

Point of View/*Winnie Byanyima*

## Care economy central to poverty reduction

For many developing countries, a key challenge in promoting women's economic empowerment is integrating gender equality issues into national development planning processes. Progress has been made in integrating gender equality in the social sectors. However, the economic sectors are in most cases assumed to be "gender-neutral." There is a need to fully integrate a gender dimension in national development frameworks and to ensure that poverty reduction policies are consistent with macro-economic frameworks and funding modalities. To address the gender dimensions of poverty, it is important to take into account the role of unpaid care work in the whole economy.

Unpaid work includes: Work done in a family enterprise or agricultural holding on an unpaid basis to produce products that are marketed; work done to produce goods for household own consumption; including production of crops and livestock, basic food processing, gathering firewood and fetching water; and constructing housing.

Other unpaid work that is uncounted in standard national accounts includes: meal preparation, laundry, cleaning and household maintenance and shopping; care of children, the sick, elderly and disabled within the household and volunteer services provided through civil society organizations.

Like paid work, unpaid work is organized through a gendered division of labor, in which some tasks are predominantly done by men and boys and others by women and girls. Men tend to do more paid than unpaid work. Unlike paid work, unpaid work is not immediately recognized as work. Unpaid work may have rewards, but they are not in the form of wages or profits; and this puts those who primarily do unpaid work, mostly women, at a disadvantage in a monetized world.

### **A balancing act**

The "care economy" as opposed to the productive economy, is that in which people take care of each other. The care economy includes child bearing, childcare, care for the disabled, the sick and the elderly, education, health, pensions for the elderly, the criminal justice system, religion and the arts, and all those activities that keep society stable, orderly and cohesive. Much of the work in the care economy is done in households and communities by women and is unpaid. Some of it is done by the

state and the private sector and is usually paid. Governments have been known to shift the burden of care work back and forth across different sectors such that there is no linear and inevitable path as such from "private" (family and voluntary) provision of care to "public" provision (by the state and market).

The two economies, productive and care, are interdependent and interconnected. Without people who are educated, healthy, and sane, society could not be productive. And if the production of goods and services was not efficient, society wouldn't be able to feed and clothe all of the people who are working in the care economy. However, Statistics on Gross Domestic Product completely exclude the unpaid work that women, men and children do in the home, but estimates suggest that the value of this activity could add close to another 50 percent to total GDP, especially if one also includes all the hours spent in volunteer activity and community action.

In the past, men worked in the productive economy and women worked, usually for little or no compensation, in the care economy. This system was able to produce high quality care, but at an enormous cost— women's economic, political and social opportunities were severely restricted. As women demanded equality, this system collapsed. Women's entry into the paid work force, a near-global trend, has reduced the time available for unpaid care of family and communities. While the decline in fertility across many regions means that there are fewer children to be cared for, demographic aging in some countries, (such as Japan), and major health crises in others, (such as HIV/AIDS in sub-Saharan Africa and parts of Asia), have intensified the need for caring services.

### **Shouldering the burden**

In many developing countries where public health services have been severely weakened during the decades of economic and state reforms, much of the care burden has inevitably fallen back on poor women and girls. Paid care services have become a growing sector of the economy in many contexts, especially in the more developed economies, as a result of women's increasing participation in the paid labor force. These services in turn employ many women, including migrant women. In this context, the quality of care, and the pay and working conditions of carers, have become important policy issues. Paid care services have tended to generate low pay and low quality outcomes—adversely affecting both care workers and the recipients of care.

In the eighties, many women's rights advocates called for cash compensation to mothers and housewives. This has now given way to a more sophisticated advocacy based on recognizing and valuing different forms of care. Today, advocates emphasize that care work should not be seen as something that only women can or

should do, given that such gendering limits women's economic opportunities and political participation.

The Millennium Development Goals (MDGs) embody the powerful agenda of a global partnership to fight poverty, offering a shared vision of a better world and specific goals to be reached by the year 2015. Goal 3, dealing specifically with Gender Equality and Women's Empowerment, encompasses the goals and objectives of the Beijing Declaration and Platform for Action.

How issues of care are addressed by society has significant implications for the achievement of this goal, by either broadening the capabilities and choices of women and men, or confining women to traditional roles associated with femininity and motherhood. It also has implications for the achievement of all the other MDGs.

Although the MDGs themselves do not include any mention of work, neither paid or unpaid, their achievement depends, among other things, on how unpaid care work is addressed.

