# The Levy Economics Institute of Bard College



# Report

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# CONFERENCE: UNPAID WORK AND THE ECONOMY: GENDER, POVERTY, AND THE MILLENNIUM DEVELOPMENT GOALS

United Nations Development Programme, Bureau of Development Policy, and The Levy Economics Institute

When a woman works for General Motors, she is paid for her work, and her work is counted as part of GDP. But what of the work she might do in her own home? A growing number of scholars are challenging the traditional distinction between paid and unpaid work performed by women and men. One front of the new scholarship and activism on unpaid work is measurement: should unpaid work be tallied according to the number of hours of exertion, or the market value of the unpaid worker's output, or some other way? Furthermore, how can accurate



Cecilia Valdivieso, Rebeca Grynspan, Alfred Latigo, Indira Hirway, and Aster Zaoude

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The Levy Economics Institute of Bard College, founded in 1986, is a nonprofit, nonpartisan research organization devoted to public service. Through scholarship and economic research it generates viable, effective public policy responses to important economic problems that profoundly affect the quality of life in the United States and abroad.

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information on this sort of work possibly be obtained? After handling the measurement issue, analysts are keen to answer substantive research questions: How fairly is unpaid work divided between men and women? What sorts of unpaid work are done? How does the burden of unpaid work affect the economic and social status of women? All of these questions have taken on a new importance in light of the United Nations' effort to achieve the Millennium Development Goals, which include a gender equality goal.

From October 1 to 3, 2005, scholars, policymakers, and public officials discussed issues surrounding unpaid work at the Levy Institute's headquarters in Annandale-on-Hudson, New York, under the aegis of the Levy Institute and the United Nations Development Programme's Bureau of Economic Development, and with the participation of the International Working Group on Gender, Macroeconomics and International Economics (GEM-IWG). In this issue of the *Report*, we summarize the conference.

# Welcome and Introduction: DIMITRI B. PAPADIMITRIOU, LEVY INSTITUTE, AND ASTER ZAOUDE, UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

Papadimitriou opened the first full day's events, recognizing the organizers of the event, then turning over the floor to Zaoude. She cited several sources of inspiration for the conference, starting with Papadimitriou, and thanked the organizers and other session participants. Zaoude said one of the seeds of the conference was her frustration at progress in developing and estimating the cost of the Millennium Development Goals. This process was not always easy, in part because existing frameworks were not conducive to achieving the goal of gender equality. A further stimulus to the conference was a report to the UN Secretary General on the impact on women of the HIV/AIDS crisis in southern Africa. Finally, at a conference on women's equality in Africa, the delegation from South Africa cited a need for a "different level of discussion" and an examination of "broader issues," rather than a focus on "small fixes."

Zaoude said that the work ahead involves a "set of very powerful methodologies" that should be matched with policies. This process was urgent for the UNDP, in part because it has especially important implications for more than half the population of the world. She posed a series of questions that the conference might begin to answer, including: How can we insure that the body of research on unpaid work does not merely sit on the shelf? How can work move forward, in terms of further research or development of methodologies? How can scholarly work be brought to bear on policy?

Following Zaoude's statement, Diane Elson of the Levy Institute pointed out some of the purposes of holding the conference. She named three constituencies who could benefit: those involved in designing surveys and constructing data sets, researchers who used the data, and policy advisers and analysts. She described how the conference fit into the Institute's new program on gender equality and the economy, a connection that lay partly in the Institute's long-standing recognition of the need to apply research to policy issues.

# Session 1. Why Is Unpaid Work Important for Development Policy?

Chair: ASTER ZAOUDE

Speakers: INDIRA HIRWAY, CENTRE FOR DEVELOPMENT ALTERNATIVES, INDIA; ALFRED LATIGO, UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA; REBECA GRYNSPAN, ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN

Discussant: CECILIA VALDIVIESO, UNDP

Hirway outlined in a comprehensive way the issues surrounding unpaid work. The United Nations began to include some unpaid work in its system of national accounts after a major revision of the system in 1993. Still, only goods produced for subsistence and "services" received from owner-occupied dwellings were added at that time, to the neglect of services produced by household members for the benefit of the household. Hirway argued against the exclusion of unpaid domestic services. It is a fallacy to assume that "economic" work can be considered in isolation from so-called "noneconomic" work, for the two types of labor interact and affect one another. To take one example: when the paid economy is in recession and incomes are low, cash-poor households must often resort to producing at home the goods and services they cannot afford in the market. Another way in which the recognition of unpaid work is important is as a challenge to the current hierarchy in which paid work enjoys more prestige, upward mobility, and satisfaction than unpaid labor. Finally, women's responsibilities for work in their



Imraan Valodia

own households reduce their abilities to compete in paid labor markets, which only reduces women's status further.

Latigo discussed recent time-use studies in Africa, seeking to answer three questions: Why is unpaid work important in development policy? What is the current status of the measurement of unpaid work? What has been the contribution of the Economic Commission for Africa to the effort to study unpaid labor? He compared the economy to a two-legged animal, with the legs corresponding to its paid and unpaid parts, and noted that much work remained in the area of unpaid work. While he called time-use studies "very useful," he said that they had been done in only six African nations. Latigo's organization has been involved in four program areas: 1) advocacy efforts to encourage individual governments to conduct time-use studies; 2) creation of a guidebook for governments in Africa to build local capacities in collecting time-use data and using it; 3) development of two statistical systems from timeuse data: national time accounts and satellite accounts of household production; 4) creation of a gender-aware computable general equilibrium model for the South African economy.

Grynspan cited the role of feminists in underscoring the fact that the household is more than a supplier of labor and a consumer of goods and that unpaid household labor interacts with the rest of the economy. In addition to the standard economists' issues of what, how, and for whom production takes place, an important question in any society is whether goods are produced in the paid or unpaid economy. The latter question is answered simultaneously with other decisions about the allocation of resources. Grynspan spoke of policies and strategies that would enable society to convert unpaid



Rebeca Grynspan

work to paid, if that goal is considered desirable. The tradeoff of unpaid for paid work has an impact on the well-being of society. For example, there has been a trend toward poverty among single female—headed households, even in the relatively well-off Latin American countries. Grynspan listed some of the factors that have produced the present division of work between paid and unpaid laborers in Latin America: individual and group behavior, culture (consciousness), the distribution of resources within the household, and the relative wages of men and women. The welfare state will have to be redesigned to help achieve the appropriate balance between paid and unpaid work.

### Session 2. Unpaid Work, the Care Economy, and the MDGs

Chair: MEENA ACHARYA, TANKA PRASAD ACHARYA MEMORIAL FOUNDATION, NEPAL

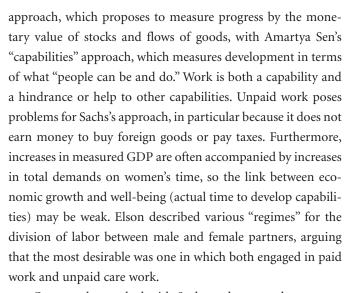
Presenters: DIANE ELSON AND CAREN GROWN, LEVY INSTITUTE

### Discussant: RATHIN ROY, UNDP

Elson discussed how work, and unpaid work in particular, relates to the process of achieving the United Nations' Millennium Development Goals (MDGs). These goals include promoting gender equality and empowering women, eradicating extreme poverty and hunger, achieving universal primary education, and reducing child mortality. The effort to achieve these goals led to a report by the Millennium Project's director, Jeffrey Sachs, which called for a massive program of foreign aid, to be used to build various types of capital: human capital, infrastructure, and knowledge capital. Elson contrasted Sachs's







Grown, who worked with Sachs and many other experts on the Millennium Project, presented a retrospective analysis of much of the work done for the project, focusing on the issue of unpaid labor, primarily at the level of individual nations. Among the documents she had reviewed were national MDG reports, a UNDP study of the national reports, and National Needs Assessments, which were preliminary work on estimates of the costs of achieving the MDGs. The gender goal task force, whose report she coauthored, focused on the capabilities approach to development goals and addressed ways of reducing the burden of unpaid work, for example by improving infrastructure. She characterized the treatment of unpaid work in the reports of individual countries as "uneven" and finished by citing several issues that lie ahead in striving to meet the MDGs. Limited data are a key hurdle—even where data exist, they are sometimes not used or not tabulated in a useful way



Nilüfer Çağatay

for policymakers relating time use to socioeconomic status. There is lack of agreement on a definition of time poverty, and time-use data may help in identifying the synergies between different kinds of investment in meeting the MDGs.

### Session 3. Unpaid Work, Poverty, and Well-Being

Chair: CHRISTINE MUSISI, UNDP

Speakers: MARCELO MEDEIROS, UNDP;

AJIT ZACHARIAS, LEVY INSTITUTE; SHAHRA RAZAVI, UNITED NATIONS RESEARCH INSTITUTE FOR SOCIAL DEVELOPMENT

**Discussant:** NILÜFER ÇAĞATAY, UNIVERSITY OF UTAH AND GEM-IWG

Medeiros focused his presentation on unpaid labor in Brazil and Bolivia. After discussing the distribution of work between men and women as a group, Medeiros's paper (coauthored with Joana Costa) delved into the distribution of work among individuals. The authors found that a large mass of the population worked few hours in the home, while a smaller group logged many more hours. More than one quarter of the adult population does not perform market work in Bolivia, but those who do spend more time at their paid work than their unpaid work. According to the Gini coefficient, a standard measure of inequality, housework was much more unequally divided among individuals than work for pay. Housework was also shared more unequally among men than among women. Having a first child increases women's work in the home by 12 percent and reduces their time in market work by 7 percent. Men's household work also goes up with the birth of a child, by 7 percent, but their market work stays the same. Bettereducated men and women spent less time doing household work than their less well-educated counterparts; moreover, men tended to do closer to their fair share of work in households whose members were more educated.

The household and market are interdependent entities, Zacharias said. Household production cannot take place without certain commodities, not the least of which is a dwelling. At the same time, labor cannot be supplied to markets without household production of goods such as meals and child care. What distinguishes household labor from other activities, and what makes it labor? Labor must include the exercise of "labor power," the means of labor (including the materials, tools, etc.), and an outcome that is independent of the producer. The latter characteristic serves to distinguish labor from consumption activities, such as listening to music, a process that is inseparable from the person doing the listening. Zacharias reported some results of his studies of household work in 1989 and 2000 in the United States. Between those years, work was redistributed from wives to husbands, though women still did by far most of the housework in the latter year. For families with children, the relative importance of unpaid work in generating total economic well-being rose from 1989 to 2000. On the other hand, this trend was reversed when attention was focused exclusively on poor families.

