



# Recognising the Economic Value of Unpaid Work in India

**For Prelims:** [Unpaid work](#), [Care Economy](#), [Gross Domestic Product](#), [Sustainable Development Goals](#), [International Monetary Fund](#)

**For Mains:** Unpaid Work and Gender Equality, Economic Impact of Unpaid Work

[Source: TH](#)

## Why in News?

Recently, a research paper has **spotlighted the economic value of [unpaid work](#), particularly by women**, highlighting the need for recognition in productivity measures.

## What is Unpaid Work?

- **About:** Unpaid work refers to activities that individuals, particularly women, engage in without receiving monetary compensation.
  - Women's unpaid labour, encompassing [care work](#), parenting, and domestic responsibilities, remains largely invisible and unrecognised in economic discussions.
- **Types of Activities:**
  - **Domestic Tasks:** Cleaning, cooking, and childcare.
  - **Care Work:** Looking after family members, including the elderly and sick.
  - **Community Services:** Volunteering in community activities without pay.
  - **Subsistence Production:** Engaging in farming or crafts for personal use rather than for sale.
- **Economic Contribution:** Unpaid work contributes significantly to the economy, often accounting for a substantial percentage of [Gross Domestic Product \(GDP\)](#), especially in developing countries.
  - It supports the labour force by providing essential services that enable others to participate in paid work.
- **Gender Disparities and Limited Opportunities:** Women disproportionately bear the burden of unpaid work due to societal norms, limiting their access to education, skill development, and paid employment, which reinforces cycles of inequality and hinders economic independence.
- **Importance of Recognising Unpaid Work:** Valuing unpaid work can help address [gender inequalities](#) and promote fair distribution of labour responsibilities.
  - Incorporating unpaid work into national accounts aligns with goals for [sustainable development](#), particularly in achieving gender equality (as highlighted in the [United Nations \(UN\) Sustainable Development Goals \(SDGs\)](#)).

## SDG 5:

- The **UN's SDG 5 focuses on gender equality** and empowering women, with Target 5.4 aiming to recognize and value unpaid care and domestic work, promoting supportive policies and shared household responsibilities, **especially in low and middle-income countries, by 2030**.

## What are the Key Highlights of the Research on Unpaid Work?

- **Quantifying Unpaid Work:** The authors utilised data from the **Consumer Pyramids Household Survey (CPHS)** by the [Centre for Monitoring Indian Economy \(CMIE\)](#), covering individuals aged 15 and above from September 2019 to March 2023 to measure the economic value of unpaid household work.
  - Findings indicate that **women not in the labour force spend over 7 hours daily on unpaid domestic tasks**, while employed women spend about 5.8 hours.
    - In contrast, men contribute significantly less, averaging **under 4 hours daily for unemployed men** and 2.7 hours for employed men.
    - This stark contrast underscores the significant burden of unpaid labour borne by women.
- **Valuation Methods:** The paper employs two input-based valuation methods:
  - **Opportunity Cost (GOC):** This method calculates the value of unpaid labor based on the wages that individuals forgo by engaging in unpaid tasks.
  - **Replacement Cost (RCM):** This method estimates the monetary value by assuming that these household tasks could be performed by hired market workers, thus assigning a value based on prevailing market wages for similar roles.
  - **Findings from the Valuation:** The estimated value of unpaid household work was Rs 49.5 lakh crore using the GOC method and Rs 65.1 lakh crore with the RCM method for 2019-20, translating to 24.6% and 32.4% of nominal GDP, respectively.
- **Policy Recommendations:** The authors advocate for policies that recognise and value unpaid work to encourage gender equity in the workforce.
  - While the **System of National Accounts** has included household production in **GDP calculations since 1993**, it has notably **excluded unpaid care work**.
  - According to a 2023 State Bank of India report, Unpaid work is estimated to contribute approximately Rs 22.7 lakh crore (about 7.5% of GDP) to the Indian economy.
    - The authors highlight that **enhancing women's labour force participation** could potentially increase India's GDP by 27%.
  - They also emphasise the need for future research to refine methodologies for **valuing unpaid work and promoting equitable redistribution** of caregiving responsibilities.

