



Economic Commission for Africa



Economic Policy Research Center

Pro-Poor Growth Strategies in Africa

**A Proposed Easy Reference Guide (ERG)
to Engender National Accounts and
National Budget**

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*“The proposed Easy Reference Guide (ERG) – an Africa-specific procedural manual- is a major output of ECA’s programme on Mainstreaming Gender into National Accounts and National Budget. ERG offers methodologies, materials and tools based on **time-use surveys** to improve the skills of statisticians, national accountants and policy analysts in the collection, analysis and use of gender-disaggregated data and statistics for integrating women’s non-market work into these instruments for sound policy making”.*

I. Justification and Context

I.1 Why Measure Women’s Non-market Work?

The United Nations Beijing Platform for Action (1995) identified women’s non-market work (NMW) as a key area of policy intervention to improve the situation of, especially, women in the non-market economy. And the current approach of promoting gender equality relates to promoting equal opportunities for men and women to enable them to contribute to their own development as well as to the overall national development. Women’s NMW in the care economy, which needs to be measured includes domestic work, care of children, the sick and elderly, and voluntary community work - economic activities that are outside the current production boundary of the 1993 UN System of National Accounts (SNA).

Traditional macroeconomics focuses on the “monetized” economy and does not count NMW in national accounts or reward it in national budgets. Consequently impacts of policies on NMW are not obvious to policy analysts and decision makers. This in part explains, despite many recommendations made by international development goals (IDGs) to increase national budgetary allocation for ‘rewarding’ social sectors, efforts are still insignificant. Yet, the care economy cannot continue to provide these services to the market economy in a sustainable manner without adequate budgetary allocation. Women do most of the work of maintaining the labour force and the social framework. The care economy contributes to the welfare of individuals receiving care, and contributes to the activities of both the private commodity economy and the public service economy by supplying human resources (human capital) and maintaining the social framework (social capital). Women’s NMW is often given less attention by statisticians because its value is not clearly understood.

Women’s NMW is considered a critical policy intervention for poverty reduction, particularly, in Africa for several reasons.

- Women who constitute 50% of Africa’s population with about two-thirds of their labour on NMW, can be a potent force for accelerated poverty reduction.

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- Of the over 50% of Africa's poor population, more than 70% are women.
 - NMW contributes significantly to income generation, long-term growth and poverty reduction by supplying human and social capital to both private and public sectors.
 - Policy, services and resource allocation for NMW can lead to economic growth.
 - Policies (e.g. cutbacks in national budget, rising unemployment) increase women's burden of NMW, restricting women's access to economic opportunities and benefits.
 - Invisibility of NMW gives inaccurate picture of GDP and cross-country comparability and inadequate recognition of NMW by decision makers.
 - The burden of NMW risks women's ability to supply paid work, and reduces national productivity and hence diminishes opportunities for poverty reduction.

I.2 Why Time-Use Surveys for Measuring Women's Non-market Work?

Time-use surveys are invaluable in helping us to understand more about NMW. Measures of time-use are measures of "human capital" (human resources). Because 'work' ideally is use of human capital to produce valuable outputs as outlined above, economic studies of work should cover all market and non-market work, not just paid or market work. Time-use survey can be based on observation, recall or diary keeping, or a combination of methods.

Following pressure from women's movement, the UN Statistical Commission recommended that national statistics offices prepare accounts for NMW based on time-use surveys. Time-use surveys are studies used to investigate the allocation of time among different tasks (and leisure). Other terms for such work include "time use studies", "Time Budget Surveys" and "time allocation studies", and have been used to investigate:

- the links between work patterns and environmental degradation and change;
- to compare the amount of leisure which individuals and societies enjoy as a measure of welfare at both micro and macro levels;
- to provide a more accurate picture of activity in rural areas where NMW is prevalent;
- more recently to assess the extent of involvement in unpaid labour by gender and age.

Hirway and Ironmonger (2000) identified the following contributions of time-use data in promoting better understanding of the economy and society:

- ***Estimation of economic production and income:*** Time-use data collection and analysis help improve estimation of economic production and income. Good-

quality national accounts are vital for economic policy making and research. An important aspect of their quality is the extent to which they cover all measurable economic activities including NMW, and hence better implementation of the SNA.

