Hidden in Plain Sight: Unpaid work and the politics of GDP measurement


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ABSTRACT. Gross domestic product (GDP) is one of the most influential and widely cited economic indicators. GDP makes states and markets legible and thus amenable to policy intervention. But this indicator is not a neutral or objective reflection of national economies. Biases and blind spots in GDP measurement are particularly acute in countries outside the industrialised core of the global economy. This article zooms in on one particularly contentious topic: the exclusion of unpaid work from GDP. The measurement of unpaid work has been debated for decades amongst economic statisticians and from the field of feminist political economy. The article embeds these debates in an institutional framework in order to explain why continuity has persisted in the face of contestation. The analysis emphasizes the agency of economic statisticians working within international organizations such as the United Nations Statistics Division, the IMF and the World Bank. These experts derive power from technical expertise and resist external contestation as a result of shared professional norms and ideational path-dependency.

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Introduction

Few numbers are as ubiquitous in political and economic analysis as gross domestic product (GDP). This indicator is enlisted to rank and compare national economies, it influences lending and investment decisions, and is often taken as a proxy for well-being (Stiglitz et al. 2009; Miranda 2011: 6). Because they are produced by governments and based on internationally harmonised guidelines, GDP and other economic indicators appear to be objective and unbiased. But statistical concepts designed for industrialised market economies do not travel seamlessly to other kinds of socioeconomic settings – for example, low-income areas with high levels of subsistence and informal activity.

The result is that certain economic activities are captured while others are rendered invisible in GDP figures (Morgan 2009; Mügge 2019). One topic in particular has been a thorn in the side of economic statistics for decades: the measurement of unpaid work. While GDP has expanded over time to include other non-market activities such as subsistence agriculture, the exclusion of unpaid work has only become more explicit. This exclusion has persisted alongside considerable contestation and deliberation among both statisticians and civil society. Why is this the case?

Two dominant perspectives, one normative and one pragmatic, have dominated debates about the exclusion of unpaid work in GDP. Feminist scholars have shown that this exclusion introduces a major bias into economic data and policy (e.g. Benería 1992; Waring 1993, 2009). The implicit argument is that this oversight is a result of institutionalised gender bias. Economic statisticians, on the other hand, argue that including unpaid work would render GDP figures unreliable, incomparable, and less useful for policymaking. The international political economy (IPE) literature has paid little attention to these debates (cf. Hoskyns and Rai 2007). Yet IPE approaches are well-suited to address two key characteristics of GDP that have largely been ignored: the global governance of GDP measurement, and the agency of the experts who shape it.

The article first demonstrates that economic statisticians, specifically those working in the statistical departments of international organizations such as the International Monetary Fund (IMF) and the United Nations (UN), have a high degree of agency to determine the concepts and methodologies underlying GDP. This is contrary to what would be expected by interest-based approaches – which would anticipate interference from powerful member states – and consistent with constructivist approaches that highlight the organizational culture of IOs (Momani 2007; Ban 2015; Reinold 2017; Kentikelenis & Seabrooke 2017) and the shared ideas and normative orientations of experts (Chwieroth 2015; Tsingou 2015; Seabrooke
The more substantial finding concerns what experts do with this agency. Rather than ignoring the problem, statisticians are well-aware of criticisms but reject the inclusion of unpaid work based on shared ideas about the limits of ‘the economy’ and the policy applications of official statistics.

These conclusions are based on an extensive literature review, official reports and minutes of meetings, and in-depth interviews with current and former staff and directors of international statistical agencies. Four interviewees are quoted due to their expertise and close proximity with the System of National Accounts (SNA), the international standard on which GDP is based. More broadly, the article is informed by a total of twenty-six interviews, several with multiple participants (for a total of thirty-three interviewees). Document analysis focuses on the two most relevant international bodies, namely the United Nations Statistical Commission and the Intersecretariat Working Group on National Accounts (ISWGNA). The latter is composed of experts from the International Monetary Fund (IMF), World Bank, United Nations, OECD and the European Commission.

