



The invisible heart— care and the global economy

Studies of globalization and its impact on people focus on incomes, employment, education and other opportunities. Less visible, and often neglected, is the impact on care and caring labour—the task of providing for dependants, for children, the sick, the elderly and (do not forget) all the rest of us, exhausted from the demands of daily life. Human development is nourished not only by expanding incomes, schooling, health, empowerment and a clean environment but also by care. And the essence of care is in the human bonds that it creates and supplies. Care, sometimes referred to as social reproduction, is also essential for economic sustainability.

Globalization is putting a squeeze on care and caring labour. Changes in the way that men and women use their time put a squeeze on the time available for care. The fiscal pressures on the state put a resource squeeze on public spending on care services. And the wage gap between the tradable and non-tradable sectors puts an incentive squeeze on the supply of care services in the market. Gender is a major factor in all these impacts, because women the world over carry the main responsibility for these activities, and most of the burden.

In a globally competitive labour market, how can we preserve time to care for ourselves and our families, neighbours and friends? In a globally competitive economy, how do we find the resources to provide for those unable to provide for themselves? And how can societies distribute the costs and burdens of this work equitably—between men and women, and between the state and the family or community, including the private sector (box 3.1)?

To answer these questions requires an understanding of what care is, how it is provided, who bears the costs and the burdens and

what the critical paths are to negotiating an equitable solution. These are little-explored issues, but an exciting new body of work is probing them.

HUMAN DEVELOPMENT, CAPABILITIES AND CARE

The role of care in the formation of human capabilities and in human development is fundamental. Without genuine care and nurturing, children cannot develop capabilities, and adults have a hard time maintaining or expanding theirs. But the supply of care is not merely an input into human development. It is also an output, an intangible yet essential capability—a factor of human well-being.

Most adults need care in the emotional sense, even if not in the economic sense of relying on one another. A clear manifestation of this is the positive effect of social support and social relationships on life expectancy—at least as significant as the negative effects of cigarette smoking, hypertension and lack of physical exercise. Married adults enjoy lower risks of mortality than those who are unmarried.

The difference that care makes for child health and survival is also well documented. A UNICEF analysis identifies caring as the third underlying factor in preventing child malnutrition, after household food security and access to water, health care and sanitation facilities. It is what translates available food and health resources into healthy growth and development. For example, risks of malnutrition and illness depend significantly on whether a child is breast-fed and how long, at what age it is given complementary foods and whether it receives immunizations on schedule. Many studies show that malnourished children grow

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faster when they receive verbal and cognitive stimulation—special attention can encourage a child in pain to eat.

Another link between human development and care relates to equity for the providers of caring labour. These activities are often identified with women's unpaid work in the domestic sector. This is an important source, but there are others. Not just the family but the community plays an important role. So do men, though their contribution is smaller than women's in most countries. The private sector provides domestic service,

teaching, nursing and similar services. The public sector also provides many services in these areas (figure 3.1).

But in almost all societies the gender division of labour hands the responsibility for caring labour to women, much of it without remuneration—in the family or as voluntary activity in the community. *Human Development Report 1995* estimated that women spend two-thirds of their working hours on unpaid work (men spend just a fourth), and most of those hours are for caring work. The hours are long and the work physically hard—fetching water and fuel, for example—especially in rural areas of developing countries. In Nepal women work 21 more hours each week than men, and in India, 12 more hours. In Kenya 8- to 14-year-old girls spend 5 hours more on household chores than boys. These inequalities in burden are an important part of the obstacles women face in their life choices and opportunities.

Women also make up a disproportionate share of workers in domestic service and in professions such as child care, teaching, therapy and nursing. These occupations offer low pay relative to their requirements for education, skills and other qualifications—another source of gender biases in opportunities.

CARE—OR “TENDER LOVING CARE”

Care can mean a feeling of care, an emotional involvement or a state of mind. Personal identity and personal contact—especially face-to-face contact—are key elements of care services, involving a sense of connection between the givers and receivers. The care-giver may be motivated by affection, altruism or social norms of obligation. The care-receiver has a sense of being cared for. These elements are frequently there even when the care-giver is a paid employee. Individuals often choose caring jobs because they are a way to express caring motives and earn a living at the same time.

The commitment to care for others is usually thought to be altruistic—involving love and emotional reciprocity. But it is also a social obligation, socially constructed and enforced by social norms and rewards. A compelling example: when a mother gets up for the fifth

BOX 3.1

If we are going to compete, let it be in a game of our choosing

Once upon a time the goddesses decided to hold a competition, a kind of Olympics, among the nations of the world. This was not an ordinary race in which the distance was determined and the winner would be the runner who took the shortest time, but a contest to see which society, acting as a team, could move all its members forward.

When the gun went off, one nation assumed that the race would not last long. It urged all its citizens to start running as quickly as possible. It was every person for himself. Very soon the young children and the elderly were left behind, but none of the fast runners bothered to help them out because it would have slowed them down.

At first those who were in front were exhilarated by their success. But as the race continued some became tired or hurt and fell by the wayside. Gradually all the runners grew exhausted and sick, and there was no one to replace them. It became clear that this nation would not win the race.

Everyone's attention turned to a second nation, which adopted a slightly different strategy. It sent all its young men out ahead to compete, but required all the women to come along behind, carrying the children, the sick and the elderly and caring for the runners who needed help. The nation's leaders explained to the women that this was a natural and efficient arrangement from which everyone could benefit. They provided great incentives for the men to run fast, and gave them authority over the women.