In the African context, for example, recent developments which have had a direct impact on unpaid care work, include the economic crises which most sub-Saharan countries went through from the 1980s and which have persisted for almost two decades; the structural adjustment programs which included privatization of basic social services, the erosion of state capacity, including the value of social provisioning; increasing unemployment, deepening poverty; globalization which has produced a set of new opportunities and constraints; and inter and intra-state conflicts that have produced millions of refugees and IDPs. These developments have impacted directly on households causing changes in the gender division of labor, producing new pressures on the allocation of women's time, and steering women into various new activities to secure the welfare of their families.

There is a growing volume of evidence to show that in Africa and in other developing regions, poor women's role in the care economy intensifies their poverty and insecurity as opportunities for income generation are lost and a large proportion of an already meager income is spent on care. The more the burden of care falls on women in households and communities, the less they are able to engage in activities that have the potential to empower them.

In addition, women's care work in the context of HIV/AIDS has a very high opportunity cost and an unsustainable impact on social and economic levels. In Swaziland, for example, school enrollment is reported to have fallen by 36 percent due to AIDS, with girls being the most affected. While women produce between 60-80 percent of the food in most developing countries, the extra burden of care and support for those infected and sick has often meant moving away from productive agricultural work. Food security and nutrition are threatened due to falling agricultural production, caused by loss of family labor, mainly female labor.

## **Care work in the MDGs agenda**

Unpaid care work, therefore has implications for the achievement of the MDG targets on poverty and hunger, education, gender equality, child mortality, maternal mortality, HIV/AIDS and water and sanitation (MDG1 up to MDG7).

From the point of view of achieving the MDGs through external aid (ODA-supported capital accumulation reflected in MDG8 targets), the significant point about tax and unpaid work is that the larger the share of output that is produced by unpaid work, the more difficult it will be to increase tax revenues; and the greater dependence there will be on ODA.

The basic problem is that a sustainable capital accumulation process requires an increase in marketed output to generate tax revenue and foreign exchange, but this may be at the expense of production of non-marketed output—the goods and services of the care economy. This in turn may jeopardize MDG goals. This can be avoided if there is an increase in the productivity of non-market production. The key way to promote this in low-income countries is through investment in appropriate infrastructure. This is recommended by the Sachs report on achieving the MDGs.

However, the lack of visibility of this sector of production, and women's lack of voice and bargaining power in decision-making in both public and private investment, are strong barriers to the fulfillment of this recommendation. The outcome may be an increase in growth of marketed production, but at the expense of an increase in the total amount of time spent in work, taking into account paid and unpaid work.

Therefore, more attention needs to be paid to work, paid and unpaid, in policy development for the achievement of the MDGs. Unpaid care work needs special attention because otherwise it is invisible and taken for granted, both by policy makers and ordinary members of society. In low-income countries, there are immediate needs for infrastructural investment, especially in water, transportation and energy, to reduce the amount of non-market work done by women. There is need for a mix of policies to reduce, support and redistribute unpaid care work.

## **Time for policy change**

For rapidly growing, and middle-income countries, it is necessary to envision new policies that can integrate the productive and care economies, paid and unpaid work, into one unified structure that is efficient in producing quality goods and public services and quality care.

As the clock ticks on towards the MDG 2015 targets, it becomes more urgent for developing countries to accelerate their efforts to empower women and promote gender equality. This is because the evidence from around the world confirms that gender equality accelerates overall economic growth, strengthens democratic governance and reduces poverty and insecurity.

One of the main priority areas in UNDP's new Corporate Gender Strategy is examining the burden of care in countries with less formalized labor markets and weaker forms of state social provisioning, and identifying the mix of policies needed to reduce, support and redistribute care work to enable overall well-being and enhance gender equality.

UNDP is working in partnership with others to explore how the provision of unpaid care is combined with paid work for different household members.

We are trying to compare the value of total paid work in the economy with the value of total unpaid work, including the sex breakdown for the paid and unpaid work, and the value of unpaid care work compared with different types of tax revenue. This comparison would support the argument that caring for others constitutes a type of tax. Ordinary monetary taxes constitute a contribution that people are forced to make to the welfare of society in general rather than for their own benefit, and often includes a larger contribution by men than women (because of men's greater labor force participation and higher earnings). In contrast, unpaid care work constitutes a contribution to general welfare, made primarily by women.

The studies we are undertaking are aimed at informing national development strategies and policies and to support the agendas of civil society advocates who are working on issues of gender equality and poverty reduction.

*Winnie Byanyima is director of UNDP Gender Team.*