- Time-use data can compliment other economic and social indicators by providing a complete account of the uses of time by all sections of the community by gender and age. For example, the dimensions and social impacts of market work and NMW and leisure are made visible through time-use data. And changes in time-use patterns, including intensity and length of work, reveal national and regional changes in the quality of life of members of the society by gender and age.
- **Recognition of NMW:** Time-use data can help decision makers recognize and commit resources to NMW. Current labour statistics do not capture all market work and NMW that is spent in the production of economic goods and services. Time-use data can provide a more complete and better measurement of all labour inputs for both market and non-market economies, and thus offers a key source of data to improve analysis of gender issues and gender-inclusive policies.
- **Provision of Inputs for Policy Intervention:** Time-use can help in both policy making and in monitoring the economy and society by providing insights into how social and economic systems operate. They measure and explain the impact of policies on households and people by revealing the day-to-day patterns in life of women and men, and how work is shared. For example, shifts in employment patterns, have a significant impact on both the supply of non-market services and/or total work time spent by women. Thus by helping present a bigger and more complete picture of the economy, and how households operate and are maintained, time-use data become invaluable inputs for policy, programme and service interventions for improving the situation of women and men, including children.

Although time-use surveys are now carried out on a regular basis in many developed countries, they have recently been tested with support of UNDP in a number of 31 developing countries including: Benin and Morocco in 1998, Nigeria in 1999, South Africa in 2000, and Madagascar in 2002. It is expected that more countries in Africa will soon be embarking on time-use studies to obtain better measures of women's NMW, and help implementation of the 1993 SNA. So far, the results of these time-use studies have not been used in African countries for integrating NMW in National Accounts and National Budget (NANB), hence the need to do so.

I.3 Rationale for Engendering National Accounts and National Budget (NANB)

The extent to which society treats its citizens, women, men and children depend largely on policies that protect and promote their welfare. The ultimate goal of macroeconomic analysis is to help develop tools, identify and rectify what is ailing the economy and prescribe appropriate policy tools that facilitate policy choices to ensure growth and achieve a steady increase in per capita levels of income. In macroeconomic analysis, three types of policy objectives are pursued: the attainment of price stability (i.e. keeping inflation or deflation under control), full employment and foreign sector balance. And policy makers make use of three traditional instruments to pursue these objectives: *fiscal policy*, *monetary policy* and *exchange rate policy*.

However, the general presumption among economists is that these policy objectives and instruments are gender neutral, whereas they are actually gender-blind. Ideally gender-inclusive policies should promote the development of both men and women including those engaged in market and non-market work. It is for these reasons that the major thrust of the “Policy Analysis and Advocacy programme” of the African Centre for gender and Development (ACGD) of the United Nations Economic Commission for Africa (ECA) is to improve measurement and integration of women’s NMW into NANB.

Because the statistics used to formulate national budgets derive from national accounts, the starting point for engendering macroeconomic policies should be the national accounts. The rationale for integrating women’s NMW into national accounts is actually of a poverty reduction strategy that allows accurate analysis of:

- inequality in the distribution of NMW;
- productivity changes in NMW and shifts in women’s work and family welfare; and
- the contribution of women to GDP for sound policy and budget formulation.

Analysis and use of gender-disaggregated data and statistics in, for example, measuring women’s contribution to GDP is quite an unusual task for national accountants. However, since the 4th revision of 1993 SNA this has not been a challenge since national accountants now classify output and value added by sector of industries and by institutional sector, distinguishing the informal sector within the household sector. In this way, national accountants try to disaggregate the data by region to provide information for the decentralisation process, which is being encouraged in more and more countries (Charmes, J. 2000). Thus, it is expected that integrating gender dis-aggregated data in NANB should not be a problem now.

Of the macroeconomic policies, engendering *fiscal policy*, and especially, national budget is considered to be the most promising entry point for the following reasons:

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- Gender concerns are more visible in fiscal policy than in monetary policy;
 - As budgets have an annual cycle, it allows the processes of analysis, including monitoring and evaluation of impacts to be completed within a relatively short time;
 - Gender analysis of budgets can be implemented at the country level with a relatively small amount of resources;
 - National budgets are key instruments of economic policy, directly affecting individuals through taxation and public expenditure policies, and affecting their economic environment through impacts on the levels of national output, employment and prices.
 - Because men and women play different economic roles and have different economic responsibilities, the same budgetary policies have different implications for them;
 - Gender differences and inequalities can also restrict the ability of budgets to achieve national economic goals (e.g. expansion of outputs and jobs).
 - A budget often has projections of its outcomes and macroeconomic performance for future years, in a medium term expenditure framework (MTEF). This makes MTEF also an appropriate entry point for mainstreaming gender into fiscal policy, as it is the basis for a clear and systematic national planning process and demands that issues that exist at the micro level (e.g. gender concerns) can be prioritized and met by the projected funds.

