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Rethinking care, gender inequality and policies

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The economics of care

Caring has some specific features of that distinguish it from other economic activities:

1. *Care is a personal service*, not just the production of a product that is separable from the person delivering it, but the *development of a relationship* which has implications for attempts to raise the productivity of care and deliver it more flexibly
2. The need for care and the ability to provide it are *unequally distributed* and tend not to go together
3. *Social and personal norms* matter in perceptions of who is seen to need care, how that care should be delivered and by whom.

These characteristics of care mean that the commodification of care has not been, and in general cannot be, the relatively smooth market-led process that attended the commodification of other aspects of household labour, where wages earned on the labour market allowed affordable commodity substitutes to be purchased.

Difficulties in the commodification of care

The relational characteristics of care

Care is a personal service that requires presence. This means that caring for someone takes a given amount of time that has to be provided when it is needed. And good care is also the development of a relationship. These characteristics of care have important implications for the commodification of care (Himmelweit, 2007)

First, without lowering standards, the productivity of caring cannot be raised substantially through mass production. This process was crucial in the commodification of other domestically produced goods, where standards and productivity could generally rise simultaneously. This is because caring, as well as performing physical activities, is the development of a relationship between a carer and the person cared for. This limits how many people can be cared for at the same time. While this limit may be different for different caring relationships, after a certain point spreading care over more people becomes synonymous with reducing quality. Indeed, what in other industries would be seen as measures of high productivity are specifically taken as indices of low quality when it comes to care.

The forces of innovation and competition that increase productivity in most other industries can do so to a much more limited extent in care. Increasing productivity elsewhere in the economy results in a rising opportunity cost of cargo fyo ta 2.9( )-5.3(ti)yas per-5.8(er re)7.quTJ16.5228175TD-.0

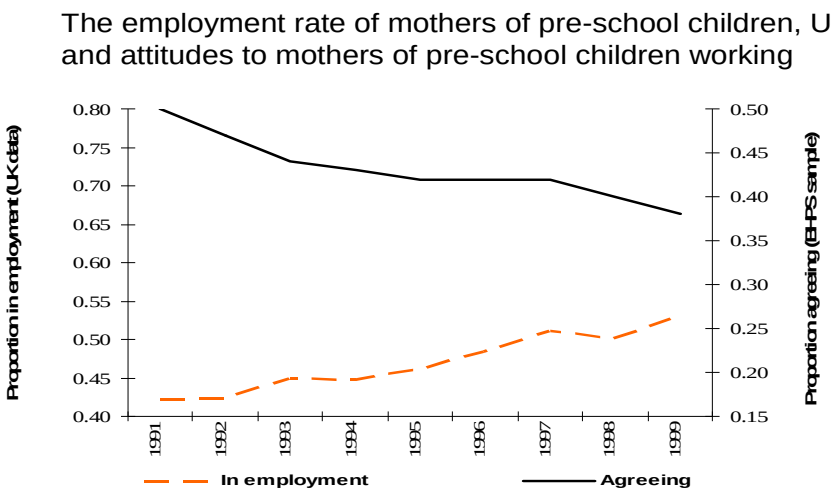

Figure 1: The employment rate of mothers of pre-school children and proportion of the whole population agreeing that "pre-school children suffer if their mother works". Source: BHPS

Positive feedback can stabilise existing patterns of behaviour. However, once change starts, positive feedback between social norms and practices makes them subject to quite rapid change (and therefore policy too in such circumstances). For example, Figure 1 shows the r454nh150 -.9 l18 ref188.03.6(t (U-)1.6(an4)5.yr an4 5n t6(e)3.79 0 -5.lan4 J19.4(i).4(ou).4352 0 T5.end 2.65.3(t

There are, of course, other ways of providing paid care to substitute for unpaid care in which the state helps with some or all of the. In different regimes we see differently types of state involvement. One method is to subsidise the purchase of paid care from the private sector. This is the UK solution, though it is inconsistently applied because the subsidy is means tested on household income rather than on the new entrant's wage. Alternatively one could have public sector provision with low fees for those on entry-level wages (the Scandinavian solution). Or there could be direct subsidies to providers of care for those on entry level wages, a system adopted by some regional authorities in Spain and for community based child care centres in Australia in the early 1990s.

