



Investing in the care economy

Background Note for CSW63

Investing in the care economy

Globally, almost four in ten people have directly experienced unemployment or the reduction in available working hours – either in their own job or that of a family member. More than half the world's population say their incomes are declining, in terms of the cost of living. Nearly one in four people in work believe their job is insecure. Having a job no longer guarantees enough to meet basic needs and women are the majority of the working poor¹.

The cost of not caring

Although more women than ever are in the labour market, this has not been matched by a corresponding improvement in the economic position of women overall. In fact, labour market participation rates for women are stagnating. Women continue to be segregated in insecure, involuntary part-time, low-waged and 'low-status' jobs, including in the supply chains of transnational companies. Gendered perceptions of women's roles in society, particularly in relation to care-giving, are contributing to occupational segregation and the undervaluing of work women generally perform in the labour market, both within and outside the care sector.

Investing in care makes economic sense. It also makes sense from a social policy and gender equality perspective. Globally, women spend at least twice as much time as men on unpaid care work, including domestic or household tasks as well as care for people at home and in the community². ITUC research³ shows how public investment in paid care jobs provides women with independence to find and keep jobs in other sectors or be paid for the work they disproportionately do, through formal employment in the care sector.

Although critical to our social and economic well-being, unpaid care work has been largely ignored by economic and social public policy. The time and opportunity costs of unpaid care work, as well as the sheer physical demands, can have a severe and negative impact on women's well-being and economic independence by limiting women's access to paid employment and defining the types of jobs to which women have access. Even when care work is paid, it remains undervalued and often characterised by poor pay and working conditions.

Reducing the amount of unpaid care work performed by women by providing better access to care services and promoting a more equal distribution of care responsibilities between women and men has a positive impact on women's employment outcomes, increasing their labour force participation and access to decent

¹ ITUC (2017) Global poll: https://www.ituc-csi.org/IMG/pdf/global_poll_en_print.pdf; ITUC (2018) Global poll: <https://www.ituc-csi.org/ITUC-Global-Poll-2018>

² As well as cooking, cleaning and looking after children and other dependents, this can include fetching water and firewood where the physical infrastructure to distribute clean and affordable water and fuel is lacking.

³ ITUC (2016) *Investing in the Care Economy - A gender analysis of employment stimulus in seven OECD countries*; ITUC (2017) *Investing in the Care Economy – Simulating employment effects by gender in countries in emerging economies*: <https://www.ituc-csi.org/investing-in-the-care-economy>

From crisis to opportunity

Unpaid care work, performed largely by women, contributes from 20 to 60 per cent of National Domestic Product¹⁰ but governments and international institutions do not yet recognise or value unpaid care and domestic work in the development of economic and social policies.

A growing body of evidence¹¹ shows that at times of low growth, high unemployment and pervasive underemployment, public investment in social infrastructure and the right mix of gender equality policies can drive inclusive economic growth and women’s economic autonomy. ILO research shows that around 269 million new jobs could be created if investment in education, health and social work were doubled by 2030¹². Research commissioned by the ITUC¹³ shows how investing 2 per cent of GDP in public care services can create millions of quality jobs, narrow the gender pay gap, reduce overall inequality, help redress the exclusion of women from decent jobs and contribute to inclusive economic growth. Such investment will have a direct effect through the creation of millions of jobs for women in the care sectors where the investment takes place. But there will also be multiplier or knock-on effects of that investment, such as the creation of jobs in the industries that supply the necessary raw materials and services for the initial investment; expansion in household income as a result of the expansion in employment; savings in public expenditure from the reduction in unemployment and social security payments and additional tax revenue from the newly employed workforce. Such investment would further close gender gaps in employment by improving pay and working conditions in the care sector and increasing the options for informal carers to juggle paid work and caring. Overall, such investment would help tackle some of the central economic and social problems confronting contemporary societies: low productivity, the care deficit, demographic changes and continuing gender inequality in paid and unpaid work.

Macro-economic policies play a key role in advancing or hindering gender equality, as they shape the overall economic environment. Adopting macroeconomic policies to boost both short-term and, crucially, long-term inclusive economic growth and that promote women’s economic empowerment requires approaches that recognise and prioritise the creation of productive and decent jobs and support existing livelihoods in agriculture and the informal economy. It requires adequate, universal social protection over the life cycle, public investments in social and rural infrastructure, reductions in the amount of unpaid care and domestic work borne by women, and maximising and optimising fiscal space through tax regimes that redress inequality and provide sufficient public resources.

¹⁰ See for instance Rania Antonopoulos (2009) *The unpaid care work – paid work connection* http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_119142.pdf

¹¹ See for instance Antonopoulos, Rania and Kijong Kim (2011) *Public-Job Creation Programs. The Economic Benefits of Investing in Social Care. Case Studies in the US and South Africa* http://www.levyinstitute.org/pubs/wp_671.pdf; Ipek Ilkkaracan, Kijong Kim, and Tolga Kaya (2015) *The Impact of Public Investment in Social Care Services on Employment, Gender Equality and Poverty - The Turkish Case*. http://www.levyinstitute.org/pubs/rpr_8_15.pdf; and AK Europe Brussels (2013), *Social Investment - Growth, Employment and Financial Sustainability - Economic and Fiscal Effects of Improving Childcare in Austria* http://www.akeuropa.eu/includes/mods/akeu/docs/main_report_en_304.pdf

¹² ILO (2018) *Care work and care jobs for the future of decent work*: https://www.ilo.org/global/publications/books/WCMS_633135/lang--en/index.htm

¹³ ITUC reports – Investing in the care economy: <https://www.ituc-csi.org/investing-in-the-care-economy>



Such policies must go hand in hand with policies to challenge and change social norms; policy and legislative measures to address structural barriers, including discrimination based on gender, race, age, disability, immigration status, etc.; active labour market policies that strengthen labour market institutions and tackle occupational segregation and gender pay gaps; as well as family-friendly workplace policies that enable workers to balance work with family responsibilities.

Trade union action

Decent work for women and men is a trade union priority. Trade unions recognise that public education, affordable health care, child protection, child care, aged care, maternity protection, support for the disabled, living minimum wages and active labour market programmes are among the hallmarks of dignified societies. Through social dialogue and collective bargaining, trade unions are contributing to policy formulation at global, national and regional level; trade unions have bargained collective agreements and changes to national laws and policy; extended social protection to millions of women, including women working in the informal economy; enhanced maternity protection; ensured time off for workers to care for their dependents; secured parental leave for both women and men; and changed working arrangements to allow workers to reconcile work and family. The trade union wage “premium” is significant for women¹⁴, helping to close the gender wage gap.

For the full reports, including the figures on job creation, please visit: <https://www.ituc-csi.org/investing-in-the-care-economy>

¹⁴ Defined as the percentage difference in average gross hourly earnings of union members compared with non-members