With the demise of the "Washington Consensus" in development policy and its emphasis on free markets and privatization, a new space has opened in the policy dialogue for greater use of social policies to protect people from the worst ravages of the market. Still, said Razavi, many of the social programs in the developing world follow the "productivist" model, which concentrates on providing social security to male "breadwinners" and relies on the unpaid care work of their partners. In some newly developed programs around the world, this model is being supplanted by a new paradigm that is more amenable to care labor, partly in response to the huge amount of care needed for HIV/AIDS patients. In South Africa, there are proposals to support community care work by including it in public works programs and paying a wage to those who provide it. A feminist movement in parts of Asia has been demanding an expansion of publicly provided care, to help end what some Japanese women now call "a caring hell." In South Korea, a new National Health Insurance plan covers women who are not in the formal labor market, including those who are full-time homemakers.



Coumba Mar Gadio

Session 4. Unpaid Work, the Care Economy, and HIV/AIDS

Chair: COUMBA MAR GADIO, UNDP

Presenters: OLAGOKE AKINTOLA, UNIVERSITY OF KWAZULU-NATAL; ANTHONY BARNETT, LONDON SCHOOL OF ECONOMICS

**Discussant:** STEPHANIE URDANG, DEVELOPMENT CONNECTIONS, INC.

Akintola gave an account of the burden of home-based caregiving in Southern Africa, which began with a quote from the Botswana minister of health to the effect that the HIV/AIDS epidemic was taking civilization back to the "root of human coexistence." In many countries of southern Africa, governments have shifted the burden of care for patients back to the home, where relatives or volunteers are responsible for many tasks, from feeding to housekeeping to spiritual support. Partly as a result of these policies, 50 percent of the deaths of people with AIDS now occur at home. Akintola described the physical and psychological toll of caregiving on family members and volunteers and made several recommendations: recognizing the gendered nature of the care burden (women do most of the hardest care work); providing adequate public budgets to support home care; not discharging patients to home care before assessing the abilities of families to provide the care; involving men in caregiving; and reducing the burden of care on girls.

Barnett recalled a quotation from Einstein, who said that science provides the recipe for the soup but does not give you the taste. He described a tragic trajectory in African countries with high incidences of HIV/AIDS: a young individual would be infected, but his or her body would initially succeed in reducing the viral load, even without medicine. The person would then have children. Soon after, the body would begin to lose the battle with HIV, and the children would become orphans. These children, too, would become infected but reproduce before dying. This sort of phenomenon causes a bitter taste not easily captured by statistics on the cost of HIV/AIDS, measured in terms of loss of national output. Barnett discussed the kind of "socially reproductive labor" that takes place in the homes and fields of Africa, and underpins the market economy. It is vital to recognize the value of this work, as it is the glue that holds society together.

# Keynote Speaker: REBECA GRYNSPAN, ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN

After two decades of policies inspired by the Washington Consensus, there is a "window of opportunity" in Latin America and many other places for a new approach to economic and social policy. The last two years have seen a return of economic growth, but the promises of economic liberalization have not been fulfilled: growth rates remain below those of Latin America's "golden era" in the 1950s and 1960s; the performance of the region's economies—particularly in terms of consumer spending—has become more volatile; and poverty and inequality have generally increased with each passing economic cycle.

One problem underlying these numbers, said Grynspan, is a lack of "linkages" from the export sectors to the rest of the economy, without which success in selling exports does not result in broad-based employment creation.

Grynspan also discussed the structure of employment in Latin America, noting that since the majority of new jobs have been created in the informal sector, employment is precarious, hiring and firing are very easy, and employees have no social protection.

As a result, Latin Americans are discontented with the social and economic results of democracy, said Grynspan. A new round of reforms might be coming, she said, and it would be important for women to shape the reform agenda. Despite the strength of the international financial institutions, there is more room within national politics than is sometimes acknowledged for the discussion of progressive options.

Grynspan noted several areas of reform that would benefit from a progressive perspective and an awareness of gender issues. For example, central banks should be encouraged to pursue growth and employment, not just price stability. Otherwise, women will bear an unfair share of the burden of antigrowth central bank policies.

Turning to the issue of social security reform in Latin America, Grynspan said that many countries have switched from traditional pension programs to private accounts. The promised benefits of this change have yet to materialize. The transition to the new system was very costly, and governments have still wound up paying vast sums when individual accounts did not reach their minimum level. The universal system of social security was best for promoting equality, she argued, including gender equality. Regarding education, Grynspan called for universal preschooling, higher quality public schools, and a longer school day, all of which are important for gender equality.

Regarding reforms of the labor market, women need flexible jobs that provide social security entitlements.

In sum, women need to step forward to the negotiating table with their own agenda for change.

### Session 5. Unpaid Work and Employment Strategies

Chair: BHARATI SILAWAL, UNDP

Presenters: NAOMI CASSIRER, INTERNATIONAL
LABOUR OFFICE (ILO); IMRAAN VALODIA,
UNIVERSITY OF KWAZULU-NATAL; NANAK KAKWANI,
UNDP INTERNATIONAL POVERTY CENTRE

Discussant: DIMITRI B. PAPADIMITRIOU, LEVY INSTITUTE

Cassirer discussed the promotion of gender equality through "decent work," which takes into account the domestic responsibilities of workers. She argued for a careful mix of policies to make paid jobs more "family friendly" and to allow unpaid work to become more "work friendly." A framework for such policies has existed since 1981: the Workers with Family Responsibilities Convention of the ILO. This convention was developed with the recognition that gender equality could never be achieved as long as women bore more than their fair share of nonmarket work. It establishes, for example, the principle that there should be no discrimination in the workplace against people with family responsibilities. The convention calls upon



Olagoke Akintola



Rania Antonopoulos and Tony Barnett

states to provide vocational training for women who have been out of the paid labor force and to invest in infrastructure, such as clean, accessible water, that would lighten the burden of unpaid work. One link between unpaid and paid work is that women's paid jobs often entail the same kind of duties as they formerly did at home, such as caring for children. These jobs are often characterized by poor pay and working conditions, with the end result that those who hold them provide a less than fully compensated subsidy to the rest of the economy.

Valodia highlighted several key issues, including: 1) the relationship of time-use patterns to the quality of employment, specifically informal versus formal employment; and 2) intrahousehold differences in time use. His paper, which was written with Richard Devey, used data from the South African time-use survey of 2000. Among couples who both worked in formal jobs, the men performed more paid work than the women, while women did more unpaid work. If the male was employed in the formal sector and the female in the informal sector, the woman's time in paid work declined, and she spent more time doing unpaid work. In the opposite situation—in which the male worked informally instead of formally and the female engaged in formal work activity—the men did not reduce their paid work or increase their unpaid work as much. In households in which both adults worked in the informal sector, the women increased their unpaid work, while the men tended to spend more time on "leisure and personal activities," though this probably reflected a lack of paid employment opportunities rather than a high preference for leisure. Valodia and Devey found that, as is often the case, poor rural women

bore more than their share of the burden of obtaining water and fuel for their households. Moreover, some evidence indicates that these responsibilities reduce the amount of time women work in the paid economy.

Kakwani developed a model of the gender wage gap in Vietnam, Thailand, and South Africa that showed the relative contributions of discrimination and occupational segregation to the welfare differences between women and men. Women's well-being turned out to be lower than men's in all three countries, regardless of how much weight was placed on the well-being of the least-well-off men or women. In Vietnam and Thailand, wage discrimination contributed to inequality far more than occupational segregation. In South Africa, occupational segregation was more significant than in the other two countries, but was still outweighed by wage discrimination.

# Session 6. Unpaid Work, the Care Economy, and Investment in Infrastructure

Chair: MARIA S. FLORO, AMERICAN UNIVERSITY
Speakers: NALINI BURN, CONSULTANT; ASLIHAN KES,
INTERNATIONAL CENTER FOR RESEARCH ON
WOMEN, WASHINGTON, D.C.; LEHKA CHAKRABORTY,
NATIONAL INSTITUTE OF PUBLIC FINANCE AND
POLICY, INDIA, AND GEM-IWG

Discussant: MARK BLACKDEN, WORLD BANK

Burn recounted some success in promoting the use in poor countries of the "multifunctional platform" (MFP), a machine that combines a diesel engine and "end-use" devices, such as



Rathin Roy, Caren Grown, and Diane Elson

saws, oil presses, and grinding mills, which can be used to save time and energy in African villages. One step in successfully introducing these machines is to undertake a careful feasibility study, using participatory methods. Burn suggested that a useful way of thinking about the problems of developing countries is to examine the "time/energy budgets" of poor people, not just their budgets as the term is conventionally understood. The costs of a meal are not just the financial costs, but the time and energy costs of getting water and firewood, processing raw foods, cooking, etc. Time/energy poverty implies that the productivity of labor in producing meals is low. The result is that the person has less time for paid work, reinforcing monetary impoverishment and resulting in a cycle of poverty. Multifunctional platforms can break this cycle.

Kes presented a paper she coauthored with Hema Swaminathan, dealing with deficiencies in infrastructure and how they affect women's time use and "time poverty." She pointed to the need for further research to help understand the definition of time poverty, how time poverty relates to income poverty, and how best to use time-use data effectively. Clearly, gender roles, the demographic composition of households, and "shocks" such as the HIV/AIDS crisis, can all affect how much time is spent in unpaid labor. Environmental degradation has raised the time burden of some activities such as finding firewood. Time poverty is an important gender issue, in part because it can prevent girls from obtaining education and women from earning income in paid employment. Turning to the issue of infrastructure, Kes argued that proper public investments can reduce women's time poverty. Since women

are the main users of many forms of infrastructure (such as water projects), it is important that they have influence on their planning and implementation.