However all these sectors are themselves subject to pressures through inherently low productivity growth in caring. In the private sector, profits will be squeezed by rising costs,

Throughout the world care has become an object of social and economic policy because:

- Caring restricts individuals' access to the labour market
- Social norms often support:
    - a conception of care as a basic need for which, to a greater or lesser extent in different societies, there is a societal responsibility to provide, at least where

Long working hours make it difficult for those with caring responsibilities to work a normal working day. Policies to limit working hours therefore have to be universal and mandatory if they are to be effective in reducing gender inequalities. Otherwise employers will still be able to require workers to work long hours, disadvantaging on the labour market those who need to work shorter hours because of caring responsibilities. Given current gender norms, and the

Allowances to support informal care

A final form in which policy can support informal care is by paying allowances to otherwise unpaid carers of adults or parents, unconnected with employment rights, to enable them to take time out of employment. Whether such payments are good for women has been a matter of debate among feminists (Himmelweit et al, 2004). On the one hand, many women who

of raising productivity, employers in the care sector have limited options if they are unable to pass on rising costs: all they can do is lower the quality of provision or attempt to hold wage rises below those enjoyed in the rest of the economy. However, rising demand for care services is likely to restrict the ability of employers in both the childcare and social care sectors to hold down wages except by employing a larger proportion of untrained workers and recruiting from groups, such as immigrants, that may be more willing to work for low wages. Governments have from time to time supported such processes by allowing immigrants to work under inferior conditions or by diluting training requirements in the face of labour shortages. All these practices work against gender equality, as well as the quality of care provision.

Policy that makes the opposite response to rising costs and labour shortages and improves conditions in the care industry, by instituting a proper career structure, backed up by well-funded training, would make a significant contribution to improving gender equality. This would be both through improved pay in the female-dominated care sector (which might then become less female-dominated), and through resulting better quality care provision encouraging more women to use paid care to improve their own position in the labour market. The quality of care provided, although primarily an issue of improving the experience of those receiving care (and potentially raising developmental outcomes for children), is also relevant to promoting gender equality in so far as low quality care provision is less likely to overcome resistance to its use.

Enabling all those with caring responsibilities to enter employment would require public spending to keep up with rising costs in the care sector. The cost to the public purse would undoubtedly be high and would depend not only on the costs of care provision but also on the level of inequality in the economy, for the wider the dispersion in wage levels the more people will need subsidised care and the less they will be able to contribute to its cost if employment is to be affordable. Because the costs of care are usually set against a woman's wages in assessing affordability and most paid carers are women, in practice it is the level of inequality within women's wages that is the most relevant here.

Overall considerations

We have seen that policy on care can in practice work to reduce or exacerbate gender inequalities. Similar issues have come up in considering different policies.

First, given existing gender norms providing too much "choice" may work against gender equality; this is because choices that people make about caring responsibilities are made in the context of families where gender norms and power imbalances are often at their most acute. Thus giving families choice may make equality less attainable for women than if more uniform good practice were to be encouraged. It is notable that in countries with more equality, such as those in Scandinavia, there is also more homogeneity in the caring and employment solutions that governments support and families adopt. The promotion of gender equality will require gender norms to change. We have seen in parental leave an example of where some restrictions as to who takes it can be an important step in challenging unequal gender norms. Conversely, the UK's interpretation of the Working Time Directive, which allows workers the choice to agree to longer hours and has resulted in the largest gender divisions in Europe on working hors, gives an example of where policies justified as maximising individual freedom can reinforce gender inequalities.

