

THE CARE ECONOMY

Ito Peng

**Department of Sociology, and
Munk School of Global Affairs and Public
Policy**

University of Toronto

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3. Policy initiatives and gaps

THE CARE ECONOMY IN CANADA

- The care economy in Canada (www.TheCareEconomy.ca)
 - 12.75% of the GDP and
 - 21.1% of all jobs in 2020
- The value of unpaid household work (Statistics Canada 2022)
 - 2019: \$581.6 billion - \$860.2 billion (between 25.2% and 37.2% of the GDP)
 - women's share of total hours of unpaid household work, and their value were about 60%, and 57-59%, respectively.

Table 1
Summary statistics on the value of unpaid household work by method, Canada, 2015 to 2019

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------------|-----------|-----------|-----------|-----------|
| | millions of dollars | | | | |
| Comparative statistics | | | | | |
| Household disposable income (HDI) | 1,129,880 | 1,132,758 | 1,189,367 | 1,224,918 | 1,283,163 |
| Gross domestic product (GDP) | 1,990,441 | 2,025,535 | 2,140,641 | 2,235,675 | 2,311,294 |
| | millions of hours | | | | |
| Hours of unpaid household work | 31,592 | 31,592 | 31,592 | 31,592 | 31,592 |
| | millions of dollars | | | | |
| Value of unpaid household work | | | | | |
| Net opportunity cost | 682,823 | 702,577 | 713,848 | 732,662 | 754,943 |
| Gross opportunity cost | 778,238 | 798,884 | 810,958 | 834,383 | 860,150 |
| Replacement cost | 516,915 | 530,857 | 543,506 | 571,181 | 581,645 |
| | percent | | | | |
| Value of unpaid household work as a percentage of GDP | | | | | |
| Net opportunity cost | 34.3 | 34.7 | 33.3 | 32.8 | 32.7 |
| Gross opportunity cost | 39.1 | 39.4 | 37.9 | 37.3 | 37.2 |
| Replacement cost | 26.0 | 26.2 | 25.4 | 25.5 | 25.2 |
| Value of unpaid household work as a percentage of HDI | | | | | |
| Net opportunity cost | 60.4 | 62.0 | 60.0 | 59.8 | 58.8 |
| Gross opportunity cost | 68.9 | 70.5 | 68.2 | 68.1 | 67.0 |
| Replacement cost | 45.7 | 46.9 | 45.7 | 46.6 | 45.3 |
| | dollars | | | | |
| Value of unpaid household work per capita | | | | | |
| Net opportunity cost | 27,280 | 28,070 | 28,520 | 29,270 | 30,160 |
| Gross opportunity cost | 31,100 | 31,920 | 32,400 | 33,340 | 34,370 |
| Replacement cost | 20,650 | 21,210 | 21,720 | 22,820 | 23,240 |

