The Interlinkages Between Paid and Unpaid Labour: A Homage to Krishna Bharadwaj

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Abstract
In this article, I attempt to extend Krishna Bharadwaj’s insight on interlinked rural markets to the analysis of the interlinkages between paid and unpaid economic activities; in other words, between work and employment. Specifically, I argue that the gendered division of labour in India creates much greater involvement in unpaid labour for women, which in turn has direct and pervasive implications for their involvement in paid employment. Indeed, the interlinkage between the two is so profound that it is impossible to understand trends in one without assessing trends in the other.

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Work, employment, the paid–unpaid labour continuum

1. Introduction
It is one of the great fortunes of my life to have had the privilege of being Krishna Bharadwaj’s student, which exposed me to her brilliant mind and immense erudition, spanning across so many fields of economics. I was also immensely lucky to be among the many beneficiaries of her warm generosity and empathy as a student and then as her junior colleague. Her extraordinary and extensive intellectual legacy includes major contributions to our theoretical understanding of how economies work, the evolution of economic thought and processes of economic development. Krishna di, as I called her, also showed me how to be a truly good human being—even though I may not have been able to match in my own life, her selflessness, sincere commitment and deeply ethical framework for all her social interactions.

Among the many intellectual insights she provided, one that I have found continuously useful and applicable to understanding contemporary economic processes is that of the interlinkage of markets. In path-breaking and original work, she applied this to the study of rural markets in India, based on an analysis of the Farm Management Surveys of the 1950s and 1960s (Bharadwaj, 1974). She showed how land, labour, product and credit markets were interlinked in Indian agriculture, creating multidimensional...
constraints for the less empowered and adding to possibilities of exploitation. Her fundamental insight—that the nature of participation in one market can affect participation in other markets—is one that has many other applications, including extension to the realm of non-market activities.

In this article, I attempt to extend this insight to the analysis of the interlinkages between paid and unpaid economic activities; in other words, between work and employment. Specifically, I argue that the gendered division of labour in India creates much greater involvement in unpaid labour for women, which in turn has direct and pervasive implications for their involvement in paid employment. Indeed, the interlinkage between the two is so profound that it is impossible to understand trends in one without assessing trends in the other.

II. Work, Employment and the Paid–Unpaid Labour Continuum

Work is typically thought of as an economic activity, and economic activities are typically defined as actions that involve the production, distribution and consumption of goods and services at all levels within a society. This, of course, begs the further question of what constitutes ‘goods and services’. Pared down to its essence, it can be noted that any activity that can potentially be delegated is economic activity, which leaves only personal consumption and leisure as non-economic activities and requires a broadening of the common perception of what such activity is. For example, the activities associated with motherhood are typically seen as ‘non-economic’. Yet breastfeeding can be outsourced through the hiring of a wet nurse, which then makes it an economic activity, with the wet nurse engaged in paid work. An even more extreme but recently proliferating example is that of surrogate motherhood, in which a woman is paid to be impregnated, carry a child in her womb and go through childbirth, making all these explicitly paid economic activities which in turn also contribute to national income to the extent of the remuneration received. Yet a woman who does this for her ‘own’ child rather than someone else’s, and without any monetary reward, is classified as ‘not in the labour force’ in most if not all national statistical systems—and indeed, the very notion of ‘maternity leave’ from paid work suggests that the mother is, in effect, on some sort of holiday, rather than actively engaged in the work of producing a child.

Clearly, therefore, definitions of work and economic activity are not that simple. The standard definition of work is that used by the UN System of National Accounts (UN SNA, 1993). Workers are seen as coterminous with economically active persons and are those who are engaged in activities included within the boundary of production. This, in turn, includes (a) the production of all individual or collective goods or services that are supplied to units other than their producers, or intended to be so supplied, including the production of goods or services used up in the process of producing such goods or services; (b) the own-account production of all goods that are retained by their producers for their own final consumption or gross capital formation; (c) the own-account production of housing services by owner–occupiers and of domestic and personal service produced by employing paid domestic staff. If this is taken to its logical conclusion, it should indeed include a very large range of human activity, especially once the second element of the production boundary is taken into consideration. Even so, some activities of social reproduction remain within an undefined and often shifting grey area, particularly the ‘production’ of children and the tasks associated with this.

