

## UNPAID LABOR AND THE HIDDEN ECONOMY: MEASURING WHAT GDP IGNORES

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### ANNOTATION

*The article provides an in-depth analysis of the concepts of unpaid labor and the hidden economy, which are not reflected in the gross domestic product (GDP) indicator, but are important for society and economic stability. The study reveals the real economic value of household labor, care work, social reproductive labor, and economic activities carried out in the informal sector. SPA E SPA This article analyzes the limitations of the traditional GDP methodology, the consequences of not taking unpaid work into account, and the implications of this for gender equality, social justice, and economic policy. It also discusses methods for measuring unpaid work based on time distribution studies, satellite accounts, and alternative welfare indicators used in international practice.*

**Introduction:** Gross domestic product (GDP), one of the main indicators of modern economic analysis, is of great importance in measuring the total volume of economic activity of a country. However, in recent decades, economists, sociologists and political scientists have increasingly criticized the inability of GDP to fully reflect the well-being of society. In particular, the statistical exclusion of important types of activities such as unpaid work and the underground economy leads to a misinterpretation of the economic reality. Unpaid work is understood as activities performed mainly in households, such as caring for children, the elderly and disabled, preparing food, and maintaining housing. Although these types of work play a crucial role in ensuring the smooth functioning of society, they are not included in GDP calculations because they are not valued through market mechanisms. As a result, the work performed, especially by women, remains economically “invisible”. At the same time, the shadow economy — the informal sector, a set of unregistered work activities and untaxed income — constitutes a significant share in many developing and even developed countries. These activities are also insufficiently reflected in official statistics,

which can lead to serious errors in the formulation of economic policy. The relevance of this article is that it justifies the need to reassess economic growth not only in terms of numbers, but also in terms of human capital, social justice and sustainable development. The study offers a scientific approach to identifying and measuring economic activities that GDP ignores.

**Literature review and methodology:** Unpaid labor and the hidden economy have long been under-recognized in economic theory and practice. Traditional economic approaches have limited economic activity to forms of labor that are market-based and have monetary value. As a result, household labor, care work, and informal economic relations have been excluded from statistical accounting systems. This problem first to be criticism did from directions one feminist economy This is approach representatives economic in the system working release and again working release processes between integral to dependence attention In particular , M. Folbre and like N. Kabeer scientists house farm within executable labor society economic stability for main condition that it is They emphasize . Their in research unpaid labor human capital again working issuer important factor as by G. Becker working issued house farm economy model this in the field important theoretical basis become service Becker House farm working release unit as interpretation so, time resources distribution economic choice as explains. However his her The model is also unpaid. of labor social and gender aspects enough cover not received for next researchers by extended .

Hidden economy issue according to take visited E. Feige in research and F. Schneider works separately importance They have . informal sector size assessment for money behavior approach, electricity energy consumption based on models and many factorial regression analyses offer These research this shows that many in countries hidden economy gross internal of the product noticeable part organization will , but official in statistics this situation enough at the level reflection cannot be delivered . International organizations by take visited research is also of the problem relevance confirms . United Nations Organization by working issued National accounts system (System of National Accounts - SNA) is official economic activity in measurement main document become service does. However this unpaid in the system labor only limited in the form confession is being done. Therefore, the UN and International Labor Organization by " artificial " companion The concept of "satellite accounts " offer done It is a house. farm his/her work separately calculation opportunity gives. Literature analysis this shows that it is not paid work in evaluation the most wide widespread from methods one time distribution research This is method of individuals day during different to activities spent time to determine is based on. Later this time market prices or alternative work right based on monetary to value is converted. This approach house real economic value of labor contribution in determining relatively reliable results gives. This scientific in the article methodological basis as

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complex approach was selected . In the study quality and quantitative analysis methods First of all, the theoretical analysis through unpaid labor and hidden economy concepts economic content open Later, statistical and comparison analysis using different countries experience studied. Methodology following main elements own inside takes:

- national accounts system within GDP restrictions to determine ;
- time distribution research through unpaid labor size assessment ;
- hidden the economy in evaluation indirectly from indicators use ;
- alternative prosperity indexes with comparison analysis transfer

Research in the process inductive and deductive from methods wide used . Inductive approach based on separately empirical from observations general conclusions deduced, deductive method using and there is theories real economic to processes implementation Also, systematic analysis through unpaid labor and hidden of the economy economic growth, social equality and stable to develop impact

**Discussion and conclusion:** This research within take visited theoretical and methodological analyses results this shows that the total internal product (GDP) economic activity in evaluation wide applicable indicator to be despite, he is in society real economic activity being created the value complete reflection bring Especially , unpaid labor and hidden economy such as activity types statistic from the account aside to remain economic development real the view broken shows .