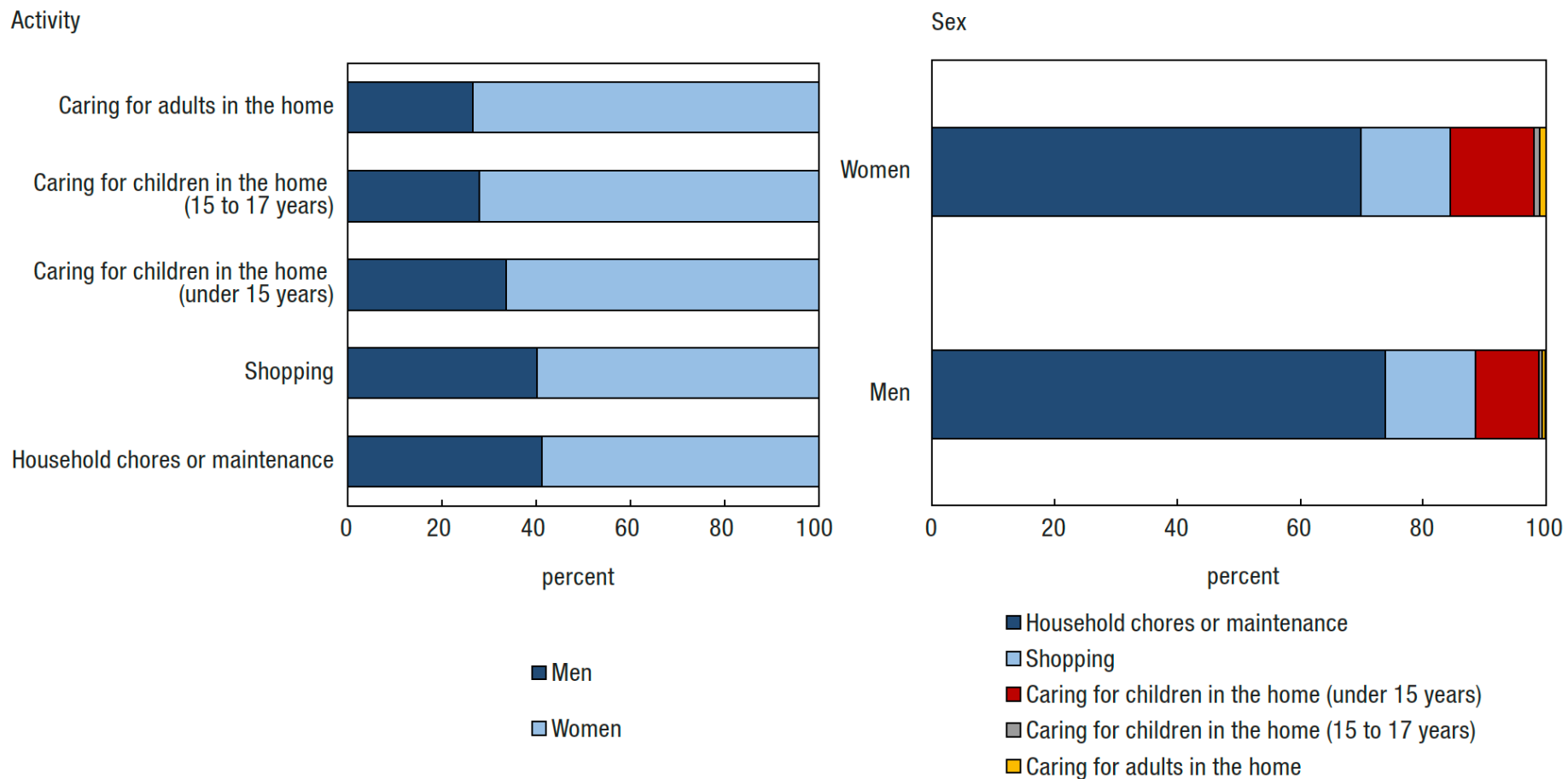
Source: Statistics Canada, Tables 36-10-0221-01 and 36-10-0224-01, special tabulation, "Measuring the economic value of unpaid household work in Canada, 2015 to 2019," *Latest Developments in the Canadian Economic Accounts* (13-605-X), 2022.

Table 2
Summary statistics on the value of unpaid household work by method and sex, 2015 to 2019

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------------|---------------------|---------|---------|---------|---------|
| | millions of hours | | | | |
| Women | | | | | |
| Hours of unpaid household work | 19,001 | 19,001 | 19,001 | 19,001 | 19,001 |
| | millions of dollars | | | | |
| Net opportunity cost | 392,489 | 405,754 | 412,406 | 424,386 | 437,447 |
| Gross opportunity cost | 439,247 | 453,028 | 459,920 | 474,510 | 489,736 |
| Replacement cost | 302,730 | 311,155 | 318,847 | 335,667 | 341,336 |
| | millions of hours | | | | |
| Men | | | | | |
| Hours of unpaid household work | 12,591 | 12,591 | 12,591 | 12,591 | 12,591 |
| | millions of dollars | | | | |
| Net opportunity cost | 290,334 | 296,823 | 301,442 | 308,276 | 317,496 |
| Gross opportunity cost | 338,991 | 345,856 | 351,038 | 359,873 | 370,414 |
| Replacement cost | 214,185 | 219,702 | 224,658 | 235,514 | 240,310 |
| | percent | | | | |
| Women's share of total | | | | | |
| Hours of unpaid household work | 60.1 | 60.1 | 60.1 | 60.1 | 60.1 |
| Net opportunity cost | 57.5 | 57.8 | 57.8 | 57.9 | 57.9 |
| Gross opportunity cost | 56.4 | 56.7 | 56.7 | 56.9 | 56.9 |
| Replacement cost | 58.6 | 58.6 | 58.7 | 58.8 | 58.7 |

Source: Statistics Canada, special tabulation, "Measuring the economic value of unpaid household work in Canada, 2015 to 2019," *Latest Developments in the Canadian Economic Accounts* (13-605-X), 2022.