There are two main contributions. First, the article adds historical and institutional context to ongoing debates about the limitations of GDP (Fioramonti 2013; Philipsen 2015; Masood 2016; Pilling 2018). On the whole, scholars have taken aim at GDP without recognizing that this figure is itself an institution subject to formal, historical and ideational constraints. By taking the criticisms seriously but taking a step back from the debates, I show why there is a gap between aspirations (of critics and advocates alike) and actual outcomes. This approach takes up Mügge’s (2016: 422) call to study indicators as ‘powerful, institutionalised ideas.’ Second, the findings contribute to the wider IPE literature, particularly constructivist perspectives on IO behaviour (e.g. Barnett & Finnemore 2004; Vetterlein 2014; Enns 2015; Broad 2016) and expert-centred theoretical approaches.

The article proceeds with a review of literature on the politics of GDP, unpaid work, and plausible theoretical approaches. The third section describes the governance of GDP measurement. The main body is an empirical analysis of the GDP revision process. A fifth section concludes and discusses the limits and possibilities of fundamental changes to GDP measurement in the future.
GDP through the looking-glass: debates and theoretical approaches

Perspectives on unpaid work and GDP

The measurement of GDP has come under increased academic scrutiny in recent years. Several authors have argued that GDP is a misguided and potentially harmful benchmark for policymaking (Fioramonti 2013; Phillipsen 2015), while others have argued that it is simply too narrow of a measurement to draw any conclusions about the well-being of societies (Stiglitz et al. 2009; Coyle 2014). Yet others have echoed these criticisms and focused on the historical rise of GDP from a little-known statistic to arguably the world’s most powerful number (Lepenies 2013; Masood 2016; Schmeltzer 2016). These criticisms span a wide range of issues, from environmental depletion to the impact of free digital services on well-being.

Another group of literature focuses on one crucial aspect of GDP measurement, namely the production boundary. This is a conceptual line drawn between economic and non-economic activity. Or, as Coyle (2017:7) describes it, the production boundary ‘distinguishes paid-for activities in the market economy from unpaid activities, which are considered outside the productive sector’. In GDP, ‘what is defined as economic activity is, literally, anything deemed to sit inside a designated “production boundary”‘ (Christophers 2011: 115). With some notable exceptions such as the inclusion of financial services, the production boundary has been one of the most consistent features of GDP methodology (Bos 2009: 40; Christophers: 2011). This is certainly the case for unpaid work, which has been excluded for as long as GDP has existed. This continuity should not be mistaken for a lack of controversy. On the contrary, the measurement of unpaid work has long been a contentious issue in debates about GDP, both among professional statisticians as well as in academia and civil society.

Unpaid work corresponds to ‘own-account services’ in the technical jargon. We might think of many of these services alternatively as housework, care work, or social reproduction. This includes activities such as childcare, cleaning, meal preparation, and care for the sick and elderly. Hoskyns and Rai (2007: 297) maintain that ‘[w]ithout unpaid services and their depletion being measured and valued, predictions are likely to be faulty, models inaccurate and development policies flawed’ (ibid.: 297). Since unpaid work is disproportionately carried out by women, failing to measure it introduces a gender bias into economic data (ILO 2016; Miranda 2011: 6; Elson 2005; Waring 1993). The problem is particularly acute in developing countries, where the overall amount of time spent on unpaid work is higher (ILO 2016:20).
According to the ILO (2016:20), in a time-use study of 37 developed and 28 developing economies, women in developing countries in 2015 spent on average 4.30 hours per day on unpaid work and 1.20 on paid work, compared with men who spent on average 2.79 hours per day in unpaid work and 4.96 in paid work. Typically, as countries industrialise, a large part of household production shifts to the market (Miranda 2011: 6). This shift from non-market to market ‘...translates into a rise in income as measured by income and production aggregates and gives a false impression of an improvement in living standards’ (ibid.). A classic example of this phenomenon, which has been variously attributed to several late economists, is that marrying one’s cook or housekeeper would lead to a reduction in GDP (Lequiller and Blades 2014: 121). This is the case ‘even if, as a wife, her household activities might not have changed or might even have increased’ (Benería 1992: 1548).