Chakraborty discussed the "statistical invisibility" of women's unpaid work and its implications for fiscal policy. If tight fiscal policy or privatizations erode the public infrastructure, women may be forced to engage in more unpaid labor. For example, if water is not conveniently and freely available, girls may wind up spending more of their time fetching water, perhaps at the expense of their education. Chakraborty noted that time-use surveys recently conducted in six Indian states show that women and girls spend much more time than men and boys in nonmarket work. She elaborated on two methods for valuing work that is not performed for money: valuing the inputs (such as time spent on the activity); and valuing outputs (such as the amount of water obtained). Based on the input approach, the value of women's unpaid work not counted in the GDP was substantial, amounting to between 41 and 23 percent of GDP in the six states. Chakraborty argued that time-use surveys showed the need for investment in public services such as water, sanitation, and electrification, which free up time for girls and women.

### Session 7. Issues in Time-Use Measurement I

Chair: NANAK KAKWANI, UNDP

Speakers: INDIRA HIRWAY, CENTRE FOR DEVELOPMENT ALTERNATIVES; JACQUES CHARMES, INSTITUT DE RECHERCHE POUR LE DEVELOPPEMENT; MEENA ACHARYA, TANKA PRASAD ACHARYA MEMORIAL FOUNDATION

**Discussant:** JOANN VANEK, WOMEN IN THE INFORMAL ECONOMY: GLOBALIZING AND ORGANIZING

Hirway's second presentation focused on how time-use measurements could contribute to an understanding of the role of unpaid work. Time-use data could play a vital role in measuring the output of the informal and subsistence sectors of developing economies, she said, before outlining both sides of an argument over the desirability of valuing unpaid household services in monetary terms. Opponents argue that work inside and work outside the system of national accounts are like apples and oranges and should not be compared quantitatively; monetary value cannot exist in principle unless there is an exchange of commodities; and differing methodologies for

calculating values can yield inconsistent estimates. Proponents note that unpaid work contributes to human well-being no less than other goods; monetary valuation of this work will shed light on an unjustly ignored aspect of the economy, highlight injustices in the burden of unpaid work, and promote equality; even though unpaid work is not exchanged, it has economic costs, since it is not available in unlimited quantities; and the data will help unpaid workers establish a claim on public budgets for social benefits. "Satellite" GDP accounts, which can potentially be used to tally unpaid work, can be constructed by valuing either inputs or outputs of household work, each method offering its own advantages and disadvantages. "National time accounts" are also an important tool and can be used to show how different socioeconomic groups (for instance, rich and poor) spend their time, and the extent to which poor people also suffer from time poverty.

Charmes discussed several difficulties that arise in developing time-use data for African countries. Beginning with Benin in 1998, a number of countries have conducted national time-use surveys. Obtaining data was difficult because many people in rural parts of Africa do not keep track of time using clocks; they might report that they woke up "at the second cock crow." Another issue is the importance of the seasons in countries in which agriculture is still a major activity. Taking only one survey in such countries can yield differing results, depending upon the season. Charmes argued that the best surveys continue periodically throughout the year. Next, citing the example of a plane ride in which an economist ate a meal, socialized with a neighbor, and watched a movie, Charmes pointed out the frequency with which people engage in more than one activity at once. This phenomenon can lead to undercounting of certain activities, such as taking care of children. Another limitation on existing time-use surveys is their frequent failure to include sufficient information about the respondent, including education and socioeconomic status.

Acharya's presentation centered on efforts to ensure that the census accurately measures women's work in Nepal. Feminists have made two important criticisms of the manner in which censuses are generally conducted in such places. First, household maintenance and care activities, to which women usually contribute more than men, were not included in the definition of work. Second, women's participation in those activities that were considered "economic" were inaccurately measured because of cultural biases. The census reformers tried several methods to



Nanak Kakwani

deal with the second problem: media and poster campaigns; a supplemental manual on concepts of gender and their relevance; an increase in the number of census supervisors, in particular women supervisors; and training by gender/ethnicity experts. When the new procedures were implemented, measured rates of economic activity for women increased by 18 percentage points, as against 8 percentage points for men, a reflection of the undercounting of women's participation in economic activities in previous censuses. Furthermore, in all age groups, more women than men were engaged in work when unpaid as well as paid work was taken into account. Great gender disparities at the highest occupational levels, such as senior administrators, politicians, and lawyers, were also revealed.

### Session 8. Issues in Time-Use Measurement II

Chair: MARIJKE VELZEBOER-SALCEDO, UNITED NATIONS DEVELOPMENT FUND

Presenters: Valeria esquivel, universidad nacional de general sarmiento, buenos aires, and gem-iwg; hrachya petrosyan, state council on statistics of armenia; maria s. floro, american university, gem-iwg

#### Discussant: HYUNSUB KUM, LEVY INSTITUTE

A number of choices were involved in designing the Buenos Aires Time-Use Survey, according to Esquivel. Policymakers could have used either task surveys or diaries that account for every unit of time during a day. Another choice was between self-administered and interview methods; the former have the drawback of generally low response rates and pose difficulties for poor readers. Another question was whether to administer the time-use queries as part of a larger survey, or as a standalone study. Yet another decision was between urban and nationwide surveys. The number of diaries to give each subject was an important issue; extra diaries tend not to be filled out. Finally, surveyors had to choose the "contextual" questions, about matters such as time-saving appliances. The Buenos Aires study decided to use diaries, have interviews instead of self-administered questionnaires, administer the questions as part of a broader survey, focus exclusively on Buenos Aires, and target only one household member. Most of these decisions turned on the need for obtaining a high rate of response.

Women's equality is enshrined in the constitution of Armenia, said Petrosyan, and women there have entered the paid workforce in increasing numbers. Yet women continue to perform most of the unpaid work in Armenian households. Thirty-four percent of women and 65 percent of men are now employed on any given weekday, with women doing paid work five hours and four minutes per workday and men 8 hours and 12 minutes. Women spend around 6 hours per day doing housework; men, 1 hour and 45 minutes. The disparities in time use are also striking when total unpaid labor is broken down into parts: what Petrosyan calls household work (food preparation, cleaning, laundry/ironing, and dishwashing) takes up 4 hours of women's time per day and just 3 minutes for men. Averaging people aged 15 to 80 overall, child rearing is divided into 42 minutes per day for women and 4 minutes for men. Women had less free time than men, though the difference was relatively small on weekdays. Perhaps reflecting the demands of household work, women are underrepresented in many fields of paid work: construction, agriculture, and industry.

Floro presented a paper she had written with Marjorie Miles. The authors made use of data on households with two adults from the Australian National Time-Use Survey to examine the determinants of what they call "overlapping activities." An example would be minding children while doing housework, in which minding children would be classified as a "secondary activity." Time diaries from survey participants indicated that overlapping activities were important: at least onethird of every spell of time involved the performance of more than one activity. On average, women performed 158 minutes of secondary work per day, compared with 67 minutes for men. Overlapping activities made up, on average, 31.6 percent of the total working time of individuals. Taking into account overlapping activities increases women's child care activity by 310 percent when time spent on secondary child care is weighted equally to primary. Men's child care time increases by 440 percent, though the absolute amount is much lower (265 minutes for women as compared to 110 minutes for men). These figures are important because they indicate that people, especially women, spend more time in child care than ordinary time-use figures would suggest. Some of the factors that influenced the amount of overlapping activities done by a person were gender, life-cycle stage, education, cultural norms (as estimated by language spoken), individual income, and labor market status (part-time, full-time, or not employed).

### Keynote Speaker: NANCY FOLBRE, UNIVERSITY OF MASSACHUSETTS AMHERST

Care work is more than an expenditure of time, said Folbre, as it simultaneously uses capital, technology, and emotional connections. Some aspects of care cannot be provided through market mechanisms, so attaching a monetary value to care can be misleading. Folbre commented on the "circular flow" diagram of goods and services that is often taught in economics classes. To the typical diagram that shows goods and services being exchanged by households, businesses, and government, Folbre proposed adding exchanges of time and money between men and women within households and exchanges of care between generations.

Folbre suggested two analogies for the way in which care work was linked with the economy as a whole. First, assume that corporations used androids to produce goods, and that they neither build nor buy the androids, but merely pay for their batteries. In a sense, workers' wages are like the batteries: they enable an employee to continue working, but they do not represent the full cost of making the worker available to the corporation. Families (mostly women) are responsible for building the robots (raising children) at no cost to the corporations. Hence, there is a hidden subsidy flowing from care workers within the household to the business sector.

A second analogy was with the environment, which provides services at no cost to the economy, as does unpaid work.

Folbre argued that it is incorrect to assume that care work is undervalued simply because it tends to be done by women. Care work is undervalued in market economies, irrespective of whether men or women do it, partly because there are aspects of care work, such as the emotional connection, to which it is hard to assign a monetary value.

Folbre called herself "a big fan" of time-use surveys, but said that they could be misleading in the way they measured child care. Child care is not always an "activity" that people will record in time diaries; often care involves simply being "on call," like a firefighter. If this is true, the care component of time use will be underestimated unless questions are asked about overlapping activities. When the American Time-Use Survey asked people how much time they spent in the activity of child care and how much time they had children in their care, the time for the latter was more than double the time for the former.

### Session 9. Issues in Accounting for Unpaid Work

Chair: CAREN GROWN, LEVY INSTITUTE

Speakers: BARBARA FRAUMENI, UNIVERSITY OF
SOUTHERN MAINE; MONICA OROZCO, MINISTRY OF
SOCIAL DEVELOPMENT OF MEXICO; EUGENIA GÓMEZ
LUNA, INSTITUTO NACIONAL DE ESTADISTICA,
GEOGRAFIA E INFORMATICA, MEXICO

Discussant: AJIT ZACHARIAS, LEVY INSTITUTE

Fraumeni began by pointing out that nonmarket activities account for the majority of time use by individuals, and when human capital is considered, these hours are responsible for more investment than market activities. A grasp of nonmarket activities is also particularly important for understanding the condition of women and the poor. In a number of areas, national market accounts, which measure GDP, make arbitrary distinctions: for example, there is no reason to exclude the services of durable consumer goods while including the services of owner-occupied housing. Moreover, the distinction between market and nonmarket accounts can give a misleading picture of the extent to which production has grown. Nonmarket accounts would comprise a broader range of activities than household production accounts, since the latter do not include activities that in principle cannot be performed by someone other than the person carrying out the activities (e.g., studying, exercising). Fraumeni especially recommended the construction of a human capital account, which would include bearing children, studying, and maintaining one's health.

