

The economics during lockdown

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This is what we learned about economics from the 2020 COVID-19 lockdown in Aotearoa New Zealand. One of the most entrenched existing biases in economic practice was highlighted and magnified.

For 50 days of Levels 4 and 3, the economy may have stopped generating production, but we did not stop working. We were preparing and serving food for other members of the household (some of whom were in paid work in the household), cleaning up, doing dishes; cleaning the household interior; sorting, washing, drying or ironing laundry; doing household, grounds and garden maintenance; breastfeeding; caring for dependent children and adults; administration, logistics, secretarial and worry work for dependents; household budgeting, accounting and banking work; transporting members of the household or their goods; or shopping for other members of the household.



Teams of volunteers throughout the country providing urgent services made extraordinary efforts. Economics labels all this work ‘unproductive’ and we are ‘economically inactive’ when we are doing it.

23-25 March at Level 3 before total lockdown saw a rush on garden centres and building activities added substantially to the capital value of the home (a new deck, a new garage, for example), those hours spent on repairs and landscape work were just unpaid household work.

However, if you spent some lockdown time chopping wood for winter fuel or collecting pine cones and firewood; went fishing off your property a la Winston Peters; spent time preserving fruit, home brewing, dressmaking, or making pottery, all unpaid – congratulations! You were economically active and that work counted (or should if anyone obeyed the crazy rules on the boundary of production).¹

These demarcations appear in the rules of the United Nations System of National Accounts (SNA) (2008).² The explanations for these rules have included ‘convenience’ and practicality.³ Well before the COVID experience, there was a growing blurring of ‘work’ and

¹ Para 6.32, UNSNA, (2008).

² <https://unstats.un.org/unsd/nationalaccount/docs/sna2008.pdf>

³ Waring, Marilyn. Still Counting – wellbeing, women’s work and policy making. BWB Texts, (2019)

‘home’ life when people carry out both kinds of activities in the same place, and frequently at the same time.

The following demonstrate the extraordinary confusion in the SNA: “As the vast majority of household services are not produced for the market, there are typically no suitable market prices that can be used to value such services.”⁴

A few pages later the rules read: “Although paid domestic staff produce many of the services excluded from the production boundary of the SNA when undertaken by household members, paying a person who comes to the house to wash, cook or look after children ... is as much a market activity as taking clothes to a laundry, eating at a restaurant or paying a nursery to care for children.”⁵

Obviously internal consistency in the rules governing in the largest sector of the economy is a major problem for people who don’t work in it.

On June 17, 2020, *The Guardian* reported research showing men doing more domestic work during the pandemic. A Utah study showed equally shared housework climbing from 26 percent to 41 percent. In Germany, the situation forced women with children under 14 to spend less time on their paid work activities with their increases in household work. In Belgium, diaries showed it was women who had to organise the changes to household and domestic life, as ‘productive work’, moved to the unproductive environment.

Aotearoa has no data. When lockdown arrived, men were denied the two areas of unpaid work in which they spend the most time: transporting members of the household or their goods, or shopping for members of the household. (My non-scientific observation of the queue at my local supermarket each morning suggested that many men had become the household designated shopper). Media stories showed men spoke genuinely of getting to know their partner or their children better – which is another way of saying ‘I leave all that to my partner when I am ‘working’.

Household assets of everyday use invisibly crossed the boundary of production as they became imperative in keeping paid workers productive and healthy. Using the fridge, microwave, oven, stove, toaster, coffee machine, kettle, dining table and chairs (a work space and breaks for paid work morning tea, lunch) telephones, IT hardware, radio, television became indispensable in maintaining ‘production’. Maintenance costs and overheads shifted across the boundary – increases in costs of internet, energy and water resources, as well as wear and tear.

The single largest sector of the nation’s economy, the unpaid sector, increased exponentially and carried the whole country for the 50 days of Levels 3 and 4. For those already full time in the unpaid economy the workload grew. Those who employed casual workers to help in their homes had to replace this ‘economic activity’ with their unpaid work, and balance this with any paid work that had to continue from home. A significant amount of the unpaid work in households replaced full time work in the economy –

⁴ Para 6.29: b.

⁵ Ibid: para 6.35.

teaching, child care, care of other dependents, specialist educators, IT technicians, for example – where salary payments of Covid related benefits continued, completely masking this significant work burden lifted by those adults at home. For 50 days in Aotearoa unpaid work replaced the market in an unrehearsed revolution in how to do this.

Was there any acknowledgement of this, and who did most of that work? Nothing but silence.

The UNSNA is not fit for purpose, but the Government will rely on it to measure 'recovery'. A wellbeing framework based on Eurocentric 'capitals' is just more of the same paradigm.

For 50 days women carried the country, but the work they spent the most time doing, the work that kept Aotearoa going when the 'economy' contracted, all the adjustments households are having to make, won't be part of the equation in the 'economic recovery'. Those who do the most work should benefit in the investments of resources – NOW.