These concerns are nothing new. In fact, they were a fundamental concern among early debates over national accounting principles. Margaret Reid (1934: preface, v), more than eighty years ago, warned that a singular focus on ‘that part of our economic system which is organised on a price basis’ had blinded economists to productive work of the household, ‘our most important economic institution’. A.C. Pigou (1920: 11), in contrast, argued that national accounts should only include those things that can ‘be brought directly or indirectly into relation with the measuring rod of money.’ In the postwar period during which national income accounting rose to prominence, some economists argued that it would be impossible to compare the economies of industrialised and non-industrialised countries (Frankel 1953; Dominguez 1947).

One of the most prominent issues in these debates was a distinction between the so-called ‘money economy’ (Ady 1962: 52), which can be relatively easily captured in statistics, and more elusive non-monetary or non-market activity (Kuznets 1949; Rao 1953: 179-187; Frankel 1953: 165-166; Samuels 1962: 170). Simon Kuznets (1949: 206) – widely considered the founding intellectual of GDP – insisted in 1949 that applying the conventional rules for industrialised countries to non-industrialised countries would lead to unacceptable distortions (ibid.: 211). He argued that ‘...if national income is to be merely a measure of goods exchanged for money, an estimate had better not be attempted for pre-industrial countries at all’ (ibid.).

Theorizing change and continuity in GDP measurement

The exclusion of unpaid work is important to understand in its own right. It also serves as a fruitful case study for a broader understanding of the origins and governance of global statistical standards. The most relevant actors in these processes are international organizations (IOs), such as the World Bank, IMF, and UN, as well as expert groups comprised of staff of these IOs. With this in mind, three types of explanation stand out as plausible. The first is an interest-based explanation that focuses on the principle-agent
dynamics between member states and IOs or between IOs and the staff of their statistical departments. The second is a historical institutionalist approach that conceives of the standards themselves as institutions subject to path-dependent effects. The third is a constructivist approach that highlights the agency of statisticians and the shared norms that shape their choices.

Approaching this problem from a principal-agent (P-A) perspective (e.g. Copelovitch 2010; Nielson & Tierney 2003; Abbott & Snidal 1998; Hawkins 2006) draws attention to dynamics between the relevant actors. One possibility is to single out powerful member states as principals and IOs as agents in the governance of statistical standards. Indeed, several authors have pointed out the disproportionate influence of the United States and the United Kingdom on the early development of GDP (e.g. Ward 2004a: 7-10; Philipsen 2015). However, this rests on the assumption that states have coherent interests regarding GDP methodology, which is rarely the case. From a slightly different P-A perspective, IOs can simultaneously be principals and agents vis-à-vis member states (e.g. Tamm and Snidal 2014: 89; Clegg 2010; Gutner 2010). This is a plausible expectation, given that IOs receive a mandate to develop standards but are also expected to oversee implementation and compliance by member states.

Considering the question from a path-dependency angle highlights the potential for change or continuity in global statistical standards. Hall and Taylor (1996: 939-940) distinguish two broad tendencies within historical institutionalism: a calculus approach and a cultural approach. The calculus approach assumes that actors adhere to institutions because deviation would lead to worse outcomes than adherence (ibid.). A cultural approach, in contrast, emphasises the taken-for-granted nature of some institutions, which allows them to avoid scrutiny (ibid.). In other words, ‘Institutions are resistant to redesign ultimately because they structure the very choices about reform that an individual is likely to make’ (ibid.). This is consistent with Hay’s (2008: 5) claim that ‘it is not just institutions, but the very ideas on which they are predicated and which inform their design and development, that exert constraints on political autonomy.’ Among economic statisticians, the exclusion of unpaid work is indeed based on long-standing accounting conventions and assumptions regarding the limits of markets. The cultural (or ideational) approach to path-dependency sheds light on some key aspects of GDP measurement, namely the influence of shared ideas on the continuity of the production boundary.