Discussion in the process It turns out that the house on farms executable unpaid labor society social and economic stability provider main from factors one of them. The children upbringing, elderly and the disabled care, housing storage, food preparation such as activities economic of the system continuous performance for necessary although they market mechanisms through unrated due to GDP calculations is not included. As a result economic working release only market within done increaseable activity with limited remains .

Take visited analyses this shows that if unpaid labor monetary to value if converted, many in countries it is official GDP noticeable part organization to be able possible. Different international research to the results relied on without to say maybe a house farm of labor economic value some in cases gross internal up to 25–40 percent of the product This is enough. economic growth indicators with population well-being between the difference obvious manifestation. Discussion gender issue throughout separately attention worthy aspect as manifestation It was. Unpaid of labor main part women on behalf of falls. This of labor statistic in terms of indifferent to remain women's economic underestimate their activity, real contribution to society not getting enough recognition take Asa result, gender equality in the matter of take going political and economic measures enough at the level effective It won't be.

Hidden economy according to taken results are also important conclusions gives. Informal sector, official register not passed labor activity and to tax unattainable income economic of activity noticeable part organization Research this show, hide economy there is was under the circumstances official statistic to the information based economic politics meets real needs complete cover can't. This is budget politics, employment programs and social protection in systems to imbalances reason will be.

Results this shows that it is not paid labor and hidden of the economy into account non-removability economic inequality strengthens. Official sector with informal sector between difference deepens, less provided population layers and economic from protection aside It remains. At this point in terms of GDP based economic assessment system again seeing exit necessity to the surface Discussion in the process alternative economic indicators with comparison analysis was held. Human development index, well-being indexes and green economic indicators economic development further wider in context assessment opportunity This gives indexes not only working release the size, maybe education, health conservation, ecology and social stability such as taking into account factors receives. Unpaid work into account to take this indicators accuracy to increase service does.

Obtained results this shows that artificial satellite accounts and time distribution research national accounts to the system integration to do economic reality further more precisely reflection to hold opportunity gives. Such approach economic politics social directed to do, busyness and social protection measures improvement for solid scientific basis creates.

**Conclusion:** This scientific research within take visited analyses gross internal product (GDP) indicator economic development in the evaluation opportunities with one in the row , its serious restrictions there is that it is In particular , unpaid labor and hidden economy such as economic activity types official statistic from the account aside to remain economic reality complete reflection to continue obstacle is doing. This situation not only economic growth indicators wrong interpretation to do, maybe social politics and development strategies ineffective even if it is research results this confirmed that the house on farms done increaseable unpaid labor society socio-economic stability for important importance Have children. upbringing, care activity, household of work continuous execution human capital again working release provides. This activities economic value Although it creates , the market relations through unrated because of In GDP reflection does not. As a result economic of activity important part is in " invisible " state remains.

Research during determined to be unpaid of labor main part women by This is done. of labor statistic in terms of out of consideration aside gender inequality remains deepens and women's economic underestimate the activity take This is coming . employment, social protection and labor to the market related of policies enough at the level fair to be absent reason It will be. That's why for unpaid work economic to analysis integration to achieve gender equality provision on the way important step as consideration must.

Hidden economy according to taken conclusions of the research relevance further strengthens. Informal sector, official register not passed labor activity and to tax unattainable income many in countries economic of activity noticeable part organization This will situation official statistic to the information based economic real economic policy from processes interrupted to stay take come. As a result employment level, population income and social inequality according to acceptance being done decisions enough effective It will not be.

This research this shows that GDP is a single and absolute economic indicator as application modern economic under the circumstances himself does not justify. Economic development in evaluation alternative approaches — artificial companion accounts, time distribution research, welfare indexes and human development from the indicators complex use necessary. This approaches economic of activity social, ecological and human aspects into account to take opportunity gives.

Conclusion as in other words, unpaid labor and hidden economic activity into account to take economic analysis accuracy and justice increases. This state economic policy further social directed, fair and stable to develop adaptation opportunity will give. In the future this in the direction empirical research expansion, national accounts system modernization to do and statistic methods improvement important scientific and practical task become remains.

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