which promote communal well-being. Also, adjustment programs and services need to be formulated with broader accessibility issues in mind. Mawhiney (1997: 12) cites present labour adjustment programs as less accessible to single parents with young children and women with elder care responsibilities.

### ***The TAGS Household Study of the Atlantic Groundfish Strategy***

The TAGS Household Study, released in January 1996 by HRDC was designed specifically to examine the role of the household in shaping adjustment options, actions and outcomes for TAGS clients. The study interviewed informed observers including government officials, industry and community leaders, and academics; conducted a secondary data analysis of the HRDC TAGS file and of the Survey of Consumer Finances; summarized TAGS client survey household data; and conducted case studies in five communities. The TAGS Household Study is interesting precisely because it is one of the few concrete studies which examines a government adjustment program (in this case, in response to a groundfish moratorium) in the context of households and gender relations. It supports the conclusion that the whole process of “adjusting” is not just job-related but includes all aspects of work and coping.

#### ***TAGS Household Study principal findings***

- Adjustment is a household process, and inadequate attention to household circumstances and needs relative to the adjustment choices of individual clients may limit the overall effectiveness of TAGS active programming.

- Women and men face different adjustment opportunities and constraints because of their different roles and often unequal positions in the family, the fishery and the community.
- Female TAGS clients generally show greater interest than males in training and in employment outside the groundfish industry; however, they require different supports to access training given family responsibilities and restrictions on mobility.
- Female clients generally see themselves as less mobile than do male clients because of their family and household responsibilities, more limited labour market opportunities and spouses who have jobs or just don't want to leave.
- The most frequently mentioned issue of perceived gender bias in the TAGS/HRDC program structure is that fish harvesters (predominantly male) with long service in the fishery are accorded a place in the fishery of the future while fish-processing workers, half of whom are female, receive no such recognition for seniority or human capital investments in their jobs.
- Female TAGS clients, on average, receive lower TAGS benefit levels than male clients reflecting their lower wages and salaries in the plants.
- Many women in fishing communities are disempowered by traditional gender roles and community values. For them, adjustment requires improvements in self-esteem and assertiveness that can come from personal empowerment and from greater recognition of their contributions to the fishery and to their households and communities.

In summary, the findings suggest that greater sensitivity to household and gender issues will contribute significantly to the design and implementation of adjustment programs. More flexible programming to take account of household- and community-based adjustment activities might expand the adjustment impacts of TAGS without adding significantly, if at all, to program costs.

***The Speaking Out tracking study by the Caledon Institute***

The Speaking Out Project: The Consequences of Policy Changes for Ontario Households, (established in January 1997) is a longitudinal study of 40 Ontario households which will be intensively interviewed at six-month intervals over a three-year period. The 40 households are geographically dispersed, the majority are low or middle income, and represent mixed household structures including lone-parent families. So far, the project has only tracked the scope and pace of policy change in Ontario and documented people's reactions (deep unease at the speed of change and lack of public input). The questionnaire for households will allow for responses on special needs (physical and mental disabilities of household member), household tasks and household responses/coping strategies which include spending and consumption, lost personal opportunities, altering types of purchases and changes in household operations. There is also a section of the questionnaire devoted to specific policy changes, such as

welfare/workfare, tax cuts, employment equity, health care and education, which are linked to effects such as health, mobility, spending, stress and other plans.

### ***Policy implications***

- Current adjustment programs do not address all workers equally. In particular, adjustment programs frequently ignore gender differences in time use and access to resources both in the home and the labour market.
- Adjustment programs assume that unpaid activities will act as a buffer for the loss of paid activities and/or cuts in transfer payments. The long-term implications of offloading to the unpaid work of families and communities are beginning to be documented through tracking studies which document the personal mental and physical costs as well as community-based costs.
- A broader notion of well-being may be more cost effective in the long run.