Orozco discussed findings on time use from a 2002 study in Mexico. Using statistical techniques, she found that married women or women in another form of consensual union spent over 16 hours more than single women per week doing domestic work. Not surprisingly, the presence of children also has a large impact: having three children increases women's household work by 24 percent. But the men in the study did no more household work with children than without. Poor, rural women provided twice as much household labor as nonpoor women, largely due to the time poor rural women spent collecting firewood and grinding corn for tortillas. Women did more unpaid work in households that did not have a stove, washing machine, freezer, or microwave. Confirming the importance of infrastructure for time poverty, the study found that having no water on tap increased household labor time by 27 percent for women in poor households (compared to households with running water). Because women handle most of the household work, the men in the survey reported spending four more hours per week than women in leisure activities, such as watching TV, sports, reading, or using a computer. Orozco presented data on "Oportunidades," a program that provides scholarships and other assistance to poor families and is shown to be effective in allowing girls to spend more time studying, instead of doing housework.

In her presentation, Gómez Luna gave a broad overview of the issues involved in measuring the contribution of unpaid labor to total economic activity. She reported data from three Mexican sources: the 1996 Time-Use Survey, the 2002 Time-Use Survey, and the National Survey on Household Income and Expenditure. The 2002 survey confirmed what many other studies in various countries have found: women do far more unpaid work than men. Some examples: per week, men spend about 4 hours preparing meals, while women spend 9.7; men wash dishes for 2.1 hours, and women do dishes for 4.3 hours; and men spend 2.2 hours cleaning house, while women spend 3.7 in the same activity. Gómez Luna also presented data on the monetary value of this unpaid work, which was equivalent to 19.5 percent of Mexican GDP in 2002, a figure that exceeded the value of manufacturing and commerce. Women contributed 82.5 percent of the value of unpaid work.

Session 10. Including Unpaid Work in Economic Modeling Chair: MARTHA MELESSE, INTERNATIONAL DEVELOPMENT RESEARCH CENTER, CANADA

Presenters: RANIA ANTONOPOULOS, LEVY INSTITUTE AND NEW YORK UNIVERSITY; MARZIA FONTANA, INSTITUTE OF DEVELOPMENT STUDIES, UNIVERSITY OF SUSSEX

## Discussant: HAMIDOU POUFON, MINISTRY OF ECONOMY AND FINANCE OF CAMEROON AND GEM-IWG

Antonopoulos began by citing some of the purposes of formal modeling in the study of gender issues. She contrasted conventional modeling, which confines households' role to consuming, saving, and supplying labor to companies, with a more insightful gendered model, in which households also produce goods and services and "produce" and reproduce human beings. Antonopoulos described three methods for introducing gender into mathematical models: recognizing that men and women exhibit different behavior patterns with respect to investment, saving, and consumption; showing how the degree of gender inequality affects the way labor, credit, and goods markets function; and encompassing in the analysis not only the market economy, but also unpaid labor and nonmonetized goods and services. She outlined the use of social accounting matrices (SAMs) and how they could be altered to include the unpaid economy and gender differences. SAMs provide a comprehensive view of the economy's stocks and flows, which should rightly include separate categories for male and female labor, as well as unpaid work. Antonopoulos then discussed the Levy Institute Measure of Economic Well-Being (LIMEW), which has been described in previous issues of the Report. She argued that the LIMEW could be improved by considering the possibility of depleting human capabilities and by accounting for gender inequalities in household production.

Fontana reported some results from a gender-aware "computable general-equilibrium" model she had constructed for Bangladesh. Such models include the interactions of multiple sectors of an economy and allow quantitative estimates of the effects of various policies. The key features of Fontana's model are the inclusion of all activities that can take place during a person's day—including leisure and unpaid household work, as well as paid work—and the disaggregation of labor by sex. She used her model of Bangladesh to simulate the implications of the vast expansion of the garment industry, which drew heavily on women's labor. Fontana found that as the demand for women's labor for garment production increased, the model predicted that women's wages and labor-market participation rates would rise relative to men's, but that women's leisure and household work times would decline. This finding, she argued, shows the importance of including in models all uses of women's time, not just their market labor. To support her point, she presented results from another group of experiments in which household work and leisure were omitted; in that scenario, women's wages rose much more with the growth of the garment industry. Fontana described several future directions for work of this type: breaking down unpaid labor into its many different types (food shopping, laundry, etc.); introducing the long-run "investment"-like effects of child care and other types of care, which increase human capital and labor productivity; and incorporating household bargaining over the distribution of time and other resources.

# Presentation of Projects: GRAZIANO GRAZIUSSI, COLUMBIA UNIVERSITY; DANIELLE SIMONE VACARR AND GABRIELLE BRUNNICH, INSTITUTE OF POLITICAL SCIENCE, PARIS

In association with the UNDP, students from the two institutions had carried out two projects. The Columbia students compiled a database of time-use studies in order to map unpaid work. The database also included research making use of time-use data.

The students from the Institute of Political Science described a time-use survey in Benin, which found that women worked 43 percent more time than men in both rural and urban settings; the main nonmarket economic activity was obtaining water.

They noted that the time-use survey unfortunately had little influence on the policymaking process and was not extensively referred to in Millennium Development Goals Reports, Poverty Reduction Strategy Papers, or other official reports. They recommended ways to improve knowledge and use of the data.

### **Reporting of the Parallel Sessions**

Diane Elson, one of the conference organizers, had charged the three regional roundtables with reporting back at a session of all participants. The Latin American group had decided to continue annual meetings of time-use statisticians in their region. They intend to make a presentation about time use at a November meeting of statistics officers from Latin America. They wish to make public the results of time-use research and apply it to the development of policy, especially policy on the reconciliation of work and family life.



Diane Elson

The African group identified a need to make better use of time-use data in policymaking and advocacy and to add time-use modules to household surveys. They intend to communicate the recommendations of the meeting through ambassadors and heads of state in the region. They called for special attention to the HIV/AIDS epidemic and its effect on unpaid work in the region.

The group on Asia and the Pacific decided that improving policies on poverty reduction and employment should be the main objectives of time-use research, with valuation aspects and satellite accounts coming next. All of this had to be integrated into policymaking. The strategy for winning over policymakers is to convince them of the utility of time-use data.

# Roundtable: The Way Forward: Policy and Research Agenda

The participants were four experts who had appeared in earlier sessions: Rebeca Grynspan, Jacques Charmes, Indira Hirway, and Aster Zaoude.

Grynspan expressed the hope for a similar conference in Latin America. She emphasized the importance of linking the conference research to actual policy after determining "what works." This policy discussion has to be incorporated into two existing instruments: pro-poor programs associated with the Millennium Development Goals and World Bank Poverty Reduction Strategy Papers. It will be important to bring knowledge of unpaid work into the discussion of new development financing mechanisms.

Charmes pointed to the 1993 revision of the SNA (system of national accounts) as a landmark achievement in the recognition of unpaid work. However, the SNA included only certain kinds of unpaid work, and nothing about unpaid work was on the agenda of the meeting to revise the SNA. He recommended that before this revision meeting, satellite accounts of household production should be prepared in a large number of countries and that this new work should remain consistent with the existing central framework of the SNA. He saw a need to convince policymakers of the utility of satellite accounts and to build capacities among policymakers, civil servants, and technicians to deal with time-use issues in a gender-sensitive way.

Hirway argued for a standardization of the language experts use to communicate about unpaid work. She agreed with Charmes that a harmonization of concepts, analysis, and methods would be an important task ahead. She also emphasized the importance of making full use of existing data. Among the policy implications of the conference were the need to integrate unpaid work into the development of poverty reduction policies and into macroeconomic analysis.

### Closing: ASTER ZAOUDE AND DIMITRI B. PAPADIMITRIOU

Aster Zaoude thanked the Levy Institute staff members involved: Linda Christensen, Susan Howard, RaeAnn Moore, Barbara Murphy, and Amy Solis. She also thanked Nilüfer Cağatay, Diane Elson, Caren Grown, and Joann Vanek. She agreed with Charmes on the need to integrate work of the type presented at the conference with existing theoretical tools, but cited some resistance that made that task more difficult. She argued that this group must not simply work from the margin; its insights have to be brought to the centers of power. She cited the importance of developing capacities in national statistical offices to engage with issues of unpaid work. She thanked Dimitri B. Papadimitriou and all participants. She promised to take the results of the conference to the senior management of the United Nations Development Programme and said that debates in the UN General Assembly would offer plenty of opportunities for advancing the conference's agenda.

Papadimitriou concluded the conference by expressing regret at its finish and thanking the participants. He thanked the Levy Institute Governing Board for its support of the Institute's new initiatives in the area of gender equality, of which this conference was the first example.

# Conference: Time Use and Economic Well-Being

### October 28-29, 2005

The Levy Institute maintains an ongoing research effort into economic well-being. Few would argue that the ways in which people use their time are an important factor in their wellbeing, and this fact is increasingly being recognized by economists. The second Levy Institute conference of October 2005, held in Annandale-on-Hudson, New York, with partial support from GEM-IWG, brought together academic and government experts in time use. The topics included how parents find time to take care of their children, how government programs affect discretionary time, and how recent economic reforms have affected the way Russians spend their time.

## Welcome and Introduction: DIMITRI B. PAPADIMITRIOU Session 1. Determinants of Household Production I

Chair: DIMITRI B. PAPADIMITRIOU

Speakers: SUZANNE M. BIANCHI, UNIVERSITY OF MARYLAND; DANIEL S. HAMERMESH, UNIVERSITY OF TEXAS AT AUSTIN, NATIONAL BUREAU OF ECONOMIC RESEARCH, AND INSTITUTE FOR THE STUDY OF LABOR (IZA)

Discussant: SUSAN HIMMELWEIT, OPEN UNIVERSITY, UNITED KINGDOM

Women in America are entering the paid labor force in growing numbers. Yet most evidence shows that the increase in time at paid work has not been compensated for by an equal reduction in child care time. Bianchi, in a paper coauthored by Sara Raley and Melissa Milkie, investigated what activities women have given up in order to do more paid work. The authors' data came from time-diary studies conducted in 1975 and 2000. The results showed that working and nonworking mothers differed in important ways, even among women with similar characteristics, such as educational attainment. After controlling for such characteristics, the authors found that employed women worked 19 more hours per week (including work in the home) than those who did not have jobs. The working mothers averaged 9 fewer hours of housework and 5 fewer hours of child care per week than the nonworking ones. (However, both groups of mothers spent more time caring for their children in 2000 than in 1975.) Other activities are also reduced when women work: per week they get four fewer hours of sleep than women without jobs, and they have 15 fewer hours of discretionary time.

