Hidden Vacancies?
From Unpaid Work to Gender-Aware Public Job Creation

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Levy Economics Institute
Session 3

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Outline of the Paper

1. Introduction
2. The Economic Policy versus Social Policy Divide
3. The Social Content of Macroeconomic Modeling
4. Unpaid Work and the Macro-Economy
5. Why are ELR and ESG Important for Women?
6. Why are Jobs Created Through ELR and EGS Important for Gender Equality?
7. Economic-Wide Outcomes
8. En-Gendered SAM Modeling of Public Job Creation
9. Concluding Remarks
OUTLINE of the presentation

A. Why ELR, EGS, EPWP economic or social policy?
   The Social Content of Macroeconomic Models

B. Public EGP and female participation
   (enhanced employment opportunities but not only)

C. HIDDEN VACANCIES

D. ELR’s impact on the economy

E. Macroeconomic framework
   The economy without gender
   Through a gender-aware lens
HIDDEN VACANCIES?
TIME USE STUDIES

Health Care Sector
Education Sector
Water and Sanitation
Transportation
etc
Macromodeling without Gender: 3 Markets and 3 Economic Agents

The Macroeconomy can be viewed as consisting of three types of markets

• the **Goods and Services Market** (consumption & investment goods & services)

• the **Inputs Market** (Labor & other inputs into production)

• the **Financial Assets Market** (where borrowing and lending occurs)
Macromodeling without Gender: 3 Markets and 3 Economic Agents

In Standard Macroeconomics there are three types of economic agents that interact with each other in these markets: Households, Firms and the Government. Economic agents appear in the role of buyer in one market and as sellers in another.

- In the Goods market firms supply goods and services. Households and the government appear as buyers of consumption goods and other firms appear as buyers of investment goods.
- In the Input market firms enter as purchasers of labor services and land and machinery and households appear as sellers of these services.
- In the Assets market, households supply savings and, firms, government or other households borrow to finance their expenditures.
Formal work
some family labor

Business Sector

Formal Work

Supplies labor
Receives income
Saves and Consumes

Household Sector

Banks

Formal work
Formal Labor
Informal Labor
Volunteer & Unpaid work

Business Sector

Formal work
Informal work
Unpaid Work
Volunteer work

Sector Público

Formal work
Informal work
Unpaid Work
Volunteer work

NGO Sector

Formal
Volunteer

Household Sector

Formal work
Informal work
Unpaid work

Deterioration of Human capabilities?
Gender-aware Macroeconomic Analysis: what for and how

**HOW?**

- Change the overall vision of the articulation of the “economy”:
  - Households a) consume and save, **BUT ALSO**
    - b) produce goods and services
    - c) “produce” and reproduce human beings
  - Disaggregate labor into: formal paid, informal paid, unpaid labor
Gender-aware Macroeconomic Analysis: what for and how

IMPACT ANALYSIS

• to **inform** how gender differences may affect the achievement of **policy goal** (expenditures patterns and health/education of children)
• to **make transparent** how build-in gender biases (bank’s lending practices, labor market discrimination) are inequitable and at times **inefficient** for people and for the economy
• to **predict** possible differentiated outcomes for **men and women** (employment, care activities etc)
Modelling the economy-wide impact of an employment guarantee programme

1. How a SAM-approach can contribute to the study of EGPs? What are the key ingredients of a gender-aware SAM?

2. How does the proposed approach improve on earlier gender modelling?

3. What the proposed approach add to other modelling of EGPs?
Why a SAM approach?

• Description of production and distribution processes
• Emphasis on social relations and interdependencies
• Useful in highlighting the many important interconnections between the market and the non-market economy
• A different (extended) vision of what constitute the economic system
**Standard SAM structure**

<table>
<thead>
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</thead>
<tbody>
<tr>
<td>1. Activities</td>
<td>Domestic Sales</td>
<td></td>
<td></td>
<td>Export subsidies</td>
<td>Exports f.o.b.</td>
<td></td>
<td>Production</td>
</tr>
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<td>3. Factors</td>
<td>Value-Added</td>
<td>VA Labor</td>
<td>Interhousehold Transfers</td>
<td>Transfers</td>
<td>Government Transfers</td>
<td>Remittances from Abroad</td>
<td>Household Income</td>
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<tr>
<td>Households</td>
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<td>Enterprises</td>
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<td>VA Capital</td>
<td></td>
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<td>Enterprise Income</td>
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<td>Government</td>
<td>Indirect Taxes</td>
<td>Import Tariffs</td>
<td>Income Taxes</td>
<td>Corporate Taxes</td>
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<td></td>
<td>Government Receipts</td>
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<td>5. ROW</td>
<td>Imports c.i.f.</td>
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<td>Imports</td>
</tr>
<tr>
<td>Total</td>
<td>Gross Output</td>
<td>Domestic Supply</td>
<td>Factor Outlay</td>
<td>HH Expenditure</td>
<td>Enterprise Expenditure</td>
<td>Government Expenditure</td>
<td>Foreign Ex Earnings</td>
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**Expenditures:**