### ***Research gaps***

- The main problem is that we are beginning to develop a body of literature which examines the impacts of macro-economic policies on households, but there is little research to identify the implications for the effectiveness of macro instruments, such as subsidies, transfers, services, tax initiatives and user fees, if we were to examine household feedbacks to the broader economy.

## **Growth**

### ***Conceptual issues and empirical data***

Most conventional treatments of macro-economics view equity as a subset of efficiency considerations. However, a re-evaluation is under way, lodged within the new growth theory, which focuses on human capital. New evidence suggests that the distribution of human capital influences growth. In East Asian “miracle” economies, rapid economic growth has been partly powered by a relatively equal distribution of productive assets, especially human capital, which has paved the way for a broader notion of efficiency concerned with how the production of goods and services translates into human development. One conclusion is that income and wealth inequalities are linked to lower growth because they reflect the inability to invest in, or to borrow to finance, education (Deninger and Squire, 1996; Birdsall et al., 1996). If structural investments (education, health, infrastructure, market access) are weak, economies will grow more slowly leading to greater political instability which also acts as a drag on growth (Perotti, 1996).

From a gender-sensitive perspective, this new literature creates a space for the complementarity of equity and efficiency. A consideration of long-term endogenous growth strategies (vs. short-

term stabilization) opens up the policy discussion on building capacity and capabilities through public investment in education and health, and also allows us to introduce the unpaid labour side. Such an analysis emphasizes the gendered nature of both men's and women's differential capabilities and their ability to develop and deploy these capabilities. However, even when women achieve a level of education similar to men, they may not use their training to the same extent as men because of social and cultural constraints (Beneria and Bisnath, 1996: 10). As long as social and cultural norms continue to reinforce an unequal gender division of labour, macro-economic policies which are not gender sensitive will continue to reinforce male capabilities and norms over those of their female counterparts. This means that a significant component of the population is subsidizing, via the domestic and reproductive economy, a growth strategy which rests on high barriers to equitable participation by women and the poor.

The recently developed Occupational Return on Education Index examines how women compare to men with regards to employment in occupations that provide a good return on the investment made in higher education. In 1995, the index was 0.80 reflecting a continuing gap between women and men. No doubt, the historical invisibility and undervaluation of work traditionally performed by women is partly reflected in this index (Status of Women Canada, 1997). Part of an effective growth strategy then rests on patterning national revenues and expenditures to lessen the gender inequality which frequently constrains women's supply response.

One potential strategy has been to develop a review of national budgets with the goal of illustrating how fiscal policies can improve, worsen or leave the same gender equality. For example, the technical character of tax, much like the domain of macro-economics, makes people disappear (i.e., the discussion is at the aggregate, not the individual, level). At the aggregate level of total revenue raised, there are no obvious differentials by sex. However, existing tax systems contribute to, support and enforce the gendered division of unpaid labour. Once decomposed into direct (income) and indirect (consumption, value added taxes) taxes, several effects along gender lines can be discerned. For example, the almost universal trend to value added taxes in the 1980s has been recognized as a regressive policy initiative from the vantage point of the poor and women who, in global terms, constitute the majority of the poor. Consumption taxes disproportionately affect the lower income groups who pay a larger chunk of their earnings through this tax. Also, indirect taxes are recognized as having a greater impact on women, who universally act as managers of the household consumption budget. Indirect taxation relies heavily on basic commodities such as staple food items. This tends to reduce the proportion of total consumption met through the market and is likely to increase the demand for women's unpaid work in household production of market substitutes. In Canada, basic food is not subject to the Goods and Services Tax (GST) nor provincial indirect taxes. As well, a low income tax credit is provided to offset partly the regressive impact of the GST. Direct income taxes, in contrast, have a greater impact on men because of their greater access to employment and higher incomes (OECD, 1985).

Tax incidence becomes even less progressive and more biased against women when wealth<sup>6</sup> is considered because income levels (almost always the sole indicator of ability to pay) ignore the social and economic benefits enjoyed by wealth holders.