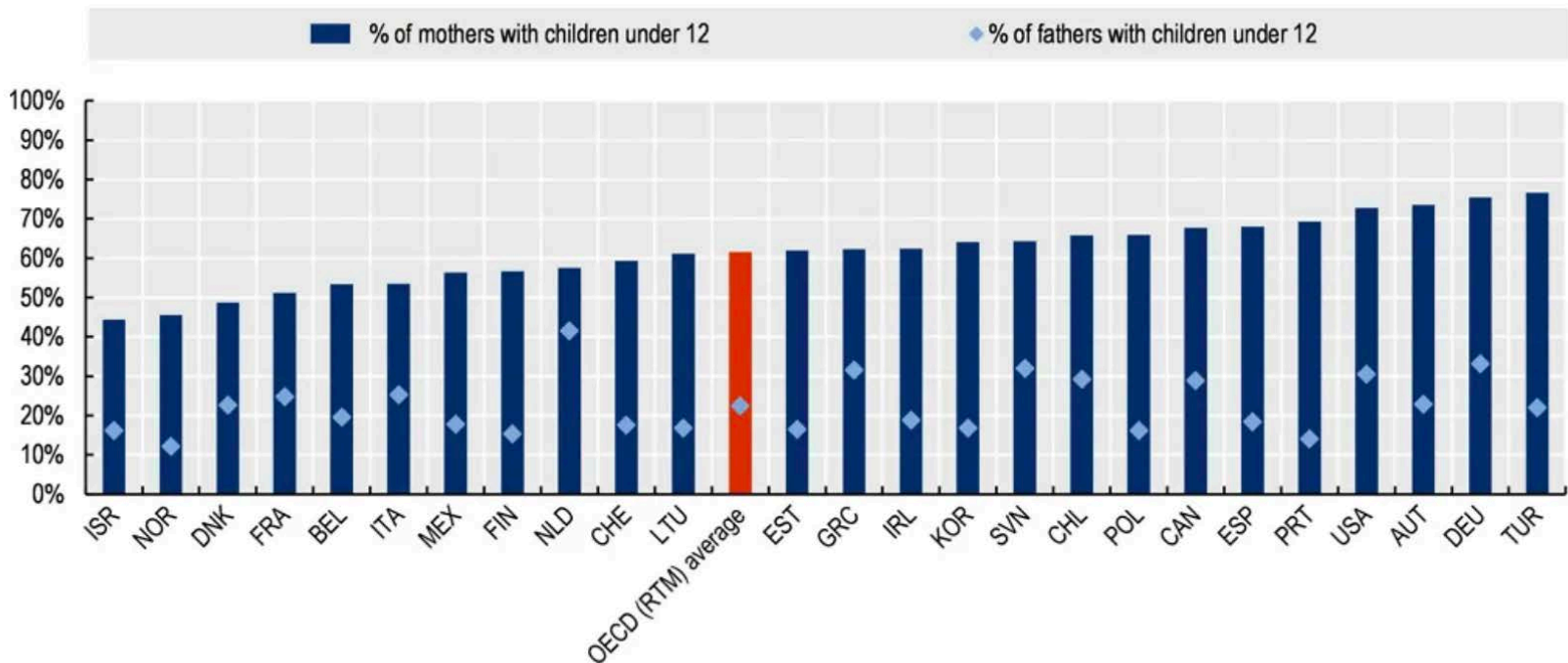
Chart 2
Share of total unpaid household work hours by activity and sex, 2015



Source: Statistics Canada, special tabulation, "Measuring the economic value of unpaid household work in Canada, 2015 to 2019," *Latest Developments in the Canadian Economic Accounts* (13-605-X), 2022.