Constructivist and expert-centred approaches similarly emphasise ideational factors and direct attention to questions of agency. Some constructivist studies of IOs (e.g. Broad 2016; Enns 2015; Vetterlein 2014; Barnett & Finnemore 2004) demonstrate that IOs are not unitary actors with fixed interests. Rather, individual staff and departments shape IO behaviour.
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This is important with respect to statistical governance, wherein statistical departments are often highly autonomous and the staff of these departments possess specialised expertise. Experts can gain leverage, and even moral authority, from their specialised knowledge and experience (Seabrooke and Wigan 2016: 360; Davis, Kingsbury and Merry 2012: 83). As Desrosières (2000) pointed out, the profession of official statistics is ‘...at one and the same time, scientific – directed at the production of knowledge – and social – directed at the production of a common language as a foundation for debate on social issues’ (ibid.: 173).

Statisticians can also wield influence as part of an epistemic community, which Haas (1992: 3) defines as ‘...a network of professionals with recognised expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue-area.’ Following Broome and Seabrooke (2012: 3), we might consider the statistical departments of IOs not as epistemic communities but as ‘analytic institutions’. These are ‘...the specialist units, departments, committees, adjudicatory bodies and others housed by or linked to IOs that develop the cognitive framework for understanding and solving policy problems’ (ibid.). The work of analytic institutions such as statistical departments serves to make countries legible in particular ways. Analytic institutions differ from epistemic communities in at least one important respect: ‘...they are not free-floating or autonomous..., but institutions endowed with analytical capacities for a programmatic purpose’ (ibid.: 4).

Three plausible explanations emerge from the aforementioned literature. First, the content of GDP might be constrained by the degree to which standard-setters (as agents) are constrained by the mandates of a principal. However, as the following section makes clear, IOs face very few external constraints when it comes to statistical harmonization. Even more importantly, it is the statisticians employed by IOs that are the most relevant actors, not IOs themselves. Second, the persistent exclusion of unpaid work might be due to institutional path-dependency. This is indeed consistent with the findings, specifically from the perspective of a cultural path-dependency. A ‘calculus’ path-dependency or a deterministic one (e.g. Mahoney 2000) is too rigid to account for the high degree of agency held by statisticians in the governance of GDP. Finally, constructivist approaches highlight the role of expertise and professional norms on GDP measurement. The remainder of the article takes this latter approach as a starting point.

The governance of GDP

Much of the intellectual groundwork of modern national accounting was laid in the period following World War I (Kendrick 1970: 285; Studenski 1958). GDP (and GNP, which was
historically used more commonly than GDP in many countries) first emerged in a small number of industrialised countries in the 1930s and 1940s and attracted the attention of policymakers in part through its role in economic planning during the Second World War (Kendrick 1970). Since then, GDP has become a global institution. Although GDP grabs the most attention, it is only one of many indicators derived from the System of National Accounts (SNA). The SNA is an internationally harmonised ‘set of recommendations on how to compile measures of economic activity in accordance with strict accounting conventions based on economic principles’ (ISWGNA 2008: 1). In other words, it is a framework for measuring the total economic activity of a country. The SNA was first published in 1953, followed by revisions in 1968, 1993, and 2008. The length and detail of the SNA has grown substantially over the course of three major revisions. Since the disappearance of alternative systems in post-communist states, it is now the only internationally-accepted standard (Herrera 2010: 18).

The revision, publication, and implementation of the SNA is a cooperative task between five international agencies in the Intersecretariat Working Group on National Accounts (ISWGNA). The participating agencies are the United Nations Statistics Division (UNSD), the International Monetary Fund (IMF), the World Bank, the Organisation for Economic Co-operation and Development (OECD) and Eurostat. ‘It is largely, not exclusively, but largely up to the UN, the World Bank and the IMF to speak up for developing countries [in the ISWGNA], to the extent they don’t speak up for themselves’ (Research interview with former ISWGNA member, 14 June 2017). The ISWGNA was established in the early 1980s. Prior to that, the SNA was solely the task of the United Nations Statistical Office, later renamed the Statistics Division. The ISWGNA and its members are overseen by the United Nations Statistical Commission, the highest governing body of the international statistical system.

