



3rd Economics & Finance Conference, Rome, Italy, April 14-17, 2015 and 4th Economics & Finance Conference, London, UK, August 25-28, 2015

## Assigning Monetary Values to Unpaid Work in Slovakia

Mariana Považanová<sup>a,\*</sup>, Anna Vallušová<sup>a</sup>, Mária Uramová<sup>a</sup>, Alena Kaščáková<sup>a</sup>

<sup>a</sup>*Matej Bel University in Banská Bystrica, Faculty of Economics Tajovského 10, 975 90, Banská Bystrica, Slovakia*

---

### Abstract

The article deals with unpaid work in Slovakia. Input-based approaches are used to assign a monetary value to unpaid work activities in Slovakia using the data from 2012 nation – wide survey conducted by the Faculty of Economics, Matej Bel University, Slovakia. This nation-wide survey contains representative data about 13 individual unpaid work activities based on Eurostat methodology. In this paper after taking into account the specific conditions of Slovakia, two input-based market replacement cost approaches, namely generalist and specialist are applied to calculate the monetary value of unpaid work. The results show that, depending on the chosen wage concept and activities, the monetary value of unpaid work ranges from approximately 18 % to 25 % of GDP in Slovakia. The paper concludes that in comparison with the other traditionally market economies the value is lower due to lower level of wages of corresponding market substitutes.

© 2015 The Authors. Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of IISES-International Institute for Social and Economics Sciences.

*Keywords:* unpaid work; monetary value of unpaid work; input-based methods

---

### 1. Introduction

Every person carries out daily number of activities. The activities can be categorized into three groups, those that are considered to be paid work, unpaid work, and no work (Antonopoulos, 2009). The first two categories can also be denoted as productive activities. Productive activities are „all activities falling within the general production

---

\* Corresponding author. Tel.: +421-48-446-2654; fax: +421-48-415-2793.  
*E-mail address:* [mariana.povazanova@umb.sk](mailto:mariana.povazanova@umb.sk)

boundary, that is, any human controlled activity resulting in an output capable of being exchanged“ (ILO, 2008, p. 11). Productive activities are those that can be associated with the concept of “work”.

The term “work” has numerous interpretations and meanings depending on the context. In a general sense, work has been defined as “any conscious, purposeful activity which with satisfaction serves the material and spiritual needs of the individual and community” (Anderson, 1961, quoted in UN, 2004, p. 181). The area of the paid work is subject of many studies in various fields ranging from labour economics, management, sociology, psychology etc. Its amount is accurately measured within the system of national accounting. Despite the fact that there are researches who are dedicated to the examination of the area of unpaid work, generally, in comparison with the area of paid work, the significance of unpaid domestic work is often forgotten and its contribution to the general wellbeing underestimated. Our paper focuses on the issue of unpaid work in Slovakia to complete an image of world of work.

Determining what activities should be classified as being unpaid work is difficult and disputable. A widely accepted principle for determining the scope of total unpaid work is the “third person/party” or “market replacement” criterion. According to Reid, 1934 (quoted in Goldschmidt-Clermont 1982, p. 4): “Household production consists of those unpaid activities which are carried on, by and for the members, which activities might be replaced by market goods or paid services, if circumstances such as income, market conditions and personal inclinations permit the service being delegated to someone outside the household group.” In this paper we follow the definition of Hirway (2015, p. 2): „Unpaid work is essentially that work which does not receive direct remuneration.“ In relation to national accounting, unpaid work could be divided into two broad groups:

- unpaid work that falls within the production boundary of the System of National Accounts (SNA), which can also be referred to as the non-market economic production (ILO, 2008, p. 11), or “economic work”, or SNA production activities
- unpaid work that falls outside the production boundary (non-SNA) which can also be referred to as the non-economic production (non-SNA production activities). This consists of unpaid household services and volunteering and community services.

There is a variety of methods and procedures to measure the value of unpaid work in economies around the world. In most cases, the source of information about the amount and structure of unpaid work is statistical Time Use Survey (TUS). In Slovakia, in 2005 the implementation of the pilot project was prepared using the Time Use Survey (TUS) methodology provided by Eurostat. The pilot project was implemented in 2006 and it included only 200 private households in the survey. The project ended in November 2006 and further surveys were cancelled.

Some research about volume of unpaid work in Slovakia can be found in works of Bútorová et al. (2008). The other data about unpaid work in Slovakia can be also found in The Second and The Third European Quality of Life Survey done in 2007 (for more details look at McCloughan, P. et al. 2011; Eurofound, 2012). But it is important to say, that the primary aim of all of these above mentioned research was not the examination of unpaid work. All the previous mentioned facts leads to necessity of the new research which should bring detailed information about the unpaid work. The issue is dealt with a primary surveys through questionnaires within the research projects conducted at the Faculty of Economics, Matej Bel University. Relevant information about the survey is below.

The aim of this paper is to assign monetary value of unpaid work in Slovakia using data from the 2012 primary research and to figure out its contribution to GDP of Slovakia. The unpaid work was approached as an input to the domestic “production” and therefore valued in gross wages. To offer a complex image, both generalist as well as specialist wages were used as replacement costs.

The article is organized as follows: Section 2 summarizes the literature about the valuation of unpaid work, section 3 discusses most common methods used to value the unpaid work, together with data, section 4 presents results and then section 5 compares the results obtained and then concludes.

## 2. Literature

Closer look at the unpaid work of household is important as to the fact that all over the world people devote lots of time to perform the unpaid work. In some countries people spend even more time in unpaid work than on the workplace. For example, New Zealanders spent 4,129 million hours on unpaid work in 1999. This equates to an

Download English Version:

<https://daneshyari.com/en/article/981065>

Download Persian Version:

<https://daneshyari.com/article/981065>

[Daneshyari.com](https://daneshyari.com)