The process of preparing and eating meals can be regarded as a form of production, according to Hamermesh, just like the manufacturing of cars or other commodities. He is interested in how economic incentives affect the way time and goods are combined in this production process. For example, it may be that when wages rise, people increase their use of goods (raw foods and equipment) relative to the amount of time they spend preparing and eating food. Moreover, Hamermesh hypothesizes that recent trends in the distribution of income toward more inequality might have an effect on the "production of eating." To obtain information on both food expenditures and time use for the same group of individuals, more than one data set has to be used. Hamermesh uses a special technique to account for the fact that time use is not only an effect of wages and income, but also a cause. He finds that in 2003 the average American couple spent about four of their total 48 hours in a day in the process of eating (including meal preparation). This amount represents a reduction from 5.5 hours in 1985. A trend toward gender equality appears in eating: wives' time made up 59 percent of the typical couple's eating time, versus 63 percent in 1985. Hamermesh finds that the "prices" of a couple's time (their hourly wages) are negatively related to the time intensity of their meal production.

### Session 2. Determinants of Household Production II

Chair: EDWARD N. WOLFF, LEVY INSTITUTE AND NEW YORK UNIVERSITY

Presenters: LYN CRAIG, SOCIAL POLICY RESEARCH CENTRE, UNIVERSITY OF NEW SOUTH WALES; CHARLENE KALENKOSKI, OHIO UNIVERSITY Discussant: JEAN KIMMEL, WESTERN MICHIGAN UNIVERSITY

Studies show that taking care of children consumes a very large portion of parents' time. Since there are only 24 hours in a day, this time must come at the expense of other activities. Craig's paper tested two hypotheses: 1) employed mothers reduce time spent on activities other than paid work and child care or reschedule child care or other activities; or 2) they use nonparental child care to alleviate the "time bind." Craig took



Susan Himmelweit, Daniel S. Hamermesh, Dimitri B. Papadimitriou (standing at back), and Suzanne M. Bianchi



Joachim Merz

advantage of a remarkable study conducted by the Australian Bureau of Statistics, which required subjects to record their activities at 5-minute intervals. She confined her work to families in which the parents were aged 25 to 54 and had at least one child under the age of five. The data showed that working mothers did indeed spend less time doing housework and in activities such as grooming, bathing, and dressing. There was some evidence that employed mothers rescheduled child-care activities to earlier or later in the day than might take place otherwise. Evidence of the second hypothesis was mixed: women who used child care services did not seem to have more time for housework and personal care than parents who carried the entire time burden of caring for their children; on the other hand, men seemed to use child care to gain more time for sleep and recreation apart from their children.

Kalenkoski, in a paper she wrote with David C. Ribar and Leslie S. Stratton, relied upon information from the American Time-Use Survey and the United Kingdom Time-Use Study. The paper focused on the factors that determine the amount of time parents devote to child care, using U.S. data from 2003 and British data from 2000. The nature of the two data sets enabled the authors to examine issues neglected in many earlier studies: 1) "primary" child care activities (those done for the direct benefit of the child) could be distinguished from "passive" care (which was considered to take place anytime a parent and child were together but not involved in primary care); 2) the survey's samples were large enough to allow separate results to be tabulated for married-couple, cohabiting, and single-parent families and for male and female parents;

3) the survey contained many observations of weekend time use; 4) survey participants were queried about a number of issues, allowing the authors to control for many of the variables that affect time use. Some of the findings of the paper for the United States included: single fathers spend less time in passive child care on weekends than their married or cohabiting counterparts; and single mothers do not spend more time on either form of child care than married or cohabiting mothers. For fathers, having an additional child aged 7 to 11 does not for the most part significantly decrease the amount of time they spend on market work, while mothers do reduce the time they devote to paid work when they have more children in that age group. Finally, the education variable is highly significant, indicating that parents with more years of college education spend more time both in primary child care and in market work.

# Session 3. Labor Market Developments and Workers' Time Allocation Patterns

Chair: DIANE ELSON, LEVY INSTITUTE

Speakers: JOACHIM MERZ, UNIVERSITY OF LÜNEBERG,
RESEARCH INSTITUTE ON PROFESSIONS;
CENTER FOR RESEARCH IN ENTREPRENEURSHIP,
PROFESSIONS, AND SMALL BUSINESS ECONOMICS
(CREPS); AND IZA; IRINA SOBOLEVA, LABORATORY
FOR HUMAN DEVELOPMENT, INSTITUTE OF
ECONOMICS, RUSSIAN ACADEMY OF SCIENCES
Discussant: IRINA PALEY, U.S. DEPARTMENT OF THE
TREASURY



Lyn Craig, Irina Soboleva, and Irina Paley

Merz presented findings related to the timing of the workday, specifically the effects of working for at least two separate periods during a single day and of working nonstandard hours. Some trends in Germany relating to the timing of work are an erosion of the "normal" workday and the "male-breadwinner" form of household, a growth of part-time work arrangements, and new flexibilities of working time. Two reasons have been postulated for these developments: first, firms may benefit from the ability to reduce employment at times when business is slack; and second, employees may prefer to work nonstandard hours in order to take care of personal and family responsibilities. Researchers have also hypothesized that these developments might affect income and wage patterns. Merz defines "core" work time as work conducted between 7 a.m. and 5 p.m.; a "fragmented" workday comprises two or more separate work periods. Merz found that 65.1 percent of German employees worked a core, unfragmented day; 6.5 percent, noncore, unfragmented; 25.1 percent core, fragmented; and 3.3 percent, noncore, fragmented. Those with fragmented hours tended to work more total hours and have higher wages than those who worked only one spell in a day. Income was most equally distributed among the employees who worked a noncore, fragmented schedule and least equally distributed in the group that worked a noncore, nonfragmented day.

Soboleva reported a shift in Russian employment away from the industrial sector, even though Russian demand for manufactured goods is not being met. The recent reforms have coincided with a steep reduction in wages, resulting in a population of working poor that includes many professionals.



Marzia Fontana, James Mahmud Rice, and Rania Antonopoulos

Women tend to be concentrated in low-wage sectors of the economy. Time-use data show a disturbing increase in the amount of time devoted to "subsidiary agriculture," another sign of economic retrogression in the post-Soviet era. Reductions in total hours worked have been achieved largely through working time reduction, rather than through layoffs, with women bearing most of the burden of work-hour reductions. Some estimates indicate that 35 to 40 percent of the adult population is working in more than one job. Men spend about 1.4 hours per working day doing housework, about half what women do.

### Session 4. Time Use, Macroeconomic Modeling, and **Social Policy**

Chair: RANIA ANTONOPOULOS, LEVY INSTITUTE AND NEW YORK UNIVERSITY

Presenters: ALFRED LATIGO, UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA AND GEM-IWG; JAMES MAHMUD RICE, AUSTRALIAN NATIONAL UNIVERSITY

Discussant: MARZIA FONTANA, UNIVERSITY OF SUSSEX Latigo presented a paper he wrote with Omar Abdourahamani, Neijwa Mohammed, Ismael Fofana, Bernard Decaluwe, and John Cockburn, which discussed efforts to introduce unpaid work into official data and macroeconomic models in Africa. The process has several steps, which will not be discussed in detail here: "time-use accounts," input-output or "satellite" accounts for the household sector, structure-of-use tables,





integrated economic accounts, social-accounting matrices, and, finally, gender-aware microsimulation and macroeconomic models. Toward this end, the Economic Commission for Africa began in 2001 to support the efforts of some African nations to collect time-use data for each gender. In 2005, another group of African nations began conducting periodic surveys of the household sector, a necessary step if unpaid labor is to be added to the conventional national income and product (GDP) accounts. The time-use accounts showed that partly as a result of the burden of unpaid work, African women enjoy 30 to 50 percent less time than men for leisure and personal care. Household production accounts for approximately 44 percent of the economies under study. One simulation revealed that trade liberalization would raise the real wage and labor market participation of male workers more than that of female workers.

A paper by Rice, Goodin, and Parpo examined the effect of the government programs of several different welfare states—Australia, France, Germany, and Sweden—on the amount of free time available to their citizens. Governments can potentially affect free time in two ways: they can provide income transfers, which may reduce the amount of time people must work to stay out of poverty; or they may provide free or low-cost child care. In this study, free time was not measured as the actual time a person spent on leisure activities, but rather the amount of time potentially available after the household has earned a satisfactory living, done personal care tasks such as bathing and sleeping, and cared for its children. This amount of time, which the authors call "discretionary time," provides an alternative yardstick of well-being across countries to measures



Kimberly Fisher and N. Anders Kleymarken

of dollar income. The philosophies of various welfare states appear to result in differing impacts on households: for example, the "corporatist" welfare states of Germany and France tend to boost the discretionary time of single-earner families, reinforcing traditional gender roles; the egalitarian Swedish state favors two-earner families; and the liberal Australian government confers the most time on single parents.

# **Keynote Speaker:** NANCY FOLBRE, UNIVERSITY OF MASSACHUSETTS AMHERST

Folbre called on economists to use insights from both the classical and neoclassical schools of thought when doing work on time use. In trying to place a value on time, economists should always keep in mind the question, the value to whom? She also emphasized the special characteristics of time spent caring for dependents, which was often undervalued.

Many academics have resisted the notion that exploitation could take place within the home or that unpaid work can be tallied as one would count market labor. These critics argue that an almost sacred boundary exists between the home and the market. Susan Himmelweit, one of the proponents of this view, argues that valuing household work in the same way as market work might lead people to behave in the home in the same selfish way that they behave in the market. Folbre said that she, too, was concerned about the transition of much household and child care work into forms of commodities, subject to an economic logic. She cited the example of a company that called itself "rent-a-mom."

Folbre also argued that time and money are not perfect substitutes, as the payment of a wage might suggest. Certain amounts of time are needed and cannot be replaced by income. The opposite is also true.

Though the Chicago School of economists has developed ways of looking at time use in terms of the self-interested behavior of individuals, it has not led the way in assigning monetary values to unpaid work. This line was pioneered by people who ventured outside of the orthodox tradition, such as Robert Eisner, the late Northwestern University economist.