COVID was hard on families, particularly mothers of small children

Share of parents with at least one child under 12 who report that they took on all or the majority of the additional care work caused by school or childcare facility closures, by gender, 2020



Source: OECD 2020 Risks that matters survey

II. WHY CARE ABOUT THE CARE ECONOMY



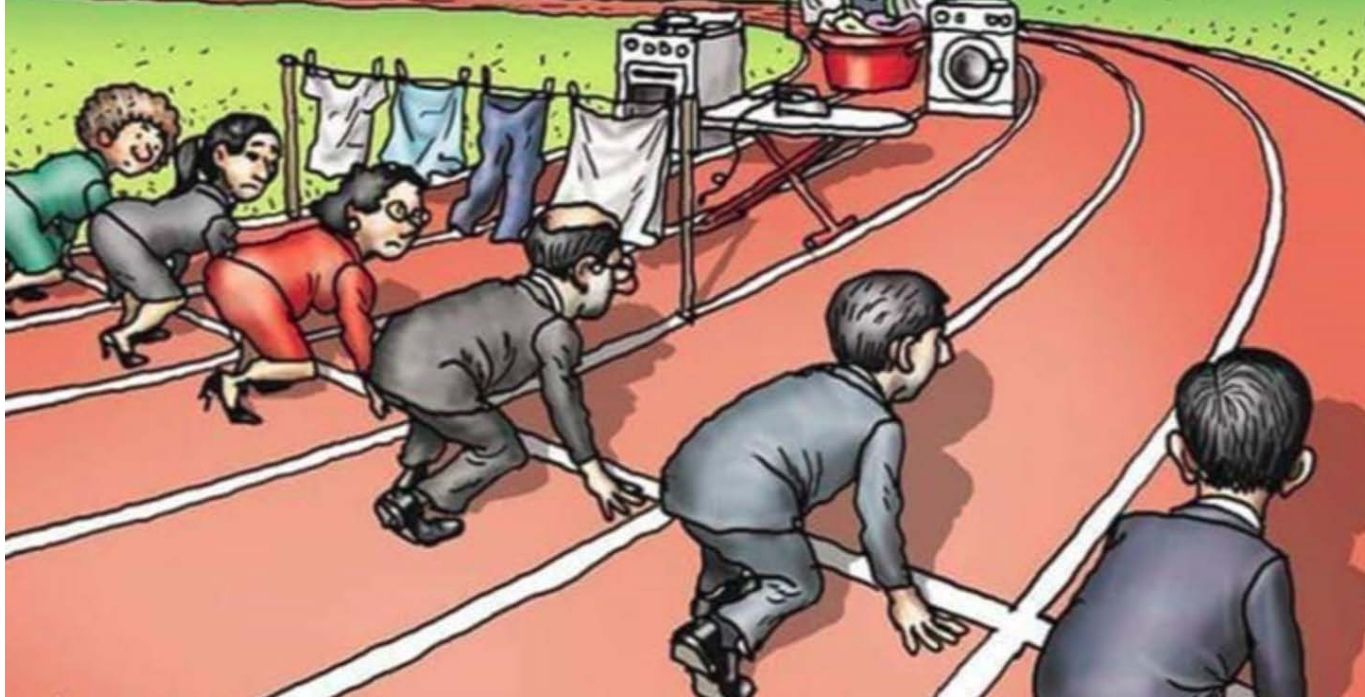
I. The care economy is not only a huge and important segment of our economy, but it also closely intersects with key social, economic and political issues.

- Care is central to sustainable and equitable and just economic growth and development.
- While the care economy offers opportunities for women, care is also a key source of gender, race and class inequalities.
- Women are main providers and recipients of care, but care work is undervalued, and immigrants and women of colour occupy the lowest strata of the care economy.

II. WHY CARE ABOUT THE CARE ECONOMY

2. The paid care sector is the fastest expanding sector of the economy today, both in terms of total GDP generated and of employment creation.