The rationale for engendering national budget is also a poverty reduction strategy that allows:

- Better public expenditure management consistent with development policies;
- Overall budget is pro-poor, especially, pro-women;
- Resource allocation is prioritized to the needs of both men and women; and
- Impacts across all sectors benefit both men and women through budget tracking and realistic sustainability testing of a budget deficit.

Given that engendering of NANB is a relatively new concept, it is imperfectly understood. Therefore, national statisticians, policy analysts and national accountants need to be guided on the collection, analysis and integration of women's NMW in these instruments. This is crucial because an appropriate handbook does not exist, which is responsive to the unique opportunities, needs, constraints and capabilities of the people of the continent. To fill this gap, ACGD will develop the following tools to engender these instruments:

- “An Africa-specific” procedural manual - an Easy Reference Guide (ERG) that would help African governments in collection, analysis and integration of women's NMW in NANB. The ERG will also cover guidelines and methodologies for:
 - analyzing impacts of national budget on time use;
 - imputing value to women's NMW to estimate their contribution to GDP.

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- A gender-aware model to evaluate impacts of fiscal policies on growth and poverty reduction.

I.4 Why an Africa-specific Easy Reference Guide (ERG)?

The need for building a standard ERG addressing Africa as a region is urgent in collecting and analyzing data on non-market economy. A manual for time-use survey should first of all recognize NMW that women are involved in their daily work. The different types of work and the time spent on these activities would allow an imputation of value to them. In considering the need for Africa-specific procedural manual four important questions need to be answered:

- What procedures should specifically be used to collect, analyze and integrate time-use data and information on women's NMW?
- What changes should be made to existing time-use methodologies – e.g. can collection of data from predominantly illiterate African households in non-market economy be based on existing methods designed for developed countries?
- Which aspects of methodology in existing time-use approach can we retain in the ERG?
- How else can we utilize time-use data for other gender-aware policy analytical work not adequately considered in existing approaches?

The ERG will be a procedural manual (a handbook) aimed at sharpening the skills of both producers and users of gender-disaggregated micro- and macroeconomic statistics based on time-use and household surveys. Just as the 1993 SNA provides an international standard for all countries, so it is the intention of the ERG to provide a measurement framework unique to the women-dominated non-market economy in Africa.

The following compelling reasons justify the need for an Africa-specific manual:

- Until now, many African countries, present their statistics in various official publications, notably the Economic Report, the Annual Financial Statement, the Government Budget Estimates, Agricultural Statistical Bulletins, the External Trade Statistics Reports and the Household Surveys. Unfortunately, there are many differences and inconsistencies in these publications. In some cases, different publications from the same institution give different values for the same variable. However, this can be rectified if the different data including gender-disaggregated are available and the process for collecting and analyzing the data is documented in a standard handbook.
- The available concept and methodology employed in such surveys are mostly from developed countries and as such do not address the unique needs of Africa. One has to first acknowledge the differences that African countries have with most developed countries.
- Today, should governments require to build a particular framework in which time use data is to be used for macroeconomic analysis, it would be very difficult to standardize the data if these are collected as is done currently with different approaches and base lines. For example, if one country collects data through the diary and another through the interview method, the two data sets could be inconsistent. The inconsistency would even be more pronounced if a country opts for a half hourly time record and another for an hourly.
- In the African context, most of the respondents of time use survey would be illiterate. Such a population structure makes it difficult for the usual data recording procedure of the diary system to be followed. The observation system is also not suitable as household workers would be self-conscious in performing their daily chores with outsiders observing their activities. Although a more difficult procedure, the interview method system seems more appropriate in the African context.
- In Africa, as most of the rural population is illiterate and people are not accustomed to working by the clock. So it might be necessary, for example, to give them hourly time slots compared to the ten minutes or half an hourly ones as in most countries.
- In most African countries, workers have overlapping work with high trade-offs between non-market economy and market economy. Thus special tools and guidelines need to be developed to analyze these crucial interdependence/linkage between these economies, and the resultant women's time burden.