Other neoclassicals have thought about children in a different way. In standard measures of the number of poor people, higher poverty cutoffs are used for families with more children. One group has argued that in setting a poverty line for families, income should not be adjusted for the number of children in the household. In this view, the decision to have children is simply a consumption choice like any other. One would not make an adjustment to income for children any more than one would say someone was in poverty because they chose to use their money for expensive cars.

Folbre praised the report of a National Academy of Sciences, which she helped produce. She credited the committee that prepared this report for thinking about how to assign values to such nonmarket "outputs" as educated and healthy individuals. Yet she was disappointed that the report did not pay more attention to differing intellectual traditions within economics, particularly the classical tradition. Several choices are involved in deciding how to value nonmarket output, and they are closely related to the differences between the classical and neoclassical schools of thought.

To extend the connection with schools of economic thought, Folbre linked the replacement cost approach to valuing unpaid labor—i.e., the cost of finding someone else to do the work—to the classical tradition in economic value theory, which measures the value of a good in terms of the amount of labor time needed to produce it. On the other hand, the opportunity cost value of labor (the wages forgone by not working for money) is a neoclassical notion, related to the idea that the value of work comes from the dislike ("disutility") people have for engaging in drudgery.

Both the neoclassical and classical ways of measuring the value of unpaid work are legitimate, Folbre said, and either can be used, depending upon the context and the purpose of the valuation.

Output can also be valued in many different ways. Some have argued that the value of output should include all of the inputs used in its production—not just labor, but also equipment, energy, and so on. A given amount of meal preparation time is more productive when the preparer has access to goods like a microwave oven.

Folbre expressed reservations about measuring output in terms of the consumer's willingness to pay. This method can confuse willingness to pay with ability to pay, which varies with the wealth of the consumer. A step forward would be to consider thinking about the community's collective willingness to pay, which is often expressed in political forums.

Folbre suggested that neoclassical economics is often the best tool for dealing with time-use issues when the value of a process (the intrinsic enjoyment of an activity) is at stake. Classical economics, on the other hand, is most effective in dealing with the values of the ultimate outputs of unpaid work.

### Session 5. Measurement Issues in Time-Use Research

Chair: HYUNSUB KUM, LEVY INSTITUTE Presenters: N. ANDERS KLEVMARKEN, UPPSALA UNIVERSITY; KIMBERLY FISHER, INSTITUTE FOR SOCIAL AND ECONOMIC RESEARCH AT THE UNIVERSITY OF ESSEX

Discussant: HARLEY FRAZIS, U.S. BUREAU OF LABOR STATISTICS

Time-use data are often inaccurate and imprecise. Klevmarken focused in his paper on one source of inaccuracy: the inclusion of days in which time use is atypical. If a family is surveyed on an unusual day, for example when a child is sick, that family's answers might be misleading. Klevmarken's study measured the factors that contribute to children's television watching, putting a relatively low weight on days that the respondents called "not typical." Many of the paper's estimates changed significantly when they were corrected for the presence of unusual days, perhaps indicating that different factors lead to very heavy television watching, rather than to normal watching. Among the findings of the corrected data: children watch more television on Fridays; the youngest children are more likely than older ones to watch television, but of those who watch in a given day, older children spend more time in front of the set; children of highly educated parents are relatively unlikely to watch television and watch less when they do turn on the set; and children of older parents or single parents are more likely to watch and log more hours on days they do tune in.

Different surveys measure time spent caring for a child in different ways. The recent American Time-Use Survey is unusual in that it has a question about whether a child under age 13 was in the respondent's care at each point in the day. Fisher wanted to know how this innovation affected the way people reported child care activities. Some of the questions Fisher sought to answer were: Did the new question affect the total amount of child care time reported? Is there a distinction between child care and time with children in one's presence? Does the new question reveal anything about other activities performed during child care? How much child care was overlooked because of the age limit in the question? How well did the new survey capture varying types of child care? Focusing on the first question, Fisher found that the reported amount of child care time doubled when questions were added about more than one activity being done at once. Further, the addition of the "child in your care" question doubled reported child care time again.

### Session 6. Household Production and Economic Inequality

Chair: W. RAY TOWLE, LEVY INSTITUTE

Speakers: AJIT ZACHARIAS, LEVY INSTITUTE;

JAY STEWART, U.S. BUREAU OF LABOR STATISTICS

Discussant: FRANK STAFFORD, UNIVERSITY OF

MICHIGAN

Zacharias presented work that combined analyses of paid and unpaid labor. His data indicate that total working hours—paid plus unpaid—rose sharply from 1989 to 2000, continuing a long-standing trend. The increase in total labor for men was double that for women and was mostly in the form of household labor. Still, women and men worked about the same amount of time, when paid and unpaid labor were added up. Women's total incomes, which comprised earnings, benefits, and the outputs of household production, were approximately 70 percent as large as men's in both 1989 and 2000. And women were overrepresented among the nation's hardest workers and among those with low incomes. Gender disparities in paid and unpaid labor differed from one type of household to another. While women generally worked about the same or slightly fewer hours in 2000 than in 1989, women in single female-headed households increased both their paid and unpaid work effort during that period. The difference between men's and women's total labor fell faster within marriedcouple families than in other sorts of families.

Frazis and Stewart used the 2003 American Time-Use Survey (ATUS) to assess how household production affects inequality. They sought to address several stumbling blocks investigators commonly encounter when attempting to obtain time-use and income data from the same sample group. Since even the ATUS provides only partial information, amounts of household production sometimes had to be estimated using other characteristics of the household. For example, households of similar characteristics (such as income) were assumed to engage in similar amounts of home production. The ATUS dataset, containing more household income information, allows this procedure to be carried out with greater precision. Another improvement over earlier studies is the authors' effort to test the sensitivity of their results to changes in the method of estimating household production. Frazis and Stewart find that household production makes up 23 to 32 percent of the total of household production plus labor market earnings. When household production is added to income, inequality among individual households falls, a finding the authors attribute to the "fair" division of housework between households.

# Session 7. Well-Being and Deprivation: Subjective and Objective Measures Utilizing Time-Use Data

Chair: GREG HANNSGEN, LEVY INSTITUTE
Speakers: JENS BONKE, DANISH NATIONAL INSTITUTE
OF SOCIAL RESEARCH; INDIRA HIRWAY, CENTRE FOR
DEVELOPMENT ALTERNATIVES AND GEM-IWG

Discussant: LARS OSBERG, DALHOUSIE UNIVERSITY
Bonke addressed what he deemed a paradox in the economics
of well-being. While leisure and goods are substitutes in that
one is often obtained at the expense of the other, they are also
complements: people express more satisfaction with their
leisure time when they have money to spend on commodities.
His paper used data on couples from the Danish Time-Use
Survey, which asked subjects: 1) "How satisfied are you with
your present economic situation?" and 2) "How satisfied are
you with your amount of leisure time?" Bonke observes the
effects of a number of variables on the answers to those
questions, among them the availability of goods and social



Younghwan Song, Elsa Fontainha, Ronald Schettkat, and Ajit Zacharias

bonds to enjoy during leisure time, allocation of time and money among household members, peer group/aspiration effects, and changes in couples' situations over time. The paper's findings were rich. The higher men's share of the total income of the household was, the higher their economic satisfaction. Moreover, men's satisfaction with their economic situation declined significantly when they had the opposite employment status (employed or unemployed) to that of their wives. With regard to leisure time, the more of it people had, the more satisfied they were. Further, the "good-intensiveness" and "social-intensiveness" of leisure had a major impact on satisfaction, with the latter mattering mainly for women.

Hirway used data from a study conducted from 1998 to 1999 in 6 states in India. The data reveal that while the poor spend less time doing system-of-national-accounts work (work as the term is conventionally understood) than the nonpoor, they do more work overall. Of all types of work, the poor tend to be most heavily involved in primary-sector work activity, which comprises crop cultivation, horticulture, kitchen gardening, collecting "free goods" such as firewood, and similar tasks. The presence of this burden means that the poor, and poor women in particular, are especially vulnerable to bad weather and the depletion of natural resources, and spend much of their time in drudgery. Hirway finds that several factors influence time use; income level tends to have the greatest influence on whether a household must spend time collecting free goods and tending animals as they graze. One conclusion of the paper is that time use—and not just a lack of income or wealth— can be an important part of poverty. Hirway suggests several time use-related indicators of poverty: the burden of total work, the burden of ESNA (extra-SNA) work, the percentage of time spent on the collection of free goods, time spent on rest and relaxation, and measures of gender inequality.

### Session 8. International Comparisons of Time Allocation

Chair: AJIT ZACHARIAS, LEVY INSTITUTE Speakers: RONALD SCHETTKAT, BERGISCHE UNIVERSITÄT WUPPERTAL; ELSA FONTAINHA, ISEG (TECHNICAL UNIVERSITY OF LISBON)

Discussant: YOUNGHWAN SONG, UNION COLLEGE Schettkat presented a paper he had written with Richard Freeman. As recently as the 1970s, Americans did less market work on average than Western Europeans. Yet Americans enjoyed a higher standard of living because their productivity (output per hour) was superior. Today, productivity in Europe has caught up with that of the United States, but Americans are doing the most market work, both in terms of the employment-population ratio and the hours worked per person employed. What accounts for the fact that Americans do more market work? Schettkat called into question two common answers: higher taxes and a greater "taste for leisure" in Europe. Using the example of Germany, Schettkat argued that the true reason stemmed from the low wages of women relative to men, in Europe. Because women's rewards for market work are relatively low in Europe, they are often relatively more productive within the household; for this reason, they work more than American women in the home. When unpaid household labor is taken into account, Europeans do not work much less than Americans.

Fontainha's work was motivated in part by discussions about the sustainability of government pension programs around the world and increases in retirement ages. She argued for the importance of considering the well-being of the elderly, not just the fiscal sustainability of pension plans. Using data on well-being from around Europe, Fontainha asked various questions about the conditions under which people retired: How did time use and other variables change? What was the importance of factors such as country characteristics, personal and household income, and family structure in explaining these changes? What gains (if any) of economic and social well-being occur as a result of these changes? Well-being for Fontainha's purposes included economic well-being (income and income distribution); self-perception of well-being; satisfaction with one's job and life as a whole; health conditions; loneliness; receipt of care; and sense of usefulness. Fontainha's empirical strategy was to compare independent groups from the same age interval, one retired and one still in the labor market. Regarding social involvements, Fontainha found that people were more likely to be a member of a club or group, talk with neighbors, and meet with friends or relatives in a given day, once they were retired.