- In Canada, the service sector makes up 72 percent of the national GDP and nearly 80 percent of total employment – within this sector care-related services are the fastest growing subsector.
- In the US, direct care work (e.g. personal care aides, home help aides) has been growing faster than any other occupational group; by 2020 it will be the largest occupational group, surpassing retail sales.
- Given increasing care needs, it will be one of the most important drivers of future economic and employment growths.



- Reduction of women's unpaid work burden, revaluation of care work and better working conditions of paid care providers are vital to quality care and gender equality.
- However, the lack of policy tools to assess the growth, labour supply, and equity effects of public investment in care has promoted the belief that care has little impact on economic growth and development.

- Studies show that public investment in social infrastructure (the care economy) generates greater return in terms of employment generation than investment in physical infrastructure.

Table 7 Direct employment effects

| | Construction | | | Care | | |
|------------------|--------------------------|---|------------------------------|--------------------------|------------------------------------|------------------------------|
| | Number of jobs generated | Rise in head-count employment rate (% points) | Number of FTE jobs generated | Number of jobs generated | Rise in employment rate (% points) | Number of FTE jobs generated |
| Australia | 74,791 | 0.5 | 68,859 | 356,812 | 2.3 | 269,842 |
| Denmark | 29,380 | 0.8 | 22,989 | 75,228 | 2.1 | 47,359 |
| Germany | 504,181 | 0.9 | 476,299 | 1,402,416 | 2.6 | 1,125,163 |
| Italy | 230,904 | 0.6 | 224,297 | 562,869 | 1.4 | 508,276 |
| Japan | 1,143,819 | 1.4 | 1,052,666 | 1,612,291 | 2.0 | 1,313,488 |
| UK | 300,787 | 0.7 | 287,436 | 746,409 | 1.8 | 608,320 |
| US | 2,575,090 | 1.2 | 2,510,713 | 7,146,507 | 3.4 | 5,511,897 |

Source: ITUC 2016

- The finding is also similar in the case of Canada

CANADA 2014 data (Include employees and self-employed)

| | Total | Women | Total | Women |
|----------|-----------------|-----------------|-----------------------------|-----------------------------|
| | 23 Construction | 23 Construction | 623-24 Social care (merged) | 623-24 Social care (merged) |
| Direct | 157,697 | 19,461 | 889,408 | 769,910 |
| Indirect | 191,919 | 73,213 | 109,963 | 51,811 |
| Induced | 286,604 | 136,470 | 409,155 | 194,824 |

Source: Peng and Xu (work in progress 2019)

II. WHY CARE ABOUT THE CARE ECONOMY

3. The care economy depicts the crucial interdependence between the market economy and non-market, economic sector (e.g. household, community/NGO, etc.).

- It reveals the commonly-hidden constraints faced by women and girls when making decisions about jobs, going to school, attending training workshops, and participating in social and political activities.
- It uncovers the time dimension of poverty, food security, human capital investment, and gender inequality.

II. WHY CARE ABOUT THE CARE ECONOMY

4. The care needs of societies can no longer be left to families alone, especially relying on women's unpaid care labour.

- Changes in social, demographic and household structures has resulted in a huge demand for care, and there is a growing understanding that families cannot manage care all by themselves.
- The consequences of inadequate and poor care are grave and long-lasting.
- Governments have a crucial and vital role in addressing the growing demand for care – whether it be eldercare, childcare, the sick and disabled – and in assuring the quality of care.

Age 65+:

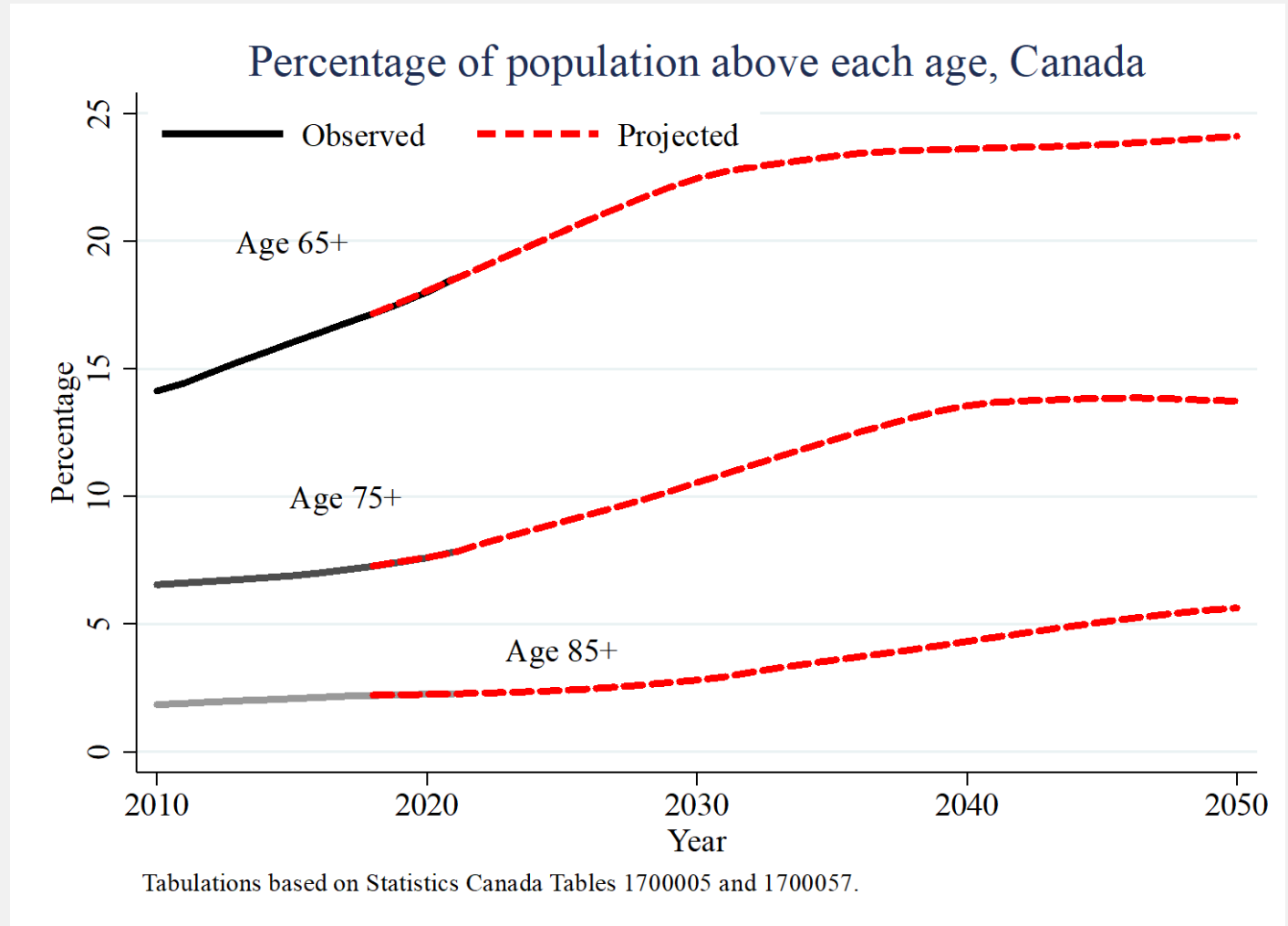
- Pensions

Age 75+:

- Healthcare

Age 85+:

- Long-term
Care



Source: Milligan, K. 2022. MQIISP-Oct 3 I

POLICY INITIATIVES AND POLICY GAPS

Governments are beginning to invest in the care economy:

- Federal \$30 billion investment in Early Learning and Child Care (ELCC) (2021-2026)
 - agreement with 13 provinces and territories
 - aim to reduce childcare fees down to average of \$10/day
- Some investment in LTC
 - Safe Long-term Care Fund agreements:
 - \$379 million – Ontario; \$115 million – Alberta
- The Canada Disability Benefit Act (Bill C-22) under discussion

POLICY INITIATIVES AND POLICY GAPS

We need:

- generous maternity and parental leaves and family care leaves.
- policies to incentivize employers to hire, retain, and support women to succeed.
 - direct care services, flexible working hours, mentorships, evaluations that attend to women and men's care responsibilities, education and training to change workplace culture.
- policies to redistribute unpaid care between women and men (e.g. non-transferable paternity leaves and care leaves for men)

POLICY INITIATIVES AND POLICY GAPS

We also need to:

- Reassess labour occupational skills and wage structure to fit the 21st century economic and labour market context.
 - the mainstream occupational skills criteria are based on the 19th/20th century industrial labour market and are not in keeping with the reality
 - review care work from a pay equity lens
- Improve quality of care by raising the wages and improve working conditions of care workers, undertake skills reassessment and skills training.
- Embed the value of care and the care economy in education from early on to educate next generation of men and women to do more care and to enter the care economy sector.

