# CARE WORK AND THE ECONOMY

Advancing policy solutions with gender-aware macroeconomic models



### Part 1: Gender Relations in Labor Market. Instructor: Paula Herrera Idarrága

#### a) Main points covered:

Context: Benería, L., Guinseli, B. and Floro, M. (2016). "Labor Market under Globalization" in Gender, Development and Globalization: Economics As If All People Mattered. Routledge. Ch 4.

- Unfair structures of constraint in labor market
- Consequences of market restructuring: labor flexibility, deregulation, decline of Unions, income insecurities, rising informality
- Gender gaps in the labor market: some aspects such as participation and wages have been reduced considerably while other gaps persist such as differences in occupational and industry gender composition

#### b) Discussion Questions:

Imagine you have the power to close one of the labor market gender gaps (only one!):

- What gender gap would close and why?
- Would your answer change with the context? Why?

### c) Summary of discussion:

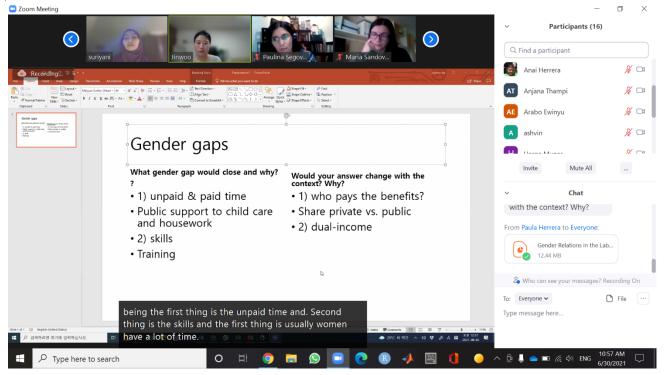
First group presenter: Niroshi. Gender gap chosen: Motherhood penalty. Female workers return to work from maternity leave and get paid less compared to male counterparts. The answer does not change with context.



Second group presenter: Jinwoo



Gender gaps discussed: unpaid care time and skill training. The answer might change if public sector provide support to unpaid care such as childcare.



Third group presenter: Suriyani

Gender gap discussed: Economic participation and opportunities to enter the labor market. In Malaysia context, women are prevented from joining the labor force due to high cost of childcare relative to wage earned. The answer might change because it is context specific.

Paula responded that even if the participation gap is closed, there is still the possibility of unemployment gap where women cannot find a job in the market.

### <u>Part 2: Demographic and Economic Change and Demand for Care. Instructor: Nancy Folbre</u> a) Main points covered:

- 1. Integrating demography and economics
  - a. What is considered productive?
  - b. Demography and dependency matter for analyzing tradeoffs between the quantity of global population and its quality of life, as well as environmental and ecological constraints
- 2. Contours of demographic change
  - a. Trends related to care needs

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- b. Changes in age structure
- 3. "Dividends" and disadvantages
  - a. Demographic dividend
  - b. Inverted pyramid
- 4. Dependency ratios and social policy
  - a. Drawbacks of dependency ratios
  - b. The Care Diamond
  - c. King et. al reading
  - d. Mason and Lee reading

### b) Discussion questions:

- Any questions about lecture or readings?
- Check out the population structure of your own country at https://www.populationpyramid.net
- What does the "care diamond" look like for your country? What do you think it should look like?
- Has your country implemented a time-use survey? Are the data available? Has any research been published using this data? (This info will be useful for next two lectures and discussion).

### c) Summary of discussion:

<u>Arabo:</u> time used survey did not account for cross country differences (education, intensity...). Nancy responded that the care diamond is different for each country and that time used should be improved. In the case of Ghana, the role of community in care diamond reduces pressure on family caregivers.

Maria: do you think framing of education and healthcare has led to the trend as it seems? What are the implications for gender if there is a transfer to private provision of care services? How can we prevent that from happening? Nancy responded: In reality, a lot of care in many countries is provided by the market. Subsequently, that contributed to inequality and poverty. The conventional wisdom has brainwashed people into thinking that public provision is unaffordable. The investment metaphor is a way of saying the opposite, creating and developing productive capabilities that we all depend on.

<u>Paulina:</u> How about people that do need care but don't have any like kids that are left alone because parents are working in sectors with no childcare available?

Nancy responded: There is a big connection between unmet needs and poverty and inequality. In fact, poverty is a form of unmet financial need. It is ironic that in the new popularity of looking at unpaid work, we sometimes lost sight of the fact that income and expenditures are also important parts of care. As economists, we should be pushing for more intersection between time and money as they are often complementing rather than substituting for each other.

<u>Anjana:</u> Follow up on Arabo and Maria questions, how to shift the burden and encourage community to be more involved in context where otherwise, it is not?

Nancy responded: The nursing homes in the US receive low subsidies from the government and they are mostly for profit. A combination of both has led to low quality care services. There has been a big push to reallocate public spending away from nursing homes towards home and community-based care that will cost less because no facility or infrastructure is needed. However, some states have argued that it will be more costly because the demand for such high-quality care service will drive the public spending up. It is a powerful example of how cost cutting, and budget austerity can encourage reliance on inefficient.

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<u>Suriyani:</u> In the context of Malaysia, there are demand for daycare, but it is hard to get a good quality yet affordable nursing home. Malaysian leans toward home and community-based care with care workers go to elders' houses and look after them from 8am to 6pm

<u>Niroshi:</u> In context where retired grandparents are helping with child-care, the time used survey fails to capture the fact that some parents responded that they do not do substantial care work due to support from grandparents Nancy responded: There are evidence that grandparents play an important role in child-care as providing backup rather than full time care. There is a lot of scope for creative research on intergeneration mutual aid.

<u>Hasna:</u> People are better care when they are within a community or with their families. The trend of moving toward nuclear family has put the care burden disproportionately on one person. How do we implement policies that encourage support and address the matter?

Nancy responded: It is true that there are historical trends that shifted care burdens on to especially children under parents. There is an interesting scope for comparative cross countries analysis of family structure and historical trends.