The 19th International Conference of Labour Statisticians (ILO, 2013) finally brought some clarity to this, by distinguishing between ‘work’ and ‘employment’ and expanding the concept of work: ‘Work comprises any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use’. The inclusion of the last phrase ‘for use by others or for own use’ provides the crucial difference, as it includes the production of goods and services performed in the
home for other household members and for personal use. Several aspects of this definition are worth noting. First of all, work is defined irrespective of its formal or informal character or the legality of the activity. It only excludes activities that do not involve producing goods or services (e.g., begging and stealing), self-care (e.g., personal grooming and hygiene) and activities that cannot be performed by another person on one's own behalf (e.g., sleeping, learning and activities for own recreation).

The significance of this definition is that it maintains that work can be performed in any kind of economic unit: government, corporations and enterprises, and households. Employment—defined as ‘work for pay or profit’—therefore becomes a subset of work. This new and enlarged concept of work can dramatically change the way in which work is both recognised and measured. We can use this to consider the data provided by the NSSO surveys (NSSO, 2001). The NSS includes employment codes (codes 41 to 51) as well as a broad category that it calls ‘neither working nor available for work (or not in labour force)’, which includes the following codes: Code 91—attended educational institutions; Code 92—attended to domestic duties only; Code 93—attended to domestic duties and was also engaged in free collection of goods (vegetables, roots, firewood, cattle feed, etc.), sewing, tailoring, weaving, etc., for household use; Code 94—rentiers, pensioners, remittance recipients, etc.; Code 95—not able to work owing to disability; Code 97—others (including beggars, prostitutes, etc.); Code 98—did not work owing to sickness (for casual workers only); Code 99—children of age 0–4 years.

Lumping these disparate groups together and classifying them all as ‘not working and not in the labour force’ is deeply problematic for several reasons. It is very evident that Codes 92 and 93 are fundamentally different from the other codes listed here because they do involve the production of goods and services that are potentially marketable and are therefore economic in nature. Indeed, when they are outsourced for payment by any household, they are included in both national income and in estimates of employment and therefore ‘work’. Code 97 presents a different kind of anomaly: marketed activities that are not considered as work presumably for some moral reasons, though this is not stated explicitly (and also it is not clarified why, for example, smuggling should be accepted as employment if begging is not). The matter is further complicated by the fact that the NSSO also includes some unpaid work in its definition of work, by including ‘unpaid helpers in household enterprises’ among those defined as working.

The NSS has itself recognised this issue to some extent, in that it recognises paid domestic workers as workers: the procedure to be followed in ascertaining the activity status of a domestic servant who is a member of the employer’s household is different from that adopted for other members of the household. It may be noted that engagement in domestic duties by such household members is not considered economic activity as defined for the survey. On the other hand, although a domestic servant staying in the employer’s household and taking food from the common kitchen is, by definition, a member of the employer’s household, he/she is also engaged in domestic duties in return for wages in cash and/or kind. Thus, as a special case, domestic duties pursued by a domestic servant will be considered as an economic activity and the activity status code as is applicable will be assigned to him/her (NSSO, 2014). It is extraordinary that this is treated as a ‘special case’ because there is no possible conceptual basis for denying that this indeed is work. And if it is work, then it should be work whether it is paid or unpaid.

Once we open our minds to this possibility, it is clear that we will have to rethink not only the way that our data are collected in the surveys but also the interpretation of data that we already have from the previous and current surveys. In other words, and especially bearing in mind the definition proposed by the 19th ICLS (whose Chairperson also happened to be the Chief Statistician of India), Codes 92, 93 and 97 should be included within the definition of work, and contribute to the analysis of work participation rates. However, doing so dramatically changes the picture with respect to trends in work participation in the recent past, especially with regard to the low and declining work participation rates of women.
III. Low Women’s Work Participation in India

One of the difficulties with discussions on employment in India is the tendency to conflate employment and work. But as seen above, employment is only that part of work that is remunerated, and in India, a vast amount of work is actually unpaid and often not even socially recognised. Once we recognise that, a lot of what appears to be inexplicable about Indian employment trends becomes easier to understand.