# **New Working Papers**

### Europe's Quest for Monetary Stability: Central Banking Gone Astray

JÖRG BIBOW Working Paper No. 428 www.levy.org/pubs/wp\_428.pdf

In a new working paper, Research Associate Jörg Bibow evaluates the institutions and policies of central banking in euroland and finds them wanting. He begins with a discussion of the structure of the eurosystem, which includes the European Central Bank (ECB) as well as the other parts of the European system of central banks. He points out that the new framework of national central banks creates tension between the banks' international roles and national interests. The ECB is a bank, not a mere board, and has a balance sheet of its own, affected by the value of its reserves and whatever lender-of-last-resort operations it might be called upon to carry out.

Bibow turns to the policy behavior of the ECB, especially its highly touted "independence," a concept currently in vogue among scholars and central bankers. With a greater independence than its counterparts in England and Sweden, the ECB seriously encroaches upon democracy, according to Bibow. It uses the mantle of independence to inoculate itself against criticism from politicians and other observers, but it does not hesitate to meddle in the business of other institutions, independent as they might be. Moreover, in the case of the ECB, independence does not seem to have brought with it accountability; the Bank suffers no ill consequences, regardless of the anemic performance of most countries in the eurozone.

The ECB enjoys independence in both setting its goals (intermediate ones such as money supply growth and ultimate ones like inflation) and choosing its instruments (interest rate manipulation).

A key weakness of the current "independent" arrangement is that the ECB is not obliged to adjust its monetary policies to the fiscal policies of the individual states of the eurozone—a "coordination" process essential to the achievement of good economic performance. Hence, the ECB has been able to set its policies conservatively and without regard to the tight fiscal stance imposed by other eurozone edicts.

The ECB operates with a so-called "two-pillar" mandate, combining both price stability and stable monetary growth. This latter objective has been exploited by the Bank in a selective manner, as a rationale for tightening when other factors clearly called for a more relaxed stance. The Bank has been just as inconsistent in its attention to the other pillar, price stability. Quick to slam on the brakes at the earliest sign of economic vigor, it has refrained time and again from applying the accelerator. And this asymmetric approach has not even achieved its main end, inflation below 2 percent.

### Bad for Euroland, Worse for Germany— The ECB's Record

JÖRG BIBOW Working Paper No. 429 www.levy.org/pubs/wp\_429.pdf

In 1999, Europe fulfilled its ambitious plan of a European currency. The result was supposed to be a more prosperous continent. Something has clearly gone awry, but what?

To understand the fate of the euro, one must look to its original inspiration. When the ECB was formed as the central bank of Europe, it was modeled closely after the Deutsche Bundesbank, Germany's central bank. The Bundesbank had kept interest rates high to keep inflation under control, and had enjoyed strong growth for much of the postwar period.

The institutional structure of the euro was based on this model. Price stability, not growth, was constitutionally enshrined as the sole objective of the new central bank. Like the Bundesbank, the ECB was granted a great deal of independence from elected officials, thus reducing political pressures to stray from its monetarist creed.

But the German model has not worked. Not only has economic growth been poor in most of the region, but inflation has exceeded its targets and government deficits of member nations have increased. The ECB and its supporters have been quick to charge that individual countries have not taken enough steps to deregulate labor markets and cut back welfare programs.

The German model has not panned out for multiple reasons, however. First, strong currencies and tight money tend to cause recession, except for countries that enjoy trading relationships with other nations that pursue more stimulative policies. This fact arises from the imperative that a nation's output must be sold somewhere. Germany has generally avoided running afoul of this principle because it has been able to export goods in times of weak demand at home. But now that the German model has been exported, and Germany's neighbors are stuck with the same tight policies, those neighbors provide a weaker market for Germany's goods.

A number of other flaws mar the institutional structure of the monetary union. Fiscal strictures adopted at the union's inception have required member governments to raise taxes. As a result, budgetary restrictions have taken one antirecessionary economic tool out of the hands of governments and have added to business costs, feeding inflation. Further, the ECB has been aggressive in raising interest rates at the first sign of impending inflation and hesitant to cut rates when the economy has slowed. Europe will have to face up to these flaws if it is to restore adequate growth and employment.

# **Levy Institute News**

### **New Research Scholar**

Marina Durano has joined the Levy Institute as a research scholar for the Distribution of Income and Wealth program. She has worked on a gender analysis of international trade policy over the last five years. Her research interests also include human development and economic governance. Durano received B.S. and M.A. degrees in economics from the University of the Philippines and a Ph.D. in economics from the University of Manchester.

### **New Research Associates**

Marzia Fontana has joined the Levy Institute as a research associate with the Gender Equality and the Economy program. She is a development economist with particular interests in gender inequalities and international trade, labor markets, and income distribution. Her recent work has focused on modeling gender constraints in general equilibrium models, with applications to Bangladesh and Zambia.

Fontana has worked at the Trade and Macroeconomics Division of the International Food Policy Research Institute in Washington, D.C., and at the Research Department of the Reserve Bank of Fiji. She taught economics for two years at the University of Sussex. She is a member of the IDRC Poverty and Economic Policy Research Network steering committee, an adviser for the Expert Group on Gender and Trade at the Department of Trade and Industry in the United Kingdom, and an associate member of the European Development Research Network (EUDN).

Fontana holds D.Phil. and M.Phil degrees in economics and development studies, respectively, from the Institute of Development Studies at Sussex, and a Laurea in economics and politics from the University of Florence.

Imraan Valodia has joined the Levy Institute as a research associate with the Gender Equality and the Economy program. He will be working on two collaborative projects: a 10-country study of gender and taxation with Caren Grown and time-use analysis with Rania Antonopoulos and Maria Floro.

Valodia is a senior research fellow in the School of Development Studies (SDS), University of KwaZulu-Natal, Durban, South Africa. He has worked on gender, employment, and economic policy, including the women's budget initiative in South Africa, as well as gender and taxation. He has also worked extensively on the informal economy, critically examining informal economic statistics; on conducting industrylevel studies of informalization; and on linking informal employment to broader labor market trends in South Africa. He previously conducted research on behalf of the Trade Union Research Project.

Valodia is currently exploring the links between time use, gender, and employment, using the South African time-use data. His other research interests include trade and industrial policy in South Africa and new social movements. He has just completed an edited volume on new social movements in South Africa with colleagues at SDS (to be published by the University of KwaZulu-Natal Press in 2006).

Valodia is a member of Women in Informal Employment: Globalizing and Organizing (WIEGO), a global researchpolicy network that seeks to improve the status of the working poor, especially women, in the informal economy; and the International Working Group on Gender, Macroeconomics, and International Economics (GEM-IWG), where he is incorporating the informal economy in macroeconomic models. Some of his most recent academic publications include "Macro-Micro Linkages in Trade: Trade, Efficiency and Competitiveness of Manufacturing Firms in Durban, South Africa" (with M. Velia), Journal of African Economies, forthcoming; Globalisation, Marginalisation and New Social Movements in Post-Apartheid South Africa (with R. Ballard and A. Habib), forthcoming; "Definitions, Data and the Informal Economy in South Africa: A Critical Analysis" in The Development Decade? Economic and Social Change in South Africa, 1994-2004, V. Padayachee, ed., 2005; "Local Government Support for Women in the Informal Economy in Durban, South Africa" (with C. Skinner), International Journal of Politics, Culture, and Society, 16(3); and "Economic Policy and Women's Informal and Flexible Work in South Africa," Development and Change, 32(5).

Valodia received a B.Com. (Hon) degree from the University of Natal, South Africa, and an M.Sc. degree in international trade and finance from Lancaster University, England. He is scheduled to receive his Ph.D. in economics from the University of KwaZulu-Natal in early 2006.

### **New Levy Institute Book**

Italians Then, Mexicans Now: Immigrant Origins and Second-Generation Progress, 1890–2000

JOEL PERLMANN

New York, N.Y.: Russell Sage Foundation and The Levy Economics Institute, 2005

According to the American dream, hard work and a good education can lift people from poverty to success in the "land of opportunity." The unskilled immigrants who came to the United States from Southern, Central, and Eastern Europe in the late 19th and early 20th centuries largely realized that vision. Within a few generations, their descendants rose to the middle class and

beyond. But can today's unskilled immigrant arrivals—especially Mexicans, the nation's most numerous immigrant group—expect to achieve the same for their descendants? Social scientists disagree on this question, basing their arguments primarily on how well contemporary arrivals are faring. In *Italians Then*, *Mexicans Now*, Senior Scholar Joel Perlmann uses the latest immigration data as well as 100 years of historical census data to compare the progress of unskilled immigrants and their American-born children both then and now.

The crucial difference between the immigrant experience a century ago and today is that relatively well-paid jobs were once plentiful for workers with little education while today's immigrants arrive in an increasingly unequal America. Perlmann finds that while this change over time is real, its impact has not been as strong as many scholars have argued. In particular, these changes have not been great enough to force the second generation of Mexican immigrants into an inner city "underclass." Perlmann emphasizes that high school dropout rates among second-generation Mexican Americans are alarmingly high, and this is likely to have a strong impact on the group's well-being. Yet despite their high dropout rates, Mexican Americans earn at least as much as African Americans, and they fare better on social measures such as unwed childbearing and incarceration, which often lead to economic hardship. Perlmann concludes that intergenerational progress is a reality—though it is likely to be slower than it was for the European immigrants a century ago—and could be enhanced if policy interventions are taken to boost high school graduation rates for Mexican children.

Rich with historical data, *Italians Then*, *Mexicans Now* persuasively argues that today's Mexican immigrants are making slow but steady socioeconomic progress and may one day reach parity with earlier immigrant groups whose descendants were able to move up into the heart of the American middle class.