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<td></td>
<td>Export subsidies</td>
<td>Exports f.o.b.</td>
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<td>Production</td>
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<td>Final HH Consump.</td>
<td>Final Gov. Consump.</td>
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<td>Domestic Demand</td>
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<td>Value-Added</td>
<td>VA Labor</td>
<td>Interhousehold Transfers</td>
<td>Transfers</td>
<td>Government Transfers</td>
<td>Remittances from Abroad</td>
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<td>Corporate Taxes</td>
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<td>Domestic Supply</td>
<td>Factor Outlay</td>
<td>HH Expenditure</td>
<td>Enterprise Expenditure</td>
<td>Government Expenditure</td>
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Gender-disaggregated accounts: useful but not enough

<table>
<thead>
<tr>
<th>Activities:</th>
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<tbody>
<tr>
<td>Food</td>
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<tr>
<td>Commercial crops</td>
</tr>
<tr>
<td>Lab-int manufacturing</td>
</tr>
<tr>
<td>Cap-int manufacturing</td>
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<tr>
<td>Public Services</td>
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<tr>
<td>Private Services</td>
</tr>
<tr>
<td>Etc.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Commodities:</th>
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<tbody>
<tr>
<td>Agriculture</td>
</tr>
<tr>
<td>Lab-int manufacturing</td>
</tr>
<tr>
<td>Cap-int manufacturing</td>
</tr>
<tr>
<td>Public Services</td>
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<tr>
<td>Private Services</td>
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<tr>
<td>Etc.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Labour:</th>
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<tbody>
<tr>
<td>Unskilled agricultural</td>
</tr>
<tr>
<td>Unskilled</td>
</tr>
<tr>
<td>- Female ++</td>
</tr>
<tr>
<td>- Male ++</td>
</tr>
<tr>
<td>Skilled</td>
</tr>
<tr>
<td>- Female ++</td>
</tr>
<tr>
<td>- Male ++</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households:</td>
</tr>
<tr>
<td>Rural rich</td>
</tr>
<tr>
<td>Rural poor</td>
</tr>
<tr>
<td>Urban rich</td>
</tr>
<tr>
<td>Urban Poor</td>
</tr>
<tr>
<td>Female Headed ++</td>
</tr>
<tr>
<td>Firms</td>
</tr>
<tr>
<td>Government</td>
</tr>
<tr>
<td>Rest of the World</td>
</tr>
<tr>
<td>Capital Account</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
### Unpaid work fully integrated in SAM accounts: an example

<table>
<thead>
<tr>
<th>Activities/Commodities</th>
<th>Factors</th>
<th>Households</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Rural</td>
</tr>
<tr>
<td><strong>Market</strong></td>
<td>F Lab paid</td>
<td>F Lab unpaid</td>
</tr>
<tr>
<td>Conventional I/O</td>
<td>Ext. I/O (e.g. household cooking using food bought in the market)</td>
<td>Final consumption</td>
</tr>
<tr>
<td>Non-market</td>
<td>Ext. I/O (e.g. public health service that requires meals to sick patients to be provided by family members)</td>
<td>Home own consumption</td>
</tr>
<tr>
<td><strong>F</strong></td>
<td>F lab paid</td>
<td>VA</td>
</tr>
<tr>
<td>F lab unpaid</td>
<td>VA (e.g. subsistence agriculture)</td>
<td>VA</td>
</tr>
<tr>
<td>M lab paid</td>
<td>VA</td>
<td></td>
</tr>
<tr>
<td>M lab unpaid</td>
<td>VA</td>
<td></td>
</tr>
<tr>
<td><strong>H</strong></td>
<td>Rural</td>
<td>Labour income</td>
</tr>
<tr>
<td>Urban</td>
<td>Labour income</td>
<td>Labour income</td>
</tr>
<tr>
<td>Government</td>
<td>VA/Indirect Taxes, etc</td>
<td>Social Security</td>
</tr>
<tr>
<td>Firms</td>
<td>Tax</td>
<td>Tax</td>
</tr>
</tbody>
</table>
What sort of questions can we answer which are relevant to EGSs?

- Identify sectors with the highest ‘subsidies’ from unpaid work, and the gender distribution of work within them
- Calculate employment generation potential of different sectors through both direct and indirect job creation
- Likely distributional impact across different household groups in terms of both income and time
- Likely effects on final demand and output
• We cannot ask questions about: possible price effects, substitution in either consumption or production (both market and non-market), changes in labour productivity, other dynamic aspects. For this we need a more fully developed model.
• How does this approach improve current non-gendered modelling approaches?