CARE WORK AND THE ECONOMY

Advancing policy solutions with gender-aware macroeconomic models

POLICY BRIEF | 20 - 11



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POLICY HIGHLIGHTS

- Women previously engaged in full-time homemaking are the main beneficiaries of the new jobs created, about half of whom are mothers of young children who also benefit from access to full-time ECEC services (Figure 1).
- On average, these women then spend 23% fewer weekly hours on household production, the bulk of which may be attributed to expanded ECEC services (Figure 2).
- New earnings generated through job creation, especially that in the ECEC sector, narrow the gender earnings gap in the country.
- The ECEC expansion reduces the Incidence of time poverty among those who work fewer than 60 hours per week, especially women.

Overview

This study presents a macro- and micro-analysis to estimate the effects of increased government spending on social care in Turkey, an upper-middle-income country. Spending increases are focused on the early childhood education and care (ECEC) sector to close the care deficit against the policy target of OECD average enrollment rates for preschool children by age group. Employment generation and growth effects are considered on the macro-side, while time, income, and their joint effects are considered on the micro-side via the Levy Institute Measure of Time and Consumption Poverty (LIMTCP). Results are interpreted in terms of implications for subsequent policy creation.

Key Figures

Figure 1: Distribution of New Jobs Created from Increased Spending in the ECEC Sector by Previous Labor Market Status and Gender

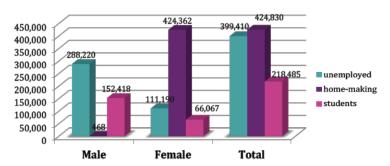
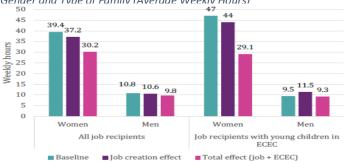


Figure 2: Required Hours of Household Production by Job Recipients by Gender and Type of Family (Averaae Weekly Hours)



¹This paper is part of a third wave of policy simulations exploring the effects of differential investments in social care infrastructure. See the complete working paper for a summary of the first two waves and how the present study is situated in this rich body of literature.

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Analysis Framework & Primary Results

The analysis steps used, and their primary results, are summarized in Figure 3. Attention is paid to gendered changes in wellbeing in terms of access to new employment and earnings, access to newly available services, and the consequent changes in women's and men's allocation of paid and unpaid work time.

Figure 3: Analysis and Primary Results

Assess the magnitude of government spending on ECEC service expansion

•It would cost an estimated **31.95 billion TRY** (approximately **1.8 percent of GDP** in 2014 prices) to enroll an **additional 3.27 million children** in childcare centers and preschools.

Estimate the number of jobs created, both directly and indirectly

• Over 600,000 new employees would need to be hired in the ECEC sector, plus an additional 400,000+ indirect jobs would be created, yielding over 1 million total jobs created.

Apply a micro-simulation model to analyze the employment and income distributions

•Women previously engaged in full-time homemaking, many of whom are mothers of young children, undertake many of the newly created jobs, narrowing the gender-wage gap.

Evaluate allocation of access to new ECEC services and impact on unpaid work time of adults with small children

•Effects are highly gendered: newly employed women with small children reduce their weekly household production hours by 23% on average, while men's hours barely change.

Assess the total impact of new employment and new ECEC services on the specified poverty levels

•The incidence of time poverty for both men and women generally is reduced, although women's risk continues to be higher than men's. Effects on income poverty depend upon the measure utilized, but generally this also is reduced.

Conclusions

- Increased spending on the social care service sector has the potential to facilitate genderequitable inclusive growth through demandside effects.
- It also reinforces these outcomes on the labor supply side through the generation of new jobs.
- Policy interventions for gender parity need to go beyond giving access to jobs and services.
- These interventions need to entail more comprehensive interventions, such as labor market regulation for work-life balance with equal gender incentives and better working conditions.

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CWE-GAM Working Paper 20-06: <u>The Impact of Investing in Social Care on Employment Generation, Time- and Income-Poverty and Gender Gaps: A Macro-Micro Policy Simulation for Turkey</u>