### **Upcoming Events**

Conference: Government Spending on the Elderly April 28–29, 2006 Blithewood Annandale-on-Hudson, New York

The aging of the U.S. population will be a primary domestic public policy issue during the next decades. According to Census Bureau projections, the proportion of the elderly in the total population will increase from its 2002 level of 12.5 percent to 16.3 percent by 2020. Concomitantly, the proportion of the working-age population (20-64) is projected to decline from its current level of about 59 percent to 57.2 percent in 2020. These demographic changes imply a significant growth in the number of beneficiaries in major federal entitlement programs. Apart from this growth, existing program rules and rapidly escalating health care costs are expected to lead to fiscal pressures and pose challenges for economic growth. The United States is not alone in facing these challenges; in fact, in most countries with advanced economies, the problem is far more severe. The challenges of coping with an aging population require action in the near term to forestall more difficult choices in the long term. This conference will provide an assessment of forces that currently drive and will continue to drive government spending on retirees. Papers will examine how the retirement and health care of older citizens might be financed and will measure the potential impact of different reform proposals.

Among those presenting papers at the conference will be Axel Borsch-Supan, Barbara Butrica, Romain Duval, Melissa Favreault, Teresa Ghilarducci, Jagadeesh Gokhale, Michael Hurd, James Marton, Lois Shaw, Karen Smith, Shripad Tuljapurkar, Edward N. Wolff, Stephen A. Woodbury, and Ajit Zacharias. Further information will be posted as it becomes available on the Levy Institute website.

Symposium: Gender, Tax Policies, and Tax Reform in Comparative Perspective

May 17-18, 2006 Blithewood Annandale-on-Hudson, New York

This symposium will focus on the gender dimensions of tax policy and tax reforms in countries at different levels of development. Topics of interest include the following:

- · Gender biases in direct taxation, including biases in individual and joint filing, and the structure of exemptions, deductions, and allowances
- · Gender biases in indirect taxation, including VAT and excise or sales taxes

- · Impacts of personal income taxation on labor supply, household production, and time use
- · Gender issues in tax reform and fiscal decentralization
- Methodological issues in tax burden analysis and tax incidence analysis from a gender perspective

Papers can explore a single type of tax or a combination of taxes within one country, or they can provide comparative analyses across developed and developing countries. We are also interested in papers that track changes over time.

The symposium is being convened as part of the new Gender Equality and the Economy program at The Levy Economics Institute. This program considers how economic processes and policies affect gender equality, and how existing gender inequalities influence economic outcomes. It looks to stimulate reexamination of key economic concepts, models, and indicators—with a particular view to reformulating policy—and offer a broader view of what an economy is and how it functions. The purpose of the program is to contribute knowledge that improves women's status and helps them realize their rights, in the United States and other countries.

If you are interested in presenting a paper, send an abstract (of up to 1,000 words) to Caren Grown (cgrown@levy.org) and Jessica Dixon (dixon@levy.org) by January 30, 2006. Notification of decisions will be made by February 15, 2006.

### **Publications and Presentations**

### **Publications and Presentations by Levy Institute Scholars**

**BANIA ANTONOPOULOS** Research Scholar

Presentation: "The Importance of Time Use in Economic Deprivation Impact Analysis," technical workshop on Gender, Time Use, and Poverty: Issues and Avenues, organized by the World Bank's Africa Region Gender and Poverty teams and the International Center for Research on Women, November 11.

**DIANE ELSON** Senior Scholar

Presentation: "Gender and the Millennium Development Goals," Connecticut College, November 8.

### JAMES K. GALBRAITH Senior Scholar

**Publications:** "The Floodgates Have Opened," *The American Prospect* online, available at http://www.prospect.org/web/view-web.ww?id=10237, September 12; "Fair, Not Balanced," *Mother Jones*, July–August; "Dragon Tales," *Mother Jones*, September–October; "Katrina and the Public Sector," *The Texas Observer*, September.

Presentations: "Endogenous Doctrine: Why is Monetary Policy So Much Better in the United States than in Europe?" Conference on Developments in Economic Theory and Policy, University of the Basque Country, Bilbao, Spain, July 7; "Global Inequality: The UTIP Data and What They Show," first meeting of the Society for the Study of Economic Inequality (ECINEQ), Palma de Mallorca, Spain, July 20–22; "Globalization and Global Inequality: New Facts for a Stalemated Debate," Cambridge Advanced Program on Reconstructing Development Economics, Queens College, University of Cambridge, July 25; "Between the Dollar and the Deep Sea: The Future of the U.S. Economy in the Global Context," Clayton State University, Atlanta, September 12; "Global Inequality and Global Macroeconomics," and "America, Europe, and the Chimera of Labor Market Reform," the 34th Conference of Economists, University of Melbourne, Australia, September 23–28; "Inequality, Unemployment, and the Chimera of Labor Market Reform," The Treasury, Wellington, New Zealand, September 28-30; "Global Inequality and Global Macroeconomics," Christchurch, New Zealand, September 30 – October 3; "The Fiscal Facts: Public and Private Debt and the Future of the American Economy," American College of Bankruptcy, San Antonio, Texas, November 3.

### CAREN A. GROWN Senior Scholar

Publications: "Answering the Skeptics: Achieving Gender Equality and the Millennium Development Goals," *Development*, Vol. 48, No. 3; "The Pathways between Trade Liberalization and Reproductive Health: A Review of the Literature and Some Propositions for Research and Action" in *Globalization*, *Women, and Health in the Twenty-First Century*, I. Kickbusch, K. Hartwig, and J. List, eds, New York: Palgrave Macmillan, November, 2005; "What Gender Equality Advocates Should Know about Taxation," AWID discussion paper, Association for Women's Rights in Development, Toronto, November; "Trade Liberalization and Reproductive Health: A Framework for Understanding the Linkages," *Development*, Vol. 48, No. 4.

Presentations: "Economic Change, Changing Economics: An Overview of Economic Justice, Economic Rights, Development Frameworks, and What New Lessons We Can Learn," "Taxes Are a Feminist Issue: Making Public Finance Work for Women's Rights and Poverty Alleviation," and "Transforming Health Systems for Women: Building on Recommendations from the UN Millennium Project Task Force," the 10th AWID International Forum on Women's Rights and Development, Bangkok, Thailand, October 27–30.

### **DIMITRI B. PAPADIMITRIOU** President

Presentations: Interview regarding the financial system, speculative funds, and the energy crisis with Richard Freeman, *Executive Intelligence Review*, September 29; interviews regarding the nomination of Ben Bernanke to replace Alan Greenspan as chair of the Federal Reserve with Irwin M. Goldberg, *Poughkeepsie Journal*, October 24, and Ben Merens, Wisconsin Public Radio, October 25; and participant and discussant of "Keynesian Money Endogeneity," international conference on The Keynesian Legacy in Macroeconomic Modeling, Cassino, Italy, September 16–17.

#### **JOEL PERLMANN** Senior Scholar

**Publication**: *Italians Then, Mexicans Now: Immigrant Origins and Second-Generation Progress, 1890–2000*, New York: Russell Sage Foundation and The Levy Economics Institute, November 2005.

**Presentations:** "Federal Race Classifications for Europeans in America, 1898–1913," Society for the Advancement of Socioeconomics (SASE), Budapest, Hungary, July 1; comments on "Entering the Mainstream" by R. Alba and V. Nee, at 'author meets critics' session of American Sociological Association, August 14.

### **EDWARD N. WOLFF** Senior Scholar

Publications: "Who Are the Asset Poor? Levels, Trends, and Composition, 1983–1998" (with R. Haveman), in *Inclusion in the American Dream: Assets, Poverty, and Public Policy*, Michael Sherraden, ed., Oxford University Press, 2005; "Household Wealth, Public Consumption, and Economic Well-Being in the United States" (with A. Zacharias and A. Caner), *Cambridge Journal of Economics*, Vol. 29, 2005; "The Growth of Information Workers in the U.S. Economy," *Communications of the ACM*, Vol. 48, No. 10, October 2005.

Presentations: "An Overall Assessment of the Distributional Consequences of Government Spending and Taxation in the United States" and "Social Security, Pensions, and the Inequality of Household Wealth in the United States, 1983-2001," first meeting of the Society for the Study of Economic Inequality (ECINEQ), Palma de Mallorca, Spain, July 20–22; taping for The Housing Bubble, Munhwa Broadcasting Corporation, South Korea, September 12; taping for a news program hosted by Thomas Faobe, Danish Broadcasting Corporation, September 23; "The Distribution of Wealth in the USA: Trends and Contributory Factors," conference on the Distribution of Wealth, Federal Chamber of Labour, Vienna, November 7.

### L. RANDALL WRAY Senior Scholar

Presentations: "Common Goals – Different Solutions: Can Basic Income and Job Guarantees Deliver Their Own Promises?" (with Pavlina Tcherneva), and "The Fed's Neutral Rate and the New Monetary Consensus," Eastern Economic Association annual meetings, New York City, March 4-6; "Is Argentina's Jefes de Hogar an Employer of Last Resort Program?" (with Pavlina Tcherneva), Asociacion Argentina de Especialistas en Estudios del Trabajo annual conference, Buenos Aires, August 13.

### **GENNARO ZEZZA** Research Scholar

**Presentation:** "A Post-Keynesian Growth Model," Department of Economics, University of Cassino, Italy, November 17.

### **Recent Levy Institute Publications**

### LEVY INSTITUTE MEASURE OF ECONOMIC WELL-BEING

Interim Report 2005: The Effects of Government Deficits and the 2001-02 Recession on Well-Being

EDWARD N. WOLFF, AJIT ZACHARIAS, and HYUNSUB KUM May 2005

### Economic Well-Being in U.S. Regions and the Red and Blue States

EDWARD N. WOLFF, and AJIT ZACHARIAS March 2005

#### STRATEGIC ANALYSES

## The United States and Her Creditors: Can the Symbiosis Last?

WYNNE GODLEY, DIMITRI B. PAPADIMITRIOU, CLAUDIO H. DOS SANTOS, and GENNARO ZEZZA September 2005

### How Fragile Is the U.S. Economy?

DIMITRI B. PAPADIMITRIOU, ANWAR M. SHAIKH, CLAUDIO H. DOS SANTOS, and GENNARO ZEZZA March 2005

### **PUBLIC POLICY BRIEFS**

### The Ownership Society

Social Security Is Only the Beginning . . . L. RANDALL WRAY No. 82, 2005 (Highlights, No. 82A)

### Breaking Out of the Deficit Trap

The Case Against the Fiscal Hawks JAMES K. GALBRAITH No. 81, 2005 (Highlights, No. 81A)

The Report and all other Levy Institute publications are available online at the Institute website, www.levy.org.

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