At first this seemed to work, but the women found that they could run just as fast as the men if they were not burdened with caring for the weak. They began to

argue that the work they were doing—caring for the runners—was just as important as the running and deserved equal reward. The men refused to make any changes. The nation began to waste a great deal of energy in bargaining and negotiation. Gradually it became clear that this nation, too, was losing the race.

So attention turned to a third nation, which had started out moving quite slowly, though making steady progress. In this nation everyone was required both to run and to take care of those who could not run. Both men and women were given incentives to compete, to run as fast as possible, but the rules required them all to share in carrying the burden of care.

Having agreed to rules that rewarded both kinds of contribution to the collective effort, people were free to choose their own speed, to find a balance between individual effort and collective responsibility. This freedom and equality contributed to their solidarity. Of course, it was this nation that won the race.

Perhaps this is a utopian fairy tale. But the global economic system tells us that we are all in a race. It tells us to hurry up. It tells us all to worry about our speed. But it does not tell us how long the race will last—or what the best long-term strategy is. And it does not tell us how victory will be defined. If we are going to compete, let it be a game of our own choosing. That is, in a nutshell, the challenge of the new global order: how to define a world economy that preserves the advantages of market competition, but establishes strict limits and rules that prevent competition from taking a destructive turn.

Source: Folbre 1999.

time in the night to soothe her crying child, it is not necessarily because she gets pleasure from doing so. She may feel quite irritated. But she accepts a social obligation to care for her child, even at some cost to her health or happiness.

The word *care* often refers to looking after people who cannot take care of themselves: children, the sick, the needy, the elderly. But this misses the fact that even the healthiest and happiest of adults require a certain amount of care. Their need for that care may ebb and flow, but it sometimes comes in tidal waves.

GLOBALIZATION AND CARE

Economic analysis of care offers three insights into the impact of globalization on human development:

- Women’s increased participation in the labour force and shifts in economic structures are transforming the ways care services are provided. Needs once provided almost exclusively by unpaid family labour are now being purchased from the market or provided by the state.
- Increases in the scope and speed of transactions are increasing the size of markets, which are becoming disconnected from local communities. As market relationships become less personal, reliance on families as a source of emotional support tends to increase—just as they are becoming less stable economically and demographically.
- Perhaps most important, the expansion of markets tends to penalize altruism and care. Both individuals and institutions have been free-riding on the caring labour that mainly women provide. Whether women will continue to provide such labour without fair remuneration is another matter.

Globalization is dominated by the expansion of markets and rewards profitability and efficiency. While economic growth reflects increasing private and public incomes, human development needs people to provide goods and services that fall outside the market—such as care and other unpaid services. A country can speed the growth of GDP by encouraging a shift in production from unpaid services such as care to market commodities. Care thus has clear analogies to environmental resources,

with the characteristics of a resource outside the market. But a deficit of care services not only destroys human development—it also undermines economic growth.

This may be just what is happening in many OECD countries today, where there is a shortage of reliable, skilled labour in the midst of widespread unemployment. And despite universal schooling, there are widespread gaps in skills. Data from the International Adult Literacy Surveys in OECD countries show that nearly half the population in almost all these countries score below the level needed to be trained for a skilled occupation.

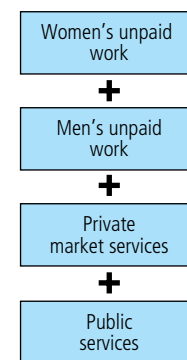
The traditional restrictions on women’s activities once guaranteed that women would specialize in providing care. Globalization’s shifts in employment patterns have promoted and to some extent enforced the participation of women in wage employment. The supply of unpaid care services may be reduced, and daughters, cousins or nieces may have to take on more of the work. Nonetheless, women in most countries continue to carry the “double burden” of care services—ending up exhausted.

A challenge for human development is to find the incentives and rewards that ensure the supply of services—from the family, the community, the state and the market—all recognizing the need for gender equality and distributing the burdens and costs of care fairly (boxes 3.2 and 3.3).

Noble. But trends are moving in the opposite direction. In OECD countries the problem is that globalization has pulled back on state services and pushed more to private services. Many social commentators protest the ensuing deterioration in quality.

In the transition economies of Eastern Europe and the CIS these trends have been dramatic, contributing to the huge human costs of the transition. The dismantling and weakening of the welfare state have meant cuts and deterioration in services in health and education—across the board—contributing to the deteriorating human outcomes. Life expectancy was lower in 1995 than in 1989 in 7 of 18 countries—falling as much as five years since 1987. Enrolment in kindergarten declined dramatically—falling from 64% to 36% of 3- to 6-year-olds in Lithuania between

FIGURE 3.1
Four sources of caring labour



Source: Human Development Report Office.

Care produces goods with widespread benefits for those who do not pay for them

1989 and 1995, and from 69% to 54% in Russia. Responsibility for pre-primary education was transferred from the state to parents, with enormous consequences for mothers of children this age.

CARE AND MARKET REWARDS

The market gives almost no rewards for care. Much of it is unpaid—most of it provided by women, some by men. The market also penalizes individuals who spend time in these activities, which take time away from investing in skills for paid work or from doing paid work.

Care services are also provided in the market, usually underremunerated. What explains the financial penalty for doing caring work? Gender bias is one factor. A second is the intrinsic reward people get from helping others, allowing employers to fill jobs at lower pay. A third is that people feel queasy about putting a price on something as sacred as care.

And global economic competition has tended to reinforce these trends, as the wage gap increases between the tradable and non-tradable sectors. Wages for teaching, domestic service and other caring work have stagnated—or even fallen—in the industrial countries.

Care produces goods with social externalities—widespread benefits for those who do not pay for them. It creates human and social capital—the next generation, workers with human and social skills who can be relied