Table 2 Occupations with the largest two-year increases in job vacancies and average offered hourly wages, Q4 2019 to Q4 2021

| Occupations | Number of job vacancies | | Two-year-change— job vacancies | | Average offered hourly wage (\$) | | Two-year-change— hourly wage | | Percent change minus inflation (5.5%) | Female share (%) |
|--|---------------------------|---------------------------|-----------------------------------|---------|-------------------------------------|---------------------------|---------------------------------|---------|---|---------------------|
| | Fourth quarter 2019 | Fourth quarter 2021 | number | percent | Fourth quarter 2019 | Fourth quarter 2021 | dollar | percent | | |
| Registered nurses and registered psychiatric nurses | 10,575 | 22,955 | 12,380 | 117.1% | \$31.45 | \$32.55 | \$1.10 | 3.5% | -2.0% | 92% |
| Medical laboratory technicians and pathologists' assistants | 300 | 700 | 400 | 133.3% | \$25.45 | \$24.70 | -\$0.75 | -2.9% | -8.4% | 96% |
| Construction trades helpers and labourers | 6,980 | 18,035 | 11,055 | 158.4% | \$19.25 | \$22.05 | \$2.80 | 14.5% | 9.0% | 7% |
| Social and community service workers | 5,545 | 14,405 | 8,860 | 159.8% | \$20.20 | \$20.55 | \$0.35 | 1.7% | -3.8% | 78% |
| Nurse aides, orderlies and patient service associates | 11,300 | 20,490 | 9,190 | 81.3% | \$18.35 | \$20.10 | \$1.75 | 9.5% | 4.0% | 87% |
| Home care providers and educational support occupations | 6,690 | 12,610 | 5,920 | 88.5% | \$17.65 | \$18.95 | \$1.30 | 7.4% | 1.9% | 83% |
| Early childhood educators and assistants | 4,950 | 9,470 | 4,520 | 91.3% | \$17.55 | \$18.40 | \$0.85 | 4.8% | -0.7% | 92% |
| Light duty cleaners | 6,430 | 15,485 | 9,055 | 140.8% | \$15.80 | \$17.30 | \$1.50 | 9.5% | 4.0% | 70% |
| Cooks | 12,760 | 24,090 | 11,330 | 88.8% | \$15.55 | \$16.80 | \$1.25 | 8.0% | 2.5% | 41% |
| Retail salespersons | 34,355 | 51,150 | 16,795 | 48.9% | \$14.10 | \$15.45 | \$1.35 | 9.6% | 4.1% | 57% |
| Food counter attendants, kitchen helpers & related support occupations | 32,095 | 70,415 | 38,320 | 119.4% | \$13.85 | \$14.90 | \$1.05 | 7.6% | 2.1% | 63% |
| Store shelf stockers, clerks and order fillers | 10,455 | 19,495 | 9,040 | 86.5% | \$13.85 | \$14.40 | \$0.55 | 4.0% | -1.5% | 35% |
| Food and beverage servers | 8,765 | 21,465 | 12,700 | 144.9% | \$12.90 | \$13.85 | \$0.95 | 7.4% | 1.9% | 60% |

Source Statistics Canada. Table 14-10-0328-01 Job vacancies, proportion of job vacancies and average offered hourly wage by selected characteristics, quarterly, unadjusted for seasonality

source: Scott, K. (2022)

POLICY INITIATIVES AND POLICY GAPS

Finally, we need:

- Better and more full account/understanding of the care economy.

Need more comprehensive data on paid and unpaid care work in formal and informal settings.

- More gender-sensitive macroeconomic model that integrates the care economy.

THANK YOU

ito.peng@utoronto.ca

<http://cgsp-cpsm.ca/>