Given that wealth is distributed much more unequally than income, all these components of the tax system may be seriously underestimating the taxable capacity of the wealthy, and overestimating that of the poor. Similarly, by measuring the distribution of the tax burden according to income level only we minimize the degree of inequality among taxpayers, and therefore exaggerate the progressivity of the tax system. This has particular implications for women, who are disadvantaged relative to men in terms of wealth, as well as income. Using income as a proxy for ability to pay therefore obscures the full nature and extent of gender bias in the tax system (Philipps, 1996: 17-18).

Assessing the impact of expenditure policies by gender is also a highly complex task due to the vast range of programs, types of spending and the complexities introduced by the reform of trade regimes. From an exclusively macro-economic vantage point, the central concern is the impact of shifts in aggregate demand and the subsequent changes in output, employment and prices. Undoubtedly, a larger or smaller deficit will work its way through the economy in ways which change not only the macro aggregates but also the relative economic status of different groups of men and women.

However, any effort to understand the way in which decisions to alter aggregate demand are not gender neutral must go beyond the employment, output and price effects. It must also contend with the highly differentiated impact that shifts in expenditure levels and program priorities have on women and men. The starting point for this more disaggregated analysis is, naturally, a taxonomy of state spending. Approaches to defining the different aspects of state expenditure range from modest accounting frameworks to full fledged functional breakdowns. A main goal of existing alternative gender-sensitive budget projects, such as those of Australia and South Africa, is to begin to influence three types of spending reflected in government finances: specially targeted programs for women and girls (e.g., education or labour market policies), programs aimed at change in government departments themselves such as equal employment initiatives, and general or mainstream programs.

### *Policy implications*

- Stabilization and adjustment measures do increase some women's hours of work, which can influence overall productivity and income.
- A gender-sensitive assessment of work, consumption, income and wealth would influence growth strategies by broadening their scope.
- An analysis of how the federal budget contributes to the lessening/deepening/neutralizing of gender inequality should be an annual exercise, (see Chapter 3: Conclusions for suggested pilot studies).

### ***Research gaps***

- There is a need to develop a clearer definition of efficiency in the use of resources which incorporates paid and unpaid labour. Such an understanding includes the transfer of costs to the unpaid economy and human resource depletion or enhancement in any consideration of increased or reduced efficiency.
- What would be a broader analysis of how resources are mobilized? In particular, a new approach to resources will account for the fact that women's labour is in limited supply and often over-utilized once unpaid activities are brought into the analysis. Resources within households are also internally differentiated and not necessarily equally pooled.
- Can we establish a link between lower GNP and under-investment in women's human capital?
- Does less investment in social infrastructure increase the "time costs" for women in the unpaid sector and make them less responsive to economic incentives in the paid sector?
- Does privatization of education, training and public services improve access for women? Does it lead to greater income disparities between women and men?

### **Saving and Investment**

#### ***Conceptual issues and empirical data***

In a recent article, Erturk and Cagatay (1995) argued that cyclical and secular changes in the feminization of the labour force and the intensification of women's reproductive labour have effects on investment and saving. More specifically, household survival strategies during times of restructuring, rest on low income women increasing their labour force participation rates as well as the hours and intensity of their non-market labour. While the welfare consequences of women's adjustment behaviour are frequently explored, Erturk and Cagatay note that the macro-economic implications of such intensification of women's work have not been systematically studied. They go on to develop an econometric model which might capture the relationship between the feminization of labour, the intensity of household labour and capacity utilization rates that influence investment and saving behaviour. They suggest a number of conclusions based on stylized facts and scattered case studies.