### Note:

The System of National Accounts (SNA) 2008 is a comprehensive, consistent and flexible set of macroeconomic accounts developed jointly by the [International Monetary Fund](#), the [European Union](#), the [Organisation for Economic Co-operation and Development](#), the [United Nations](#), and the [World Bank](#).

- NSA helps to meet the needs of government and private-sector analysts, policy-makers, and decisions-takers.

## What are the Key Statistics on Unpaid Work in India?

- **Periodic Labour Force Survey (PLFS) 2023-24:** According to the [PLFS Report 2023-24](#), 36.7% of females and 19.4% of the workforce engage in unpaid work within household enterprises.
  - The 2022-23 data showed similar trends with 37.5% of females and 18.3% of the total workforce engaged in unpaid work.
- **Time Use Survey 2019 (National Statistical Office (NSO)):** 81% of females aged 6+ spend over five hours daily on unpaid domestic work. This figure climbs to 85.1% for the 15-29 age group and 92% for those aged 15-59.
  - In contrast, only 24.5% of men (aged 6+) spend over an hour daily on unpaid domestic

work.

- **Unpaid Caregiving Services:** 26.2% of women aged 6+ spend over two hours daily on caregiving compared to 12.4% of men.
  - The 15-29 age group shows 38.4% of women and just 10.2% of men involved in unpaid caregiving.

## Global Economic Impact of Unpaid Work

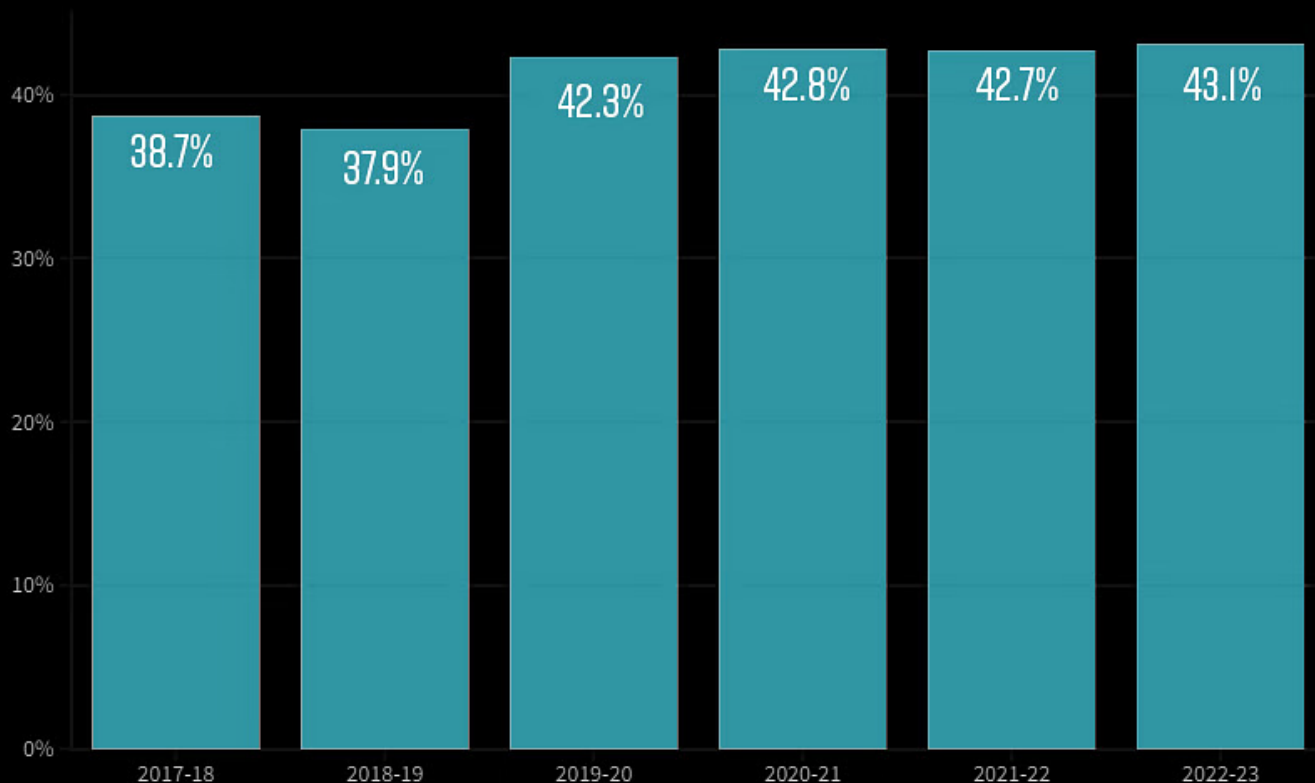
- A **2022 Asia-Pacific Economic Cooperation (APEC)** study estimates unpaid work to contribute 9% of GDP across [APEC economies](#), totaling USD 11 trillion.
- Unpaid work constitutes 10-60% of GDP in various nations. For instance, Australia's unpaid work represents up to 41.3% of its GDP, while Thailand's is around 5.5%.