The ISWGNA is responsible, among other things, for bureaucratic tasks such as planning meetings and deciding who will be present. The meetings themselves, which also include a group of country experts, are referred to as expert group meetings. However, the level of influence is not completely balanced between the ISWGNA and the country experts. For one thing, many of the background documents that are considered during meetings are written by members of the ISWGNA. These members have more time to write these documents compared to country experts who are typically in charge of national accounts in their own countries (Research interview with former ISWGNA member, 14 June 2017). Another reason for this misbalance has to do with language and professional training.

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1 For this working paper, I have left interviewees anonymous or limited attribution to professional function.
There’s a bit of a problem, in that efforts are made to make sure it’s regionally diverse. And, so you’re trying to include people from Asia, from Africa, from Latin America. That can sometimes be problematic on two counts. The first thing is whether someone would have the same depth of knowledge as some of the others. And there can be a bit of a problem about language. All of this is done in English. And the people who go to meetings in OECD and Eurostat, whether they’re English mother tongue or not, are used to working in that sort of environment. If you have somebody from [another region], they are not quite as comfortable working in English as others. … So, for both of those reasons, it tends to be the developed countries in the ISWGNA that tend to dominate the discussions. Not exclusively, but to some extent that happens (ibid.).

One of the motivations for collaborating on the methodological manuals is ‘because the cost of updating them is becoming a serious issue’ (Research interview with member of Economic Statistics Branch of UNSD, 7 January 2019). Despite the collaboration, the SNA is still frequently referred to as the UN System of National Accounts. According to a UNSD statistician,

The user considers them to be UN manuals when they are adopted by the UN Statistical Commission, even if other agencies contributed to the drafting of methodological guidance and standards …. because the UN Statistical Commission is the apex entity of the international community of official statistics … A critical element for an adoption by the Statistical Commission of a normative document is a robust international consultation process of the various drafts of a normative document. Traditionally, the drafting of a new or the update of a normative document is initiated by the Commission endorsing a proposed program of work and mandating an existing or a new expert group to undertake this work within an agreed time line (ibid.).
Revising GDP and justifying the production boundary

The household sector in the 1993 SNA revision

Out of the three official revisions, the revision process of the 1993 SNA was especially important for the issue of unpaid work. The topic was not discussed in the 2008 revision, and the relevant sections of the 1993 and 2008 SNA manuals are nearly identical. During the process, which began in 1982 (Vanoli 2005: 104), the production boundary was discussed several times in both expert group meetings and within the UN Statistical Commission. Ultimately, very little changed. The ISWGNA reconfirmed the previous definition, wherein some forms of non-market activities were included and others, encompassing various forms of ‘housework’, were excluded. But the 1993 SNA made these exclusions explicit for the first time, cementing this historical idea into a formal institution.

The report of the 1981 Statistical Commission session recognises the need to reconsider the household sector, as the following passage indicates:

> For most developed countries, [imputations for non-market activity] are of relatively minor significance in present estimates of the gross domestic product (GDP). For developing countries, however, they may be much more important. For both developed and developing countries, furthermore, there are demands for new kinds of imputations beyond those presently included in the gross domestic product (UNSC 1981: 12).

But a cautious attitude prevailed, as several delegates expressed ‘a strong resistance to losing sight of the transactions-oriented base [of the SNA], not only because its data are likely to be relatively much firmer but also because market transactions are often the vehicle for government actions’ (UNSC 1981: 12-13).

The SNA states that the biggest problem in determining the activities included in the production account is deciding how to treat ‘...activities that produce goods or services that could have been supplied to others on the market but are actually retained by their producers for their own use’ (ISWGNA 2008: 6). One of these grey areas is own-account production, which includes activities such as subsistence farming. Another is own-account services, a category that includes ‘the preparation of meals, care and training of children, cleaning, repairs, etc.’ (ibid.). The 1993 SNA confirmed the inclusion of own-account goods, and added some activities (including water collection and repairs to buildings) inside the production
boundary on these grounds (Harrison 2005: 150). Services, in contrast, were explicitly excluded.

Two main discursive justifications for this exclusion emerge from reports of the ISWGNA and the UN Statistical Commission during the 1993 revision process. The first justification can be labelled the ‘market criterion’. The second is a distinction between non-market goods and non-market services – a distinction that is in many respects arbitrary but leaves no ambiguity about the status of these services. These two ‘lines of defence’ both applied – sometimes quite explicitly – in expert deliberation during the revision process leading to the 1993 SNA.

