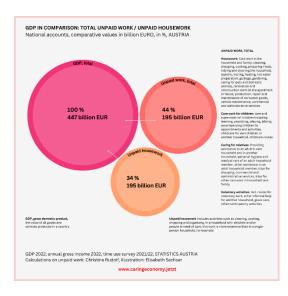
The value of unpaid work in terms of time and money in 2022, Austria

English version: Verena Löffler, Elisabeth Sechser | August 2024

This paper focuses on the following topics:

- The value of unpaid work in terms of time in Austria in 2022
- The monetary value of unpaid work in Austria in 2022
- Comparative analyses of unpaid work and GDP in Austria in 2022
- The inclusion of unpaid work as a macroeconomic factor contributing to GDP in Austria in 2022
- Comparisons between Austria, Germany and Switzerland and the lessons that can be learned from the latter
- The need for a change in economic policy

"The value of unpaid work accounts for 44% of Austria's GDP, with 62% of it performed by women."



GDP IN COMPARISON: TOTAL UNPAID WORK / UNPAID DOMESTIC WORK

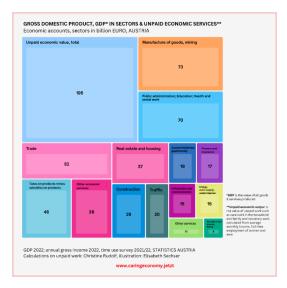
National accounts, comparative values in billion EURO, in %, AUSTRIA <u>https://www.caringeconomy.jetzt/GDP-Unpaid-Labor-Unpaid-Housework-AT.png</u>

New time allocation study after 13 years

In 2021 and 2022, Austria conducted a new time allocation study, which was published by the end of 2023. This study, carried out by the Austrian Statistical Office and commissioned by the Austrian Ministry for Women, Family, Integration, and Media, offers a glimpse into how people spend their time in daily life.

Unpaid work is the largest economic sector in Austria

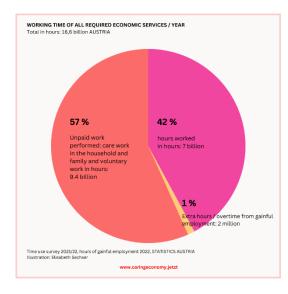
The time allocation study reveals that the amount of unpaid work is substantial and remains consistent from the previous decade. Women continue to perform the majority of this work.



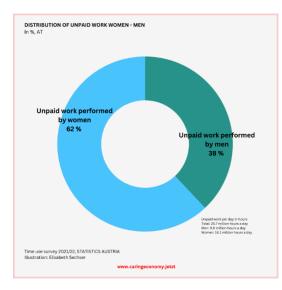
GROSS DOMESTIC PRODUCT, GDP IN SECTORS & UNPAID ECONOMIC SERVICES Economic accounts, sectors in billion EURO, AUSTRIA https://www.caringeconomy.jetzt/GDP-Unpaid-Labor-AT.png

Making unpaid work visible

Displaying unpaid work in the national economic accounts is crucial for various reasons. To start, it is necessary to acknowledge the amount of unpaid work that happens within households. This information is critical for understanding the reasons behind a woman's decision when confronted with the demand to rejoin the workforce after giving birth or to increase their employment hours to address the skilled labor shortage. Including unpaid work reveals that women work more than men, although two-thirds of their work remains uncompensated.



WORKING TIME OF ALL REQUIRED ECONOMIC SERVICES / YEAR Total in hours / AUSTRIA https://www.caringeconomy.jetzt/Total-Working-Time-AT.png





As long as work is equated with formal employment in political discussions about economic policy, most of the work that supports a functioning economy remains hidden. This leads to problematic consequences:

- Women are more likely to be employed part-time, earn less, and live in poverty more often than men. As a result, they face material and social disadvantages.
- Limited economic data might suggest that women work less, but the truth is that women work longer hours than men when unpaid work is included. However, women have less money and leisure time.

The only way to rectify this situation is to include both paid labor and unpaid work in national economic accounts. By doing so, we can create effective policies to combat poverty, foster a gender-equal and democratic society, and boost the economy.

The monetary value of unpaid work

The GDP remains one of the most frequently cited measures for assessing a nation's prosperity. It calculates the market value of all goods and services produced within a country. In 2022, Austria's GDP amounted to 447 billion euros (approximately 483 billion US\$). However, the GDP only takes into account economic sectors dependent on paid labor. The majority of economic activity, worth 195 billion euros (nearly 211 billion US\$) in 2022, is performed without payment and, as a result, is not considered in the GDP. The value of unpaid work in private households currently accounts for 44% of GDP, with domestic work comprising the largest share at 34%. The contribution of unpaid work by women alone accounts for 27% of GDP.