They begin with the basic assumption that a rise in the feminization of the labour force stimulates investment while a rise in the intensity of female household labour raises saving. Dividing their analysis into low, middle and high income countries, they conclude that the latter two are more likely to benefit economically from the "feminization" variables. Erturk and Cagatay (1995: 1971) conclude that, for a gender-based recovery to succeed, the positive impact of feminization of the labour force on investment must be stronger than the impact of a rising intensity of female household labour on saving. The case where the intensity of

household labour rises faster than the feminization of the labour force is more likely to occur in low middle income countries. This reduces the likelihood of economic recovery in contractionary periods. Finally, they conclude that in the high middle income countries, a gender-based recovery is more likely to succeed yet probably will not last. This is due to a reversal in the feminization of labour once export-led growth in its higher stages takes form. As successful export-oriented economies reach a mature stage of development, they start to produce and export more sophisticated products requiring greater labour skill, a process that entails substitution of men for women in many cases.

### ***Policy implications***

The relationship between the feminization of labour, the intensity of household labour and the capacity utilization rates that influence investment and saving behaviour needs to be documented.

### ***Research gaps***

- Is the feminization of the labour force being reversed? In what sectors is this true/untrue?
- How do female participation rates contribute to economic recovery?
- What policy instruments can be used to stabilize women's labour force participation?
- What approaches (see above) are implicitly or explicitly embedded in relating paid and unpaid work?
- How does each approach influence saving and investment decisions?

## **Trade Strategies**

### ***Conceptual issues and empirical data***

The liberalization of trade is one of the driving forces behind increased feminization of the labour force. Policies of governments and international organizations, such as the OECD, facilitated the restructuring of manufacturing through removing the "structural rigidities" that were identified in product and labour markets. Stabilization, adjustment and contraction of public investment in infrastructure had several consequences for women in particular. As noted above, these policies assumed that households would absorb the costs of adjustment through an intensification of subsistence and unpaid labour. Second, declining household incomes spurred women into the labour force in larger numbers. Third, informal sector activities began to flourish as formal sector employment strategies were closed off (Prugl, 1996: 46).

The long-term effects of such strategies are hotly debated especially the long-term links between labour standards and productivity growth. Economist Ingrid Palmer (1995: 1983) also

points to significant social opportunity costs resulting from having so much of women's labour time committed to low-productivity social reproduction outside the processes which mobilize investment and boost productivity, such as trade-related employment. Furthermore, policies that eradicate gender biases in skill acquisition are vital to ensure that "defeminization" of the labour force does not occur.

In Canada, feminization of the labour force is still the leading trend although those women who have moved into traditional male work frequently find that it has become more like traditional women's work (Armstrong, 1996). Finally, deflationary macro-economic policies (such as declining household real income) can contribute to the conditions that push women into selling their labour at very low wages. This adds to their workload and will not necessarily improve material conditions nor poverty rates among lone-parent families.

Some Canadian research has focused on the constraining features of trade agreements such as the North American Free Trade Agreement (NAFTA) and the Multilateral Agreement on Investment (MAI) now being negotiated within the OECD arguing that equality-seeking groups will experience a dramatic constriction in the various ways in which social policy can be influenced. By ensuring convergence toward a single market, a new economic environment is being created which downplays the public sector and promotes "marketization" on all fronts (Cohen, 1996). Trade liberalization has also increasingly removed economic decision making from the realm of political choice. This has, in turn, removed equality rights from the main agenda and created new challenges for feminist advocacy (Day and Brodsky, 1997). This new environment will make it more difficult to introduce unpaid work and work divisions into policy discussions unless a direct link with efficiency can be made.

### *Policy implications*

- Adjustment packages for declining sectors and industries must reflect all aspects of work and coping. Women's and men's mobility patterns can affect the speed and direction of economic adjustment.
- Equality rights are influenced by trade agreements.

### *Research gaps*

- The implications of trade policies for women depend on where women are located in paid and unpaid work and caregiving. It is only through empirical research that we will be able to determine the gender effects and policy implications of specific trade liberalization schemes.
- What incentives to change the existing division of labour between paid and unpaid work are created through new trade initiatives?