The first line of defence is the market criterion. The market criterion is equivalent to what is often called the ‘third party criterion’. The third party criterion is derived from Margaret Reid’s definition of household production as consisting of unpaid activities that could conceivably be delegated to a paid worker or replaced by market goods (Reid 1934: 11). Along similar lines, Frederic Benham (1952: 173) reasoned that if we ‘...can find another economy, with markets, where consumption patterns are very similar, why not price the goods and services at the prices ruling in the latter?’ This position had become a professional consensus among economic statisticians by the early 1970s (Sakuma 2013: 5F56). To the third party criterion, Wood (1997) adds an additional ‘first world criterion’. Wood argues that a nonmarket activity is only considered productive if it is bought and sold in developed market economies.

The market criterion is evident in the report of the 1981 Statistical Commission. The report acknowledges that ‘[t]he distinction between what is considered to be subsistence output and what is not is essentially an arbitrary one. It reflects mainly the traditional limits of marketed output in developed countries’ (UNSC 1981: 14). The market criterion is also implied in the SNA’s definition of production:

All goods and services produced as outputs must be such that they can be sold on markets or at least be capable of being provided by one unit to another, with or without charge. The SNA includes within the production boundary all production actually destined for the market, whether for sale or barter (SNA 1993: 5; SNA 2008: 6).

The second justification is the distinction between household goods and services. The production boundary of the 1968 SNA included primary products for own consumption, such as the goods processed from agricultural or mining products, but excluded services (except
for housing repairs by owner-occupiers) (Chadeau 1992: 87). In the 1993 SNA, it expanded to include all goods produced by households for their own consumption but continued to exclude services, ‘except for housing services produced by owner-occupiers of dwellings, and storage which is considered as an extension of the goods production process’ (ibid.).

In a 1987 meeting, the ISWGNA discussed several possible changes to the production boundary. These include the issues of how to value subsistence agricultural goods, how to classify repairs to buildings, how to treat water collection, and the activities of midwives and funerals (Harrison 2005: 150-151). The discussion resulted in a few changes to the production boundary. Two of these in particular – water collection and midwives and funerals (discussed as a single topic) – illustrate the goods-services distinction. Water collection was moved inside the production boundary based on the argument that it ‘should be treated as the production of a good (that is making the water available where it is needed)’ (ibid.). Regarding midwives and funerals, the expert group decided that, as services, neither should be moved within the production boundary.

These choices were based on convention rather than strict criteria. ‘In general it was not felt possible to have a single succinct definition of the production boundary that would explain why some items were included and some excluded...’ (Harrison 2005: 148). To get around this ambiguity, the ISWGNA decided ‘to give fairly general indications followed by specific lists of examples that would make clear where the boundary should be drawn’ (ibid.). Such a list appears in the SNA (ISWGNA 1993: 149):

1. The cleaning, decoration and maintenance of the dwelling occupied by the household including small repairs of a kind usually carried out by tenants as well as owners;
2. The cleaning, servicing and repair of household durables or other goods, including vehicles used for household purposes;
3. The preparation and serving of meals;
4. The care, training and instruction of children;
5. The care of sick, infirm or old people;
6. The transportation of members of the household or their goods

These activities were explicitly excluded, and remain so in the most recent version of the SNA. In making these choices, statisticians relied on historical precedent, noting that ‘the only extensions to the production boundary previously accepted are for the production of goods’ (Harrison 2005: 150). Services provided within the household, on the other hand, ‘are
always immediately consumed by those producing them and therefore do not add to the pool of goods and services available for redistribution’ (ibid.).