This is especially true of women’s work. There has been much discussion on the evidence from recent large sample surveys on employment, of the significant decline in women’s workforce participation rates. The work participation rate of rural women aged 15+ years declined from 35% in 1999–2000 to 24% in 2011–2012 to less than 18% in 2017–2018, while the rate for urban women did not change from the really low rate of around 16%. Various explanations have been offered for this, from more young women being engaged in education (which is still not enough to explain the decline) to rising real wages that have allowed women in poor households to avoid or reduce involvement in very physically arduous and demanding work with relatively low wages. This assumes that women especially in poorer families do not ‘work’ in outside employment when their family’s economic conditions allow it.

But these numbers relate to recognised employment, even if it is informal or self-employment. The same survey reports also include some categories that are described as ‘not in the labour force’. The categories that matter are Code 92 (attended to domestic duties only) and Code 93 (attended to domestic duties and also engaged in free collection of goods such as vegetables, roots, firewood, cattle feed, etc., water collection, sewing, tailoring, weaving, etc., for household use) both of which heavily involve women working in unpaid ways. There is also Code 97 (‘Others’, including beggars, prostitutes, etc.) which is a strange anomaly because these activities do involve money transactions but are still not classified as work. If we include all these categories in the definition of work, then we get quite different results. First, instead of a really low work participation rate, more women work in India than men! For example, in 2011–2012, the total women’s work participation rate was as high as 86.2%, compared to 79.8% for men. Second, the decline over the previous decade can then be explained entirely by more women in the age group 15–24 years participating in education. Third, and most important: the decline in women’s employment rates really reflects a shift from paid to unpaid work. This is a very different picture from the conventional one that sees most women in India as ‘not working’.

Why was there such a shift? Disaggregation shows that the increase was mainly in Code 93 (domestic and allied work). This was most marked for poor women, in the bottom 40% of households according to consumption expenditure. A significant share of such unpaid women workers (40% in rural areas and 22% in urban areas in 2011–2012) were dominantly involved in fetching water for household consumption, an activity that takes more time than before. More than half of the poorest women had to do this, as well as to collect biofuels for cooking as they did not have access to or could not afford other fuel.

This suggests that absence of basic amenities was an important factor driving the increase in unpaid work. Another NSS survey in 2012 found that in rural areas, the average trip to the water source took 20 minutes, with an additional waiting time of 15 minutes at the water source, and that several trips were required in order to meet the water needs for household consumption. In urban areas, the time for travel to the source was 15 minutes and the time spent waiting per trip was 16 minutes. Similarly, significant time was spent by women on collecting fuelwood and fodder for animals. The Ujjwala scheme providing a free first cooking gas cylinder to BPL women was superficially successful in providing a first gas cylinder to women. But it has failed to overcome this problem because most households have found that they cannot afford to buy the subsequent cylinders, which have become more expensive!
What is more, nearly two-thirds of these unpaid women workers reported that they had to perform these necessary tasks because there was no one else in the household to do them. Nevertheless, a significant majority said they would be willing to accept paid work, pointing to the overall inadequacy of productive employment generation in the economy.

In addition to these extended domestic tasks, there are the various activities associated with the ‘care economy’: care of the young, the old, the sick and the differently abled; cooking, cleaning and generally looking after healthy adults—all of which are dominantly seen as the responsibility of women in the household. When these services are outsourced and provided commercially, the providers are seen as workers in India; but when they are performed by women within households, such women are classified as ‘not in the labour force’.

This lack of recognition of a significant part of the work dominantly provided by women has several important economic and social implications. The unpaid–paid continuum of women’s work serves to devalue both women and the work they do. Thus, when women do enter labour markets, their wages tend to be lower than those of men—not only because they are willing to work for lower wages but because so much of their work is available for free. India has one of the largest gender gaps in wages to be found anywhere in the world, with women’s wages on average only around two-thirds that of men’s wages.

Related to this, the occupations in which women dominate tend to be lower paid—and the wage penalty extends even to men doing similar work, such as in the low paid care sector. This is certainly true of private employers. But in India, even the government has used these gender-segmented labour markets to provide public services on the cheap, by employing anganwadi workers and helpers and ASHAs as ‘volunteers’ who are paid only a fraction of the official minimum wages. Similarly, women are disproportionately employed by state governments as para-teachers and ANMs (auxiliary nurses and midwives) and paid far less than regular employees.