## Social Policy Packages and Human Resources

### *Conceptual issues and empirical data*

Many economic and social policies operate through households. This makes the recognition of unpaid work even more vital to effective policy making. Martha MacDonald (1996) has argued that standard criteria, such as efficiency and equity, need to be reframed based on a gender analysis. She suggests several points, reminiscent of the social responsibility model discussed earlier, which can provide a checklist against which to evaluate existing or new programs.

1. Policies must rest on a recognition of the importance of social reproduction. Economists working on gender questions have argued for including the measurement of unpaid work, the development of extended national accounts and the inclusion of reproduction into macro-economic models. Several implications follow from these arguments. One is that social policy provisions, such as health, education and child care, be understood as an investment in economic infrastructure and human capital much in the same way as roads, sewers and bridges are. Second, economic measures need to take into account the used and produced resources of the reproductive sphere. In particular, any strategies to increase productivity must incorporate the productivity of unpaid labour as increases in unpaid work can undermine the responsiveness of the paid labour supply, the education and health of caregivers, and economic and social stability.
2. Policies must recognize the existing gender division of labour in the home and women's disproportionate responsibilities for social reproduction. Most social security policies do not provide support for the combination of labour force and reproductive work that mark women's experiences. Current reforms in some of the OECD countries (United States, Canada), such as workfare, expect single mothers to be employable yet do not recognize or support (through public child care) their reproductive responsibilities.

Policies can be divided into several approaches. Policy makers can clearly delineate what approach is being taken to integrating paid and unpaid work in their social policy frameworks. One approach gives indirect policy recognition to the relationship between paid and unpaid labour through, for example, pension schemes and employment equity policies which encourage a more equitable choice and distribution of unpaid work. This influences saving and the ability to be financially secure over the long term. The second recognizes the importance of unpaid work through policies such as tax breaks for those staying at home to raise young children. A third approach is that of public sector provision of services. It recognizes women as both mothers and workers and removes some of the individual burden of unpaid labour such as child care by shifting this function to the public sphere. Increasingly, broader economic and social policies are having a greater impact on the family than so-called family policies. The shift from the Canada Assistance Plan (CAP) to the Canada Health and Social Transfer (CHST) and the implications for social programs and services will have a powerful impact on assisting women to contend with social and economic inequality. As the authors (Day and Brodsky,

1997: 30) of a recent study warn: “What is most disturbing of all, then, in light of the tight connection between social programs and services and women’s equality, is that the most drastic changes to social programs of the last forty years have been presented as a purely budgetary matter, unrelated to the rights of women.”

### ***Policy implications***

- Social spending is a necessary social investment, the lack of which also has costs, i.e., it is not gender neutral. Costs of reduced social spending directly influence women’s economic and social equality.

### ***Research gaps***

- How does women’s economic inequality affect the policy goals outlined in Table 1?
- Do increases in unpaid work undermine the responsiveness of the paid labour supply, the education and health of caregivers and economic/social stability?

## **The Contribution/Resource Gap**

### ***Conceptual issues and empirical data***

The *Human Development Report* (UNDP, 1995a) recognizes the discrepancy between women’s economic contribution and their control over economic resources. When their larger contribution to total economic production is taken into account, women still have less access to money (income and assets), less wealth and less control over the economic processes they contribute to (Aslaksen and Koren, 1996: 66). If total labour were equally distributed, entitlements to income and wealth would change, along with property and inheritance rights, access to credit based on collateral, direct entitlement to benefits and tax incentives (UNDP, 1995a: 98). All these measures would enhance women’s economic status in a positive direction and would contribute to long-term endogenous growth strategies by opening up capacity/capabilities in areas such as health and education.

The recent Economic Gender Equality Indicators produced by the Federal-Provincial/Territorial Ministers Responsible for the Status of Women (Status of Women Canada, 1997) serve to underscore this continuing gap between women’s contribution to paid and unpaid work and their resources (income, assets, institutional decision making). The total income index (average of the total income received by women and the average of the total income received by men) in 1995 was at 0.56 meaning that, overall, women in Canada received 56 percent of income compared to men. The after-tax income index was 0.60 percent indicating that the net effect of the income tax system was to improve the gender balance in income. When total workload is divided into paid and unpaid work, the female/male ratio for paid work is 0.60 and for unpaid work, 1.73 (for 1992). This unpaid work is a significant determinant of women’s resources, work distribution patterns (within paid work and between paid and unpaid

work) and leisure time. The latter is a vital component of well-being and civic engagement. This is discussed in the next section.