**Statisticians’ agency in setting the production boundary**

As several scholars have pointed out (e.g. Wood 1997; Waring 2003), neither of these lines of reasoning – the third-party criterion nor the goods/services criterion – are consistently applied. For instance, washing clothes or taking care of children can be (and frequently are) done by paid domestic workers and daycare centres (Wood 1997: 51). Likewise, there is little meaningful distinction between non-market goods and services in a subsistence household, as Waring (2003: 36) demonstrates with an example:

The woman goes to collect water. She uses some to wash dishes from the family evening meal (unproductive work) and the pots in which she previously cooked a little food for sale (informal work). Next, she goes to the nearby grove to collect bark for dye for materials to be woven for sale (informal work), which she mixes with half a bucket of water (informal work). She also collects some roots and leaves to make a herbal medicine for her child (inactivity). ... She will also collect some dry wood to build the fire to boil the water to make both the medicine and the dye (active and inactive labour). All this time she will carry the baby on her back (inactive work).

Although the justifications for excluding unpaid work do not hold up to this kind of close scrutiny, they are nonetheless perceived as necessary by national accountants. Drawing the line at household services is seen as avoiding a ‘slippery slope’ that would compromise the transactions-based core of the SNA and threaten international comparability. The 1993 SNA states that this reluctance is explained by a combination of factors: the isolation of these activities from markets, the difficulty of estimating monetary values, and ‘adverse effects...on the usefulness of the accounts for policy purposes and the analysis of markets and market disequilibria’ (ISWGNA 1993: 149). In short, unpaid work would introduce an unacceptable degree of uncertainty into GDP. In an interview, a former ISWGNA statistician expressed a similar sentiment:

*It is an issue that is very topical at the moment. But it’s actually been there for decades, lurking around. On the whole and by and large, most national*
accountants say, ‘We recognise that unpaid housework is really important, but my lord it’s difficult to put a value on it. And if we put a value on it, and we added it into GDP, how would you know whether you’re doing it consistently over time or making comparisons across countries? It’s okay to do it, but could you do it a little bit apart from the main national accounts?’ (Research interview with former ISWGNA member, 14 June 2017).

Another argument offered by national accountants has to do with what the uses and policy applications of national accounts data. There is a difference in perspective between users who are interested in the data for administrative purposes, and those who use the data for economic analysis.

[1] If you’re really fixated by administrative purposes, especially on a cross-country basis, you might prefer to leave out the informal part, so that you can more strictly compare one country to another. But if you’re interested in a time series then, in the sense of doing economic policy analysis, you might well say, ‘well I’d sooner have a bad estimate of something than no estimate’. So, this tradeoff between the two is quite problematic. And I think that is fundamental of where we’re at at the moment (Research interview with former ISWGNA member, 14 June 2017).

This divide was also apparent at a 2015 conference in Paris, hosted by the OECD and International Association for Research in Income and Wealth (IARIW), called ‘W(h)ither the SNA?’. While most participants supported an expansion of GDP, a ‘significant minority of people’ emphasised the difficulty of implementing such changes and the increased demands it would place on national accountants (Research interview with former ISWGNA member, 14 June 2017). The latter were those concerned with the policy applications of the data.

If you’re the Ministry of Finance, for example, it doesn’t matter what you’re doing with housework. You can’t tax housework, and so. And so there was quite a tension there. But a lot of, mostly, the people who were defending the status quo were people who were concerned with administrative uses. And the people
who wanted the massive expansion were the ones who wanted to do analysis. That’s a bit simplified, but not much (ibid.).

In a personal interview, a statistician at the Economic Statistics Branch of UNSD made similar remarks. According to the interviewee, debates about potential revisions to GDP measurement often come down to the question, ‘what’s the purpose?’.

My view, and it may be a bit of a conservative view or a narrow view, is that there’s one key reason why nation states invest in something like the national accounts. And to me that’s primarily because they care about employment and they care about taxation. And the national accounts allows them to model and forecast and, you know, look at the relationships that lead to both of those. So, volume growth in GDP is strongly tied to employment outcomes. Current price GDP, probably tied to taxation. … The informal economy, the household sector, they’re important to understand for other reasons, but you’re not going to be designing your monetary or fiscal policy to impact on those, and in fact there’s going to be very little government policy that is directly targeted at changing those (Research interview with UNSD statistician 2, 8 January 2019).