## Why are Women More Involved in Unpaid Work?

- **Cultural Norms and Gender Roles:** Societal norms view caregiving and household duties as women's natural roles, making this work unpaid and unrecognised.
  - 53% of women in India remain outside the labour force due to care responsibilities. In comparison, only 1.1% of men are outside the labour force for similar reasons.
- **Economic Constraints:** For many households, unpaid work done by women is viewed as a **cost-saving measure**, with families relying on women to manage home duties and caregiving, especially in low-income households where hiring help is financially challenging.
  - The lack of affordable care services often forces women into unpaid caregiving roles due to inadequate public investments in care infrastructure.
- **Limited Employment Opportunities:** Women, particularly those with lower levels of education or living in rural areas, may face limited job opportunities. As a result, unpaid work at home becomes the primary form of contribution to their families.
- **Policy Gaps:** Insufficient family-friendly policies, such as **parental leave for both genders and flexible working arrangements**, often result in women bearing the primary caregiving burden.
  - This lack of institutional support reinforces the norm of women handling unpaid work.
- **Limited Recognition of Unpaid Work:** Unpaid domestic and care work is undervalued and often invisible in official economic metrics, perpetuating the belief that it is **not "real work"** and does not require formal compensation or acknowledgment.

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## SHARE OF UNPAID LABOUR IN OVERALL WORKFORCE AMONG RURAL WOMEN



Source: Annual PLFS 2017-18 to 2022-23 • Note: Unpaid labour refers to the category 'Unpaid labour in household enterprises'.

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### What Policies are Needed to Address Inequity in Unpaid Work?

- **Investment in Early Childhood Care and Education (ECCE):** Increase government expenditure on **ECCE** to create accessible and affordable childcare services, enabling more women to enter the workforce.
  - Provide **financial assistance for childcare** and develop community centres offering childcare and education, especially in rural and underserved areas, to **reduce the unpaid care burden on women**.
  - Countries like **Iran, Egypt, Jordan, and Mali** also have high percentages of women outside the labour force due to caregiving. Conversely, nations like Belarus, Bulgaria, and Sweden see less than 10% of women in this situation, **because of the substantial investments in ECCE**.
- **Flexible Work Policies:** Encourage companies to implement flexible work arrangements, allowing parents and caregivers to balance work and home responsibilities.
  - Extend paid family leave policies to include caregiving for older adults and family members with special needs.
- **Legal Frameworks and Labour Rights:** Implement laws that formally recognise unpaid care work as a legitimate contribution to the economy.
  - Strengthen and enforce laws that promote gender equality in the workplace, such as **anti-discrimination measures** and equal pay regulations.
- **Promoting Shared Responsibility:** Launch national awareness campaigns that challenge traditional gender roles and encourage shared domestic responsibilities between men and women.

### Conclusion

Recognising and valuing unpaid work, especially by women, is crucial for gender equality and economic productivity. Incorporating unpaid work into metrics and implementing supportive policies can **address disparities and empower women's workforce participation**, leading to a more equitable society and sustainable economic growth.

**Drishti Mains Question:**

Discuss how entrenched cultural norms influence women's participation in unpaid work and their access to the labour market.

**UPSC Civil Services Examination Previous Year Question (PYQ)**

**Mains**

**Q.** Distinguish between 'care economy' and 'monetized economy'. How can the care economy be brought into a monetized economy through women empowerment? **(2023)**

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