### *Policy implications*

- The totality of women's contribution needs to be recognized through policy. Determining appropriate instruments, such as monetary compensation, through tax measures is key to effective policy making.

### *Research gaps*

- How would a narrowing of the contribution/resource gap enhance long-term growth strategies?

## **Policy Transparency, Accountability and a Greater Voice**

### *Conceptual issues and empirical data*

Micro-economic studies have shown a positive relationship between women's economic status and their greater voice in household decision making, that is, between women's access to independent income and bargaining power. Once women have an independent source of income, their ability to contribute to decisions about how their household will use resources tends to increase.

At the macro-economic level, a loss in social productivity might result from the lack of voice of women in policy decisions about resource allocation and distribution. The research on SAPs has underscored this relationship and urged women's active participation in economic decision making. Non-governmental organizations (NGOs) have been active participants in bolstering the representation of civil society in decision making and in assisting with capacity building within government bureaucracies themselves.<sup>7</sup> However, many of these strategies of increased civic participation and engagement rest on sufficient leisure time which goes against what we know from current research on restructuring: that women's unpaid work is intensifying not easing.

Another aspect related to accountability and policy transparency is the trend toward balanced budget legislation and tax limit laws<sup>8</sup> among provincial and federal governments. Balanced budget laws are likely to exacerbate social and economic disparities, heighten barriers to equality-seeking groups and diminish political dialogue about the fiscal policy agenda (Philipps, 1996b). For one, a balanced budget law undermines government's capacity to perform its stabilization function. A sudden fall in demand levels would mean immediate spending cuts, deeper recession and postponed recovery. Also, the presence of balanced budget legislation increases the political costs of spending money to alleviate poverty and other effects of recession on people. As Philipps (1996b: 736) points out:

It is vital to consider who is left out of this new concept of citizenship. There are a host of ways in which the marketization of the state works not to enhance political participation, but to reinscribe and worsen the exclusions already familiar under welfare state liberalism... Democracy is not merely a function of how the central organs of the state operate, but also requires the organized participation of citizens. In this regard, balanced budget laws promise to exacerbate the impoverishment of community political organizations under restructuring.

### *Policy implications*

- Policy instruments need to be assessed as hindering, enhancing or leaving unchanged women's civic engagement and their contribution to fiscal policy formulation.

### *Research gaps*

- How do changes in unpaid work influence civic engagement, specifically capacities to debate public budgets?

## CHAPTER 3: CONCLUSIONS

I have tried in this paper to highlight an underdeveloped approach to unpaid work which looks at where potential feedbacks might occur between unpaid work and the macro economy and what the consequences might be of these links for policy makers. Such a shift in focus is important because it reflects the overall shift in economic policy away from equity to efficiency concerns. I have suggested that what happens in the sphere of unpaid work can be seen as complementary to both equity and efficiency objectives. However, much of what we know currently is based on “stylized facts” or empirical research which is indirectly related to this problem. With this in mind, I have tried to establish potential links between certain policy directives and outcomes.

The main conclusion is that policy makers must make explicit their assumptions which underpin macro-economic policies. Here the chief goal for feminist advocates and researchers is to establish the costs to policy makers of ignoring unpaid work and women’s time use in these activities. What policies improve, worsen or leave the same gender inequality? This is the main question. Any work toward an answer needs to be informed by repeated illustration of the relationship between budgetary decisions and the rights of women. Changes to social programs and measures which place limits on a government’s capacity to perform its stabilization function, such as balanced budget initiatives, have a direct and serious impact on how different groups of women contend with social and economic inequality. The major outstanding issue in terms of a better-informed policy framework will be to develop research supports that shed light on how various macro policy tools should be used to mitigate the effects of unpaid work on women’s inequality.