However men cannot be forced to care, nor would attempting to do so be in the interests of those they care for (even if for centuries women have had little alternative). There are therefore two questions to consider in assessing the impact on gender divisions of policy that enable men or women to take time out of employment. These are, first, how gendered the uptake of such opportunities will be and, second, what disadvantages are associated with their uptake, given that under current gender norms these are more likely to impinge on women than men. These two issues are connected for the fewer the disadvantages the more likely men are to take them up. The policies that cause least disadvantage to those who make use of them are those that lead to little loss of income and have least effect on future prospects. These include flexible working arrangements and leave that is state-funded, paid at earnings related rates and not too long. Payments for informal care that are not associated with any right to return to a particular job do not fulfil this criterion and are likely to exacerbate gender divisions, by disadvantaging those who take them up. They are also the least likely to be taken up by men. The only approach that actively encourages greater equality of take-up and challenges gendered caring roles is have non–transferable parental leave that is available as a separate non-gendered individual entitlement for each parent and is relatively well paid (Moss and Deven, 2006).

Polices that tend to exacerbate gender divisions are those which, although they may be supported by many mothers, reinforce traditional gender roles by encouraging mothers in particular to take time out of the labour market for long periods. Extensions to maternity or parental leave at low rates of pay and payments to parents to look after their own children are examples of such policies. As the analysis earlier in this paper showed, the deleterious gender effects of such policies are not removed by simply making their availability gender neutral.

Similarly, in a different context, the policies that provide most choice to those looking for substitute care may have deleterious effect on gender inequalities through the employment conditions of those who provide that care. Paid carers, nearly all women, can be particularly vulnerable workers because they may develop caring relationships with their employers and are often isolated. Public provision or regulation of private provision may indeed restrict choice, but that may be necessary to prevent the expansion of paid care entrenching or even worsening existing gender inequalities.

Second, policy on care that is effective in reducing gender inequality is expensive. This is because, unless the pay and conditions of care workers are to fall further behind those of other workers, care costs must inevitably rise. So if the aim is to promote gender inequality by bringing women into the labour market, increasing subsidies for those who cannot earn enough to purchase substitute care will be needed. Similarly, the cost of providing paid leave to workers with caring responsibilities will increase with rising wages. And both of these costs will rise faster if the success of gender equality policies means that an increasing proportion of workers have caring responsibilities and thus are more likely to need subsidised care and to take caring leave. The scale of those subsidies, in whatever form they take, will therefore need to rise even faster than the cost of care, taking an increasing share of GDP.

Some of the policies that we have considered are less expensive because they involve spending less on unpaid carers, through offering only unpaid parental leave for example, or on paid carers, through deregulation or allowing the use of cheaper labour. These are the policies on care that exacerbate gender inequalities, by allowing caring responsibilities to disadvantage women in the labour market and discouraging men from sharing caring roles.

Policy on caring that impacts positively on gender inequalities does not come cheap (Himmelweit and Land, 2007).

However, as we have seen, good policy on care is so expensive only because elsewhere in the economy increasing productivity raises real wages and expectations. With rising gross incomes, the increased tax rates that would be needed to fund even the most costly of the policies considered here would, after an initial adjustment, be compatible with rising after tax incomes. Spending more on care in such a way that gender equality is promoted is therefore not only feasible but affordable.

The need for an economic strategy for caring

An economic strategy for caring is needed if caring standards are not to fall and care workers fall further behind others in their pay and conditions. Such a strategy is also necessary to the realisation of any growth and employment policy that includes encouraging those currently engaged in unpaid caring to enter the labour market.

Further, an economic strategy for caring could counterbalance the growing emphasis in policy on increasing growth and employment. There are inherent dangers to caring in such strategies. As increased pressures to take employment impinge, people may be less willing and able to fulfil caring norms. Changing practices are likely then unevenly to affect social and personal norms. Those who assume caring responsibilities despite

popularity by squandering the benefits of fiscal drag on tax cuts, that in itself can pay for the rising spending on care associated with rising productivity elsewhere in the economy. It is appropriate that the benefits of those productivity gains should be shared with those needing care, including *raising* the proportion of GDP spent on care where care needs increase, as they have in the context of HIV/Aids.

This is an urgent question of political will and power. Not to adopt such an economic strategy for caring now, will shift power away from those who continue to care, erode caring norms, and make it more difficult to do so in the future. Without such a strategy standards and availability of care will fall with high cost to society as a whole and fall particularly heavily on those who continue to care.

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