Africa is unique as compared to other regions in that it has distinct seasonal variability of workload of women and men, as most of the region is dependent on agriculture. It is therefore important to capture this variability by ensuring that in such countries the survey is conducted in a span of 12 months with at least 3 trips capturing the seasonal variation, which may be different in most developed countries.

Given that regional integration efforts and emerging development policies and strategies such as the PRSPs and the New Partnership for Africa's Development (NEPAD), are shaping Africa's development paths, the need for a common approach, tools and methodologies in the development paradigm has never been greater.

The above points lead to the conclusion that there is a very definite need to have an Africa specific handbook for carrying out time use surveys and analysis of NMW. In developing the ERG, it will be very important to utilize information on existing practices and knowledge of experts who have undertaken time studies in such institutions as:

- UN Statistics Division, New York;
- Statistics South Africa, Pretoria, National Statistics Bureau for Benin, Morocco and Nigeria;
- The Commonwealth Secretariat;
- United Nations Economic and Social Commission for Asia and the Pacific (ESCAP);
- Organization for Economic Co-operation and Development (OECD), Paris.

Thus, the development of the ERG will draw heavily from country experiences in Africa, Asia, Europe and North America based on an inventory study that the ECA conducted during 2002 in these regions. The specific findings of this study, which further support the case for an Africa-specific ERG are summarized as follows:

- Of the countries visited, most countries were not aware of the actual concept of time-use surveys. Except for Kenya, Zambia and South Africa, the countries were concerned only about time spent in market economy work. Moreover, the concept of 24 hours was not in existence for these countries. The Central Statistical Office in Zambia has initiated work to extract raw data collected through their household surveys to examine the trend in women's contribution through non-market work. Zambia might conduct time-use survey with some external support.
- National accounts data are generally collected, which are not gender disaggregated.

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- The procedure for conducting the different surveys is not standardized as to allow inter country and intra country comparisons.
 - Questionnaires examined during the study reveal that inadequate information is collected on NMW. Raw data on market work by gender are collected, but the value of such work is not usually imputed, as the work is not recorded by types and by time. This method needs to be refined and documented in the ERG for building the capacity of national experts.
 - Most national reports examined have marginal data analysis with gender distinction. The data, which are disaggregated by gender, are mostly information on labour market employment. And such data are not collected in any systematic manner because of lack of prioritization in such analysis.
 - All the countries visited expressed keen interest to carry out time-use surveys. However all expressed that there is a need for a standard manual for conducting survey such as the time-use survey for all African countries, which will address the region's specific concerns.
 - All the countries also stated that there is an urgent need for capacity building both in conducting the fieldwork and for data analysis so that time-use data can be integrated into NANB. The study also observes that gender sensitization is a major requirement for statisticians.
 - The study also shows that no African country currently has developed or uses gender-aware model for policy analysis or forecasting. Given the increasing need for governments in Africa to evaluate impacts of their policies on growth and poverty reduction, the need for such a tool has never been greater.

1.5 Aim of the Easy Reference Guide

Based on the findings of ECA study in 2002, it became necessary to develop a handbook to assist deepen the understanding of its member states on how economic activities derived from time-use and valuation of women's NMW are likely to impact on development programmes. Information generated from the use of the ERG will help in formulation of sound policies.

The aim of the ERG is to identify and promote Africa-specific best practice for estimating economic value of NMW, and integrating this information in policy formulation using NANB. The handbook is expected to draw from the experience of statisticians, national accountants involved in the preparation of national accounts, experts involved in policy and planning, and advocates of gender-inclusive policies. While the ERG will be Africa-specific

in that it will address issues unique to the continent, the general concept will be consistent with the 1993 SNA.

The overall goal is to build the capacities of national statisticians, national accountants, policy analysts, and development advocates in the collection, analysis and integration of data and statistics on NMW in NANB.

The ERG will provide methodologies, materials and tools for generating and utilising time-use gender-disaggregated data and information. It will cover the context and justification, as well as the methodology of accounting for NMW as a component of work of women and men both in the non-market and market economies.