Several pilot studies could be launched with this in mind. These studies should be conducted as joint government–women’s group initiatives with sufficient financial support of government to support the outside research component.

### **Pilot Project 1: Gender-Disaggregated Public Expenditure Benefit Incidence Analysis<sup>9</sup>**

Goal: Assess how gender inclusive the expenditure or tax is by comparing the distribution of spending between men and women.

The project needs to:

- establish the annual cost of any service minus user fees and then try to determine who used these services (by income groups, by gender); and

- assuming taxes are the same, with good household budget data, see to what extent women and men manage different income streams and have different expenditure possibilities.

How can it be used? Benefit incidence analysis can estimate the distribution of public expenditure. Until recently most benefit incidence studies did not report gender-based disaggregations. However, a recent study for Switzerland (Bauer and Baumann, 1996) illustrates the possibilities of gender-disaggregated analysis.

How can it be implemented? The first step is to establish benefit incidence, to see whether it has been disaggregated by gender. The next step is to determine what data are available for measuring benefit incidence by gender (level of government and ministry providing the service or to use existing household surveys). Otherwise, establish procedures to generate the relevant information. Involve all ministries and Statistics Canada.

Calculations can be done within government or by independent researchers.

### **Pilot Project 2: Gender-Disaggregated Analysis of Budget Impact on Time Use**

Goal: Monitor the next federal budget and determine its impact on unpaid work and time use. This is to make visible the implications of the national budget for household time budgets and to reveal the importance of unpaid work in social reproduction (unpaid caring work). Time use data can be employed to reveal the interconnections between the government budget and household time budgets. Canada has regular estimates of monetary value of unpaid work since 1978, and time use surveys were initiated in 1986. In addition, tracking studies, such as the Elliot Lake survey could be broadened.

The project needs to:

- collect information on how people in households use their time.

How can it be used? Status of Women Canada has published (SWC, 1995) a six-point policy framework for addressing unpaid work and its importance to economic policy.

How can it be implemented? We need to establish the time use data that do exist (General Social Survey, Total Work Accounts System, Economic Gender Equality Indicators) and how they can be improved, and develop clear links to how these data can be used for policy analysis.

### **Pilot Project 3: Gender-Aware Budgets**

Goal: Develop a satellite process of gender-aware policy evaluation along the lines of the South African model (Budlender, 1996). South African women's groups and NGOs have conducted an alternative women's budget project over the last two years drawing partly on Australian government practice in the 1980s. The aim is to evaluate whether policies that underlie budget appropriations are likely to reduce, increase or leave unchanged the degree and

pattern of gender inequality. In the South African case, this has been a joint initiative taken by a group of NGOs and the Parliamentary Joint Standing Committee on Finance to examine the likely gender impact of key areas of public expenditure and taxation.

