THE CARE ECONOMY IN GLOBAL CONTEXT
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OVERVIEW

- Defining the care economy, grasping the scale of it, and identifying who does the work
- Inequalities in the care economy, both paid and unpaid
- Policy implications – the 5 Rs – and challenges for low- and middle-income countries
- Lessons from COVID-19 on care – towards a paradigm shift?
How is the care economy defined?

The sector of economy that is responsible for the provision of care and services that contribute to the nurturing and reproduction of current and future populations.

Includes: childcare, elder care, education, healthcare, and personal social and domestic services. Provided in paid and unpaid forms; within formal and informal sectors.

Care work includes two overlapping types of activity:

a) direct, personal and relational care activities, e.g. feeding a baby or nursing an ill partner;

b) and indirect care activities, such as cooking and cleaning.
THE SCALE OF THE CARE ECONOMY

• Paid care is one of the fastest expanding economic sectors, a major driver of employment growth and economic development.

• E.g. in the OCED, service sector economy is 70% of total employment and GDP. In LMICs, nearly 60% of GDP.

• In service sector economy, care services is one of the fastest growing subsectors.

• ILO estimates global employment in care jobs will grow from 206 million to 358 million by 2030 based on socio-demographic changes alone.
WHO CARES?

381 million
Paid care workers globally

19.3%
of global female employment

Two thirds
of global care workforce are women

75.6 million
domestic workers, globally, 76%
of them women.
THE SCALE OF UNPAID CARE WORK

16.4 billion hours
Spent on unpaid care every day

9% of global GDP
If such services were paid on the basis of an hourly min wage

Equivalent of
2 billion people,
8 hours/day

76.2%
Of total hours of unpaid care work are provided by women and girls
IMPLICATIONS FOR INEQUALITIES

Figure 2. Time spent daily in unpaid care work, paid work and total work, by sex, region and income group, latest year
IMPLICATIONS FOR INEQUALITIES

- Unpaid care work = main barrier to women’s labour force participation.

- In 2018, 606m working-age women unavailable for employment, or not looking for work due to UCW (41m men).

- ‘Motherhood employment penalty’ for women living with young children, vs. a ‘fatherhood employment premium’.

- Mothers of children 0-5 have lowest employment rates, followed by non-mothers, then non-fathers. Fathers have the highest employment rates of all.
IMPLICATIONS FOR INEQUALITIES

Figure 4.2. Wage penalties/bonuses for care workers, selected empirical findings, by sex

- Sweden: Women -8.3%, Men 30%
- Netherlands: Women -15.6%, Men 11.8%
- Germany: Women 9.3%
- Argentina: Women -4%
- United States: Women -14.2%, Men -10.8%
- Canada: Women -15%
- Hungary: Women -21.2%
- France: Women -29%, Men -10.8%
- Mexico: Women -43.7%, Men -21.2%

Effect of care sector employment on earnings (percentages)

- Women
- Men
POLICY DIMENSIONS — 5Rs

- Recognize
- Reduce
- Redistribute
- Reward
- Representation
CHALLENGES FOR LOW- AND MIDDLE-INCOME COUNTRIES

• Weak health and education infrastructure, which makes expanding care services more difficult, and harder to prioritize. Rapidly ageing populations.

• Care is not one policy issue, it spans many and has implications for labour, immigration, housing, infrastructure, macroeconomic policy, social protection and more. Which ministry leads and coordinates?

• Parental leaves – how to implement when most people are informally self-employed? Challenge of low social security coverage.

• National care systems in Latin America are showing promise.
LESSONS FROM COVID-19 ON CARE

- **Care sector workers**: Social recognition rose, but economic penalties persisted

- **Care services**: Longstanding deficits increased vulnerability to shocks

- **Unpaid care work**: Families and communities stepped up but were stretched thin by lack of support.
Towards a Paradigm Shift?

• Instead of being reduced to a commodity, a personal choice or a family obligation, care is recognized as a public good.

• Instead of freeriding on women’s unpaid and underpaid labour, society as a whole assumes the costs of quality care for all.

• Workers in the care sector enjoy equal pay for work of equal value, with value being redefined to recognize social contributions, not merely market-based rewards.

Key levers for care-led recovery and transformation

• Redefining public spending on care as an investment

• Reassessing partnership models for service delivery

• Building broad-based coalitions for change
KEY RESOURCES
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