In particular, the ERG will aim to cover the following areas, which national statisticians, national accountants and policy analysts in Africa will be able to apply in their work:

- Procedures, to follow in planning, conducting time-use survey either as an independent study or part of a multi-purpose survey;
- Methodologies and tools for collection, analysis and integration of gender-disaggregated data on NMW in NANB.
- Procedures to follow in analyzing the impact of national budget on time use. This is a calculation of the link between budget allocations and their effect on how household members spend their time based on time-use surveys. Changes in government budgets have impacts on the way in which time is spent. Cuts in some budgets are likely to increase women's time use in NMW for their families in order to make up for lost public services. Time-use data is also expected to assist African Governments in assessing the contribution of women to GDP in national accounts for sound policy formulation.
- The ERG will also outline step-by step instructions for modellers to construct, test and use gender-aware models to evaluate impacts of fiscal policies on women's welfare, growth and poverty reduction in Africa.
- From time-use survey data and related statistics and information, and simulation results of gender-aware models, generate policy options, which are gender-responsive.
- Application of data and statistics generated as tools for advocacy and communicating with decision makers with the overall aim of getting their commitment to addressing NMW.

II. Who will be the Users of the Easy Reference Guide?

The ERG will target both producers and users of macroeconomic statistics. The main users will include:

- National statistical offices involved in the collection of micro- and macroeconomic statistics and the preparation of the national accounts. Statisticians will find the ERG particularly useful in terms of the new methodologies and tools that will be introduced for collection and analysis of gender-disaggregated data in time use surveys. The ERG will also show that sound data collection is crucial to policy formulation and to public action.
- Policy analysts will find the ERG a powerful tool to generate a sound database for policy formulation, analysis of policy impacts on women, growth and poverty reduction and hence for informed decisions. Action is now needed to step up analytical work for further development of knowledge, analytical and policy tools related to compilation of national accounts and national budgetary process and their translation into forms easily accessible by ordinary citizens and work on policy formulation, advocacy and social mobilization. In particular, it will get the attention and commitment of key decision makers.
- National accountants who prepare and are concerned with good-quality national accounts, which try to cover all levels of economic production including NMW.
- The ERG will be designed to enable these target groups to use or adopt the materials for use by them or for a national training team. Thus building the capacity of national experts in collection, analysis and utilization of gender-disaggregated data should become a top priority because knowledge and analytical tools that remain in the hands of a few experts will not be very useful. Likewise, advocacy, without the analytical tools, is likely to be dismissed.

III. Proposed Chapter Plan for the ERG

In attempt to measure NMW many developed countries have carried out time use surveys and have also developed manuals for their specific countries and regions. The majority of manuals of time use surveys have been developed for the industrialized countries and a few for developing countries like for the Dominican Republic and South Africa.

The ERG will consist of 6 chapters or units and will be based on issues related to women's NMW. It will cover the processes of collecting, valuation and analysis of time-use data to policy formulation and advocacy as contained in the 6 chapters. Each unit will be used on its

own by the different groups of users, but collectively they can address the linkages between them.

Unit 1: Provides the rationale for using time-use and analyzing women's NMW.

Unit 2: Provides the basic concept of NMW. It provides various approaches for valuation of NMW.

Unit 3: Provides analytical approach to existing policy situation in a country for introduction of gender perspectives.

Unit 4: Introduces a framework for integrating NMW into National Accounts and National Budget and overall policy framework.

Unit 5: Introduces analytical tools including gender-aware model as advocacy tools for promoting integration of NMW in National Accounts and National Budget. It also provides step-step instructions for policy analysts on building and using gender-aware models.

Unit 6: Outlines country experiences in Africa on application of time-use data for integrating NMW in National Accounts and National Budget.

IV. Proposed Steps for Developing the ERG

- I. Prepare a concept paper outlining the rationale and content of the ERG (Mar 2003)
- II. Present the outline of ERG to an Ad hoc Expert Group Meeting for discussion and endorsement (May 2003)
- III. Develop the ERG (June-August 2003)
- IV. Present the ERG to an Ad hoc Expert Group Meeting for Validation (Dec. 2003)
- V. Design capacity building programme based on the ERG (May/June 2004)
- VI. Launch ERG (Oct/Nov 2004)
- VII. Organize 5 sub-regional workshops for statisticians, policy analysts and national accountants on ERG (2005).