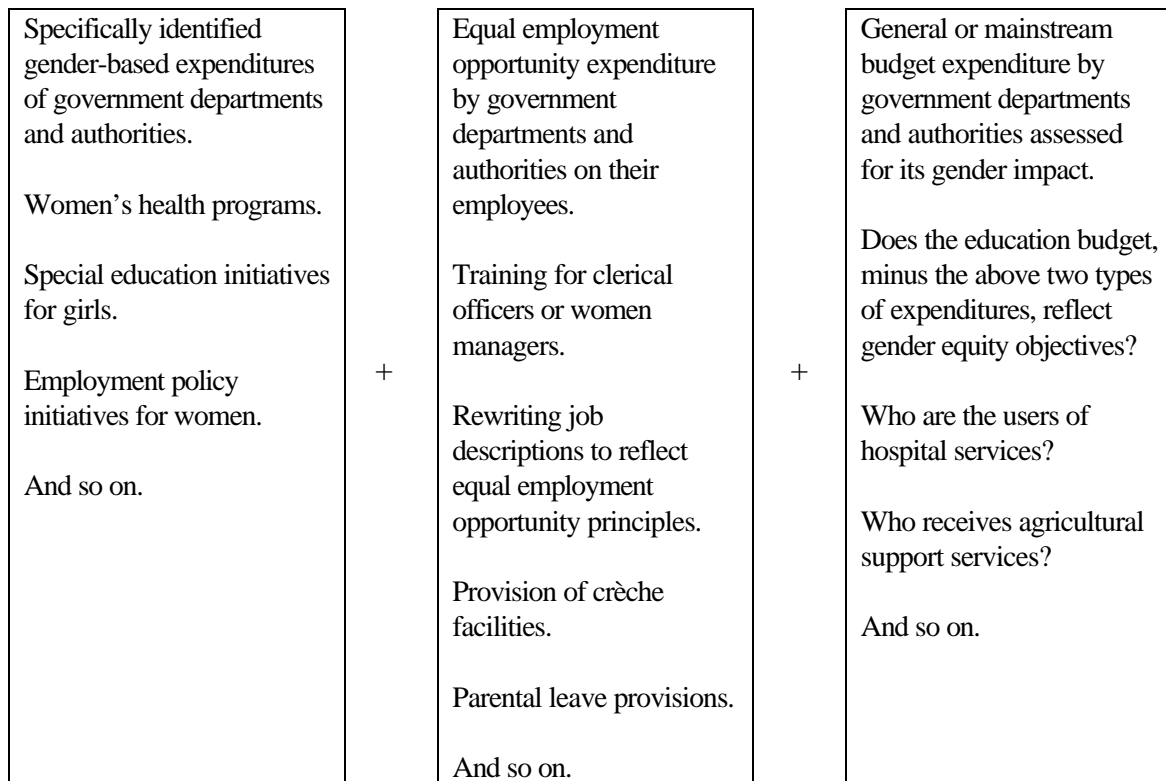
This project needs to:

- show how budgets affect women in their multiple roles. There are three different gender roles which differ from society to society: the reproductive role, the productive role and the community role.

How can it be used? It could further gender-aware policy evaluation, especially of fiscal and monetary policies.

How can it be implemented?

- Assess the impact of all governmental programs on women.
- Influence three types of spending decisions: specifically targeted programs, programs aimed at change in departments and mainstream programs.



**= Total Budget**

Each chapter of the women's budget starts from:

- a problematic statement outlining the major gender issues in that particular sector;
- a description of state involvement in the sector; and
- possible reassessment of priorities and alternatives. Wherever possible, costs are estimated.

This model serves as an annual monitoring exercise that allows for an analysis of change over time.



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## ENDNOTES

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<sup>1</sup> This definition is suggested by Townson (1997).

<sup>2</sup> See UNDP (1995b).

<sup>3</sup> See Cagatay et al. (1995).

<sup>4</sup> Ironmonger is in the process of creating such as economy-wide model using input–output tables for the Australian economy.

<sup>5</sup> Social reproduction refers to the unpaid economy (which has been variously labelled “domestic,” “social reproduction,” “reproductive” or the “care” economy) in which women do most of the work of maintaining the labour force and keeping the social framework in good order — both vital services for the paid economy.

<sup>6</sup> Wealth is defined as the money value of the total stock of assets owned by an individual at a particular point in time minus total debts and liabilities at that time.

<sup>7</sup> An example here is the Women’s Budget Project in South Africa, a joint initiative of the parliamentary finance committee and NGOs.

<sup>8</sup> Anti-deficit laws of various forms have been enacted in the Northwest Territories, Alberta, Saskatchewan, Manitoba, Quebec and New Brunswick. Alberta and Manitoba have also introduced tax referendum laws, and in 1992 the federal government adopted the *Spending Control Act*.

<sup>9</sup> See Elson, 1997; Elson and Bakker, 1998.

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