Third, all this unpaid work provides a huge subsidy to the recognised economy and to the ‘formal sector’, which rely both directly and indirectly on the goods and services produced by these unsung and unrewarded workers. Because this contribution is not recognised, it enables self-satisfied perceptions of rising aggregate labour productivity in the economy, which may be quite misplaced. And it means that public policy can continue to ignore the need to reduce and redistribute such unpaid labour, and can persist in the mistaken belief that GDP growth will simply generate enough ‘good jobs’ for everyone.

IV. Understanding Recent Trends

It is now well known that the Periodic Labour Force Survey of 2017–2018 of the NSSO (the release of which was originally suppressed by the government) revealed a dramatic fall in absolute employment of both men and women, and a further decline in women’s workforce participation rates from their already very low levels. There are clearly important questions to ask about a macroeconomic trajectory that can generate such employment outcomes even as GDP appears to have increased reasonably rapidly. But the issue of women’s employment provides a particular conundrum since it flies in the face of both received wisdom and the experience of other developing economies that have grown rapidly.

In the absence of accepted population projections for 2017–2018, it is hard to estimate the absolute changes in women’s employment. But the work participation rates described by the survey show a stark pattern of decline—for both men and women, as Figure 1 indicates.
Figure 2 shows how the decline was particularly steep for rural women. This continues a pattern of decline that began effectively from the early 1990s but has turned steeper since the mid-2000s. Indeed, the most recent fall appears to have been so sharp that urban and rural rates of women’s work participation, which were earlier significantly different, are now very similar. For young women in the age group 15–29 years, the rural employment rate is now down to only 13.8%, only marginally higher than the urban rate of 12.8%. While some of this can be attributed to more engagement of young women in education, this is not adequate to explain the decline. It is likely that life cycle changes such as marriage and childbearing also play a role in reducing young women’s labour force participation, which has also fallen.

Meanwhile, other data from the survey point to the disturbing finding that the more educated young women are the least likely to be employed and more likely to be openly unemployed, such that the unemployment rate for young women in urban areas was 27.2% in 2017–2018, and for young urban postgraduate women it went up to as high as 37.2%! So education does not seem to be the way out of the employment morass—for many young women, it may simply be postponing the problem.

When the decline in women’s work participation was noted after the 2011–2012 NSSO survey, there were some attempts to explain it in terms of the shift to more women engaging in unpaid work, because of the increase in women classified under Code 92 (engaged in domestic duties—essentially care work within the household) and especially Code 93 (domestic duties plus extended SNA activities such as fetching fuelwood, fetching water, engaging in kitchen gardening and livestock and poultry rearing, etc.) However, another surprising result from the PLFS 2017–2018 is the decline in the proportion of women in Code 93, as shown in Figure 3.

This is clearly something that deserves much deeper investigation. At one level, this may be a welcome sign that there has been an improvement in the provision of basic infrastructure and amenities, such that fetching fuelwood and water do not require as much of women’s time as before and therefore do not
Figure 2. Women’s Work Participation Rates (%, 15+).


Figure 3. All Women Workers (%, 15+ years).

condemn them to this form of unpaid work. However, it could also be a misclassification by investigators (as suggested by the corresponding increase in Code 92)—or even be a result of more education, as suggested by the increase in open unemployment of women in both rural and urban areas.

One result from the PLFS that has been greatly welcomed by observers is the increase in the share of regular and/or salaried work of women (Figure 4). This would certainly be a positive move if it occurred in the context of a dynamic labour market with increasing employment opportunities. However, overall work participation rates of women have fallen sharply, so the share of women of age 15 years or more who are in regular employment of any kind has barely changed—it has increased marginally from 1.97% to 2.04% in rural areas and fallen slightly from 10.14% to 9.48% in urban areas. This suggests that there has been barely any increase in the absolute numbers of women in regular employment.

All of this points to extreme slackness in the Indian labour market, with a massive and growing paucity of adequate employment opportunities. The world over, in such conditions, women workers tend to get rationed out of the better jobs, and when there are few jobs to be had, they get excluded from most forms of paid work. Something similar seems to be happening in India.