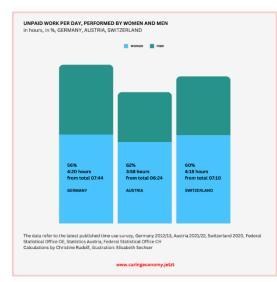
Closing the data gap and consequential policy measures

To address gender equality and poverty among women, it is crucial to discuss women's workloads in daily life and explore alternative ways to distribute these burdens.

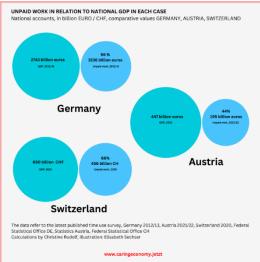
Our graphs reveal that unpaid work and unpaid domestic work play a significant role in economic value creation. While demanding better child care and more care options is important, it is insufficient to tackle these issues alone.

Recognizing the value of private households as crucial economic settings that contribute to a high standard of living, policymakers must consider the necessity of unpaid household work. Doctor's appointments for children, food shopping, and care for the sick and elderly are essential activities that cannot be easily outsourced.

The figures presented call for reevaluation of the organization of our society, recognizing that time is as valuable as money, particularly for women. It is evident that the DACH region, comprised of Germany, Austria, and Switzerland, exhibits similar patterns: men are employed full-time, while women earn a meager supplementary income.



UNPAID WORK PER DAY, PERFORMED BY WOMEN AND MEN in hours, in %, GERMANY, AUSTRIA, SWITZERLAND https://www.caringeconomy.jetzt/DE-AT-CHdistribution.png



UNPAID WORK IN RELATION TO NATIONAL GDP IN EACH CASE National accounts, in billion EURO / CHF, comparative values DE,AT,CH https://www.caringeconomy.jetzt/AT-DE-CH-GDP-unpaid-work.png

#CloseEconDataGap

The following consequences are logical:

- Increased data and transparency on the correlation between economic indicators are essential to bolster our democracies. Switzerland is better informed than Austria and Germany because a direct democracy hinges on transparency, and thus, data collection is regularly commissioned.
- Yearly data collection on unpaid work and mental load is necessary to formulate policy measures that combat poverty, promote equitable distribution of work, and contribute to a gender-balanced economy. Timely data collection also enables swift evaluations and adaptations.
- Incorporating unpaid work as part of national economic accounts provides a comprehensive picture, serving as a foundation for policy decisions on economic matters.
- We advocate for a reevaluation and appreciation of care and educational work in both private and public sectors, fostering prosperity across all segments of society.
- Part-time work schemes should be made appealing to both men and women.
- Redistribution of work: men should perform less paid labor, while women should undertake less unpaid work. Redistribution can be facilitated through shortened employment hours with full wage compensation.
- Local support structures should enable communal work settings to perform unpaid work together. Hence, we propose reinforcing the social infrastructure through effective rural and urban development planning.

"Evidence-based empirical research and policy advice, which provide a sound basis for decision-making in politics and public administration, are dependent on a reliable and comprehensive data basis. The German research data infrastructure has improved significantly in some areas but is still lagging behind in international comparison. In order to improve it, statistical legislation needs to be adapted, a research data law needs to be passed and the resources of official statistics need to be improved."

German Council of Economic Experts, Germany, 2023

Details about statistics and calculations

The time allocation studies in Austria and Germany were conducted using similar study designs. These studies were based on household surveys, with all members above the age of ten participating voluntarily and receiving compensation. Prior to 2021, the

surveys were conducted using paper-based methods, while the current studies utilize an app. Participants were asked to report on their activities every ten minutes on two weekdays and one weekend day. In contrast, in Switzerland, time allocation studies are conducted every three to four years via telephone interviews, and participants aged 15 or older are asked about the time they spend on both paid labor and unpaid work. The number of participants in Switzerland is significantly larger than in Austria and Germany. The evaluation of the time allocation studies and national economic accounts follows standardized international procedures. Austria's most recent survey followed the EU guidelines for "HARMONISED EUROPEAN TIME USE SURVEYS (HETUS)," which enables the comparison of results with other EU countries.

These recent calculations were conducted by the international working group #CloseEconDataGap. **Christine Rudolf**, calculations and analyses and **Elisabeth Sechser**, communication and data visualization, are part of the #CloseEconDataGap initiative, which aims to uncover economic injustices and close economic data gaps for Germany, Austria, and Switzerland.

Any requests may be directed to:

Christine Rudolf, economist, calculations or analysis +491717914276, info@christine-rudolf.de, <u>www.christine-rudolf.de</u>

Elisabeth Sechser, expert for Caring Economy, communications and data-visuals +436766103913, elisabeth@caringeconomy.jetzt, <u>www.caringeconomy.jetzt</u>