The arguments discussed above fall into two broad categories. First, the market criterion and the goods-services distinction are shared ideas, or unwritten rules, based on historical precedent. The reports of ISWGNA meetings acknowledge that these criteria are to some extent arbitrary. Second, the reliability and comparability of GDP and its applications for policy are pragmatic arguments. They acknowledge the constraints imposed by the time- and resource-intensive nature of statistical production.

This pragmatism clashes with the arguments of some feminist political economists who point to the exclusion of unpaid work from GDP as a blind spot in economic theory and policy. Yet, while statisticians are certainly aware of and engaged in these debates, the governance of GDP remains relatively insulated from external preferences and constraints. This insulation is possible due to the specialised and technical knowledge of economic statistics. Member states have delegated statistical harmonization to international organizations, which have in turn created specialised statistics departments. The development and
revision of the SNA is separated by yet another level of governance through the establishment of the ISWGNA, a small and cohesive group of experts.

Implications for the future of GDP

Despite contestation, and despite acknowledgement of the problem by many statisticians, the exclusion of unpaid work has been a consistent feature of the SNA production boundary. This has been the situation even while the production boundary has expanded to include other important non-market categories, including food grown for subsistence. Does this mean that the issue is locked in and resistant to change in the future? Not necessarily. As in the analysis above, the determining factors are the level of agency of the standard-setters and their ideas about what is possible and appropriate (in this case, ideas about the future). The outlook is a mixed bag.

On one hand, there are formal institutional constraints that limit the scope of revision for future publications of the SNA, as well as continuing ideational resistance. On the other hand, widespread discussions about the need to change or move beyond GDP indicate a realistic possibility for change. The formal constraints on the content of SNA revisions come from the UN Statistical Commission. After the 1993 revision, which took longer and resulted in much more substantial change than initially planned, the Statistical Commission increased its oversight. Now, the ISWGNA submits a list of priority issues to the Commission prior to the start of the revision. Once agreed upon, the ISWGNA is mandated to deal only with these issues.

The current SNA revision process began with the 50th session of the UN Statistical Commission in March 2019. The key issues are globalization, digitalization, well-being, and sustainability (ISWGNA 2018: 3). The topic of well-being could well include unpaid work. However, given the current consensus among the member organizations of the ISWGNA, and the fact that unpaid work was not discussed at all in the 2008 revision, it is not likely that any changes will be made. That is not to say that the SNA production boundary will never include unpaid work. Given that one of the arguments for its exclusion is the difficulty of obtaining relying data, improvements in data collection methods could presumably offer a solution. It is also plausible that GDP becomes less influential as alternative indicators receive more attention (Fioramonti 2017).

It is also worth noting that exclusion from GDP does not mean that statisticians are ignoring the problem of unpaid work. While the ISWGNA and its constituent agencies are specialized in national accounts (and economic statistics more broadly), they do not work in isolation from social and demographic statistics, including gender statistics. The Social and Gender
Statistics section of UNSD, for example, is active in improving time-use survey methods and promoting their use around the world. Between 2005 and 2015, ‘75 countries collected time-use statistics through a time-use survey or have included a time-use module in a multipurpose household survey’ (United Nations 2015: 88). Esquivel (2011) argues that an overemphasis on accounting for women’s unpaid work within the SNA may be in fact be hindering progress on time-use surveys and other forms of data collection for gender-sensitive policy.

Conclusion

From GDP figures to the Sustainable Development Goals and corruption indices, numbers and rankings shape global politics in important ways. The origins of these numbers and the governance of the international statistical system have largely been neglected. The example of unpaid services in GDP shows that statisticians, due to their expertise, possess a great deal of agency over global standards for economic measurement. While this agency allows for institutional change, continuity often prevails. Professional norms and shared ideas remain important drivers of stability in the way economies are quantified.

In the words of Ward (2004b: 300), ‘The adoption of the SNA assumes there is a standard underlying economic model that serves all countries equally.’ This assumption has effectively marginalised large amounts of women’s work, as feminist scholars have shown. GDP has far outgrown its role as an indicator of physical output in mid-twentieth century North America and Western Europe. As such, it is often expected to tell us a great deal more about social and economic progress and performance than it is capable of doing. Yet, as long as this figure remains so important in public life, its biases and shortcomings will lead to distortions in the way we see the economy.

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