This is also reflected in gender wage gaps, which are among the largest in the world. Figure 5 suggests that the ratio of wages of women regular workers to that of male regular workers has increased very slightly, in both rural and urban areas. However, in private casual work, gender wage gaps have increased. The only saving grace is in rural public works, and especially in MNREGA works, where the gender wage gap for casual work has further narrowed and is significantly lower than in other activities.

The time use survey conducted from January to December 2019 by the NSSO (NSSO, 2020) provides some idea of the extent to which unpaid work and other activities determine the lives of people across India. Of course, there are some concerns with the survey methodology, which must be borne in mind while considering the data. To begin with, the survey was based on the recall method, asking respondents about their activities for the previous 24 hours. Where time use is concerned, this is known to be an inferior and more potentially misleading method, since recall is notoriously inaccurate, and people are often unable to remember and then aggregate the time involved in activities, especially when several activities are combined (as is the case with much home-based work). The use of time-use diaries provided

![Figure 4. Women Workers by Type of Employment.](image)

to respondents tends to be more accurate, although it is more difficult in social contexts with lower literacy. Direct observation of a researcher could be the best method, but it is not only more expensive and time-consuming but could be subject to distortion as those surveyed become conscious of the external gaze. Therefore, this was seen by the NSSO as the best available method in the Indian context, given the other constraints. The second concern, however, is also important: for a significant proportion of respondents, this recalled information was not provided directly by the person concerned: for around half the males and one-third of the females, some other household members provided the responses, which could make them even less accurate.

Despite these caveats, the results of this survey are striking and indicate how enormous the gender disparities in time use are for India as a whole. (Of course, there are also wide regional and state-wise differences, which are not considered here.) The summary results presented by the NSSO refer to all people aged 6 years and above. However, since time use is naturally hugely conditioned by age, it makes sense to exclude children and older people whose time use is likely to be quite different from adults of working age. Therefore, in this analysis, we consider only those in the age group 15 to 59 years, for whom the gendered patterns are most likely to be evident.

The first immediate result is unwelcome confirmation of the very low paid work participation rates of women. Engagement in paid work among women aged 15–59 years across India came to only 20.6% (Figure 6) and the difference between rural and urban areas has continued to narrow as women’s participation has continued to decline in the rural economy. This compares to paid work participation by nearly 70% of men—already pointing to a significant gender gap in access to monetary income.

But the much bigger gap is in unpaid work of various kinds. 94% of all women are forced to engage in unpaid activities, mostly involving household work and care of other family members, whereas only around one-fifth of men do so. The time spend on such activities is also much greater for women (Figure 7). On average, women spend more than two-and-a-half times the minutes per day on these unpaid activities than men. In rural areas, women spend nearly six-and-a-half hours every day in unpaid
Figure 6. Per cent Participating in Paid and Unpaid Activities, 15–59 Years.


Figure 7. Time Spent in Paid and Unpaid Activities, 15–59 Years (Minutes per Day).

activities, and in urban areas slightly more than six hours. In urban areas, the difference between women’s and men’s unpaid work time is nearly three-and-a-half times.

There is a range of ‘residual activities’, which the NSSO has divided into the following categories: learning or education; socializing and communication, community participation and religious practice; culture, leisure, mass-media and sports practices; and finally self-care and maintenance. It is evident that even for these activities, there is a significant gender gap, with men getting a significantly greater proportion of their daily time to indulge in such activities. As Figure 8 indicates, this is essentially because women are forced to spend more than a quarter of every 24 hours in unpaid activities, compared to only 5% for men.

Figures 9a and 9b provide a more detailed breakup of the average time spent by men and women in this age group (15–59 years) including in the various unpaid activities as well as in ‘residual activities’. It is interesting to see that within unpaid work, men spend 9% of their daily time on production of goods for their own final use, whereas women spend only 5% of their time on this. By contrast, when it comes to working for others in unpaid ways—whether in the form of unpaid domestic services (cooking, cleaning, other processing for domestic use, fetching water and/or fuelwood, kitchen gardening etc.) or unpaid caregiving services for other household members, men spend only 7% of their daily time on this while women spend 17%, or two-and-a-half times more than men. This is why men also appear to have more time than women for self-care and maintenance, even as the time spent on other residual activities appears to be around the same.

**Figure 8.** Per cent of Time Spent in Total Daily Time, 15–59 Years, All-India.

**Source:** NSSO, Report on Time Use in India (2019).
Figure 9a. Time Spent During the Day (Minutes) All Males, 15–59 Years.


Figure 9b. Time Spent During the Day (Minutes) All Females, 15–59 Years.

None of this may be so surprising, but it underscores an important aspect of quality of life that is all too often forgotten or ignored by policymakers: that of time poverty. It is evident that there is a very strong gender dimension to time use and time poverty, especially in India where the socio-economic dice are stacked against women in so many ways. Time poverty is more than simply a pressure on time that can create stress and fatigue—it also contributes to material poverty because it reduces the quality of goods and services that are delivered through unpaid activities. The basic point is this: the poorer people are, the more they cannot afford to buy various goods and services from the market, and if these are not provided by public policy, then they can only consume them if they produce these goods and services themselves. This means that typically, in addition to having to work often long hours for relatively low wages, or paltry remuneration for self-employment, they must also engage in unpaid labour to meet the essential consumption needs of themselves and their family members. So we find that the incidence of unpaid labour increases sharply as the income of a household falls. The better off a household is, the more likely that it can afford to buy many goods (such as processed foods, prepared fuel, labour-saving devices) and outsource certain services (related to care and housework). The more impoverished a family is, the more likely that members of that family will have to go out and work to deliver such goods and services to richer families, and then come home and provide for themselves these essential items through their own unpaid labour. This obviously means greater time deprivation in terms of less leisure time available.

But there is a further concern. Suppose that the conditions of work available to the members of a poor family are such that they are forced to spend long hours working for very low pay. They are still required to perform many unpaid activities—say purchasing and processing food, cleaning the home to maintain a minimally sanitary environment, fetching water and or fuel other such essentials for daily use, caring for the young, the old and the sick members of the family, and so on. But imagine that the working hours (and possibly the hours of transport required from home to workplace) are such that they are simply not able to perform all of these activities, or at least do not have the time to perform them to a minimum satisfactory standard. Then time poverty translates into more than just loss of leisure—it adds to the material deprivation of that family because of loss of the consumption that would have been enabled by the unpaid labour that there simply isn’t enough time for! And it certainly also reduces quality of life because of loss of relational time within the family.

As it happens, standard poverty measures, which typically refer to money income as the relevant variable, effectively assume that all households have enough time to perform the (usually unpaid) activities required and do not take into account the variations in requirements of unpaid work that may well be driven by the money income available. This is why, if the threshold for determining the minimum non-poor consumption implicitly requires both money income and unpaid work products, then the official poverty standards do not correctly measure household needs. Since poorer households are less likely to be able to purchase goods and services to substitute for unpaid labour at home, they are therefore much more likely to have household members who have time deficits, in other words, who experience time poverty.

V. Conclusion

This consideration of the interlinkages between paid and unpaid labour in India point to some conclusions that are often ignored by both analysts and policymakers. The more women are involved in unpaid labour, the less likely they are to be able to participate in paid employment. The more women participate
in unpaid labour, the less their labour is valued in society in general, which is then reflected in lower wages of women and higher gender wage gaps in the labour market and even in returns from self-employment. The more women participate in unpaid labour, the more they are likely to be concentrated in certain occupations, which then become ‘low-wage activities’—and this wage penalty extends also to men engaged in these occupations (e.g., in care activities). This, incidentally, is found not only in private employment but even in government employment, which routinely underpays women anganwadi workers and helpers, ASHAs and other scheme workers, denying them even minimum wages. Finally, the more women participate in unpaid labour, the greater their time poverty, which in turn translates into other forms of poverty including income poverty because of the worse quality of goods and services that they are able to provide with less time available to them.

Just as the rural market interlinkages analysed by Krishna Bharadwaj have proved to be absolutely integral to an understanding of how rural economies function in India, I would argue that both labour markets and consumption patterns in India cannot be understood without looking at the interlinkages between paid and unpaid labour, and the gender dimensions of those interlinkages. Her insights into the interplay of social and economic processes across different markets and activities, and the role played by associated power imbalances in cementing particular forms of inequalities, therefore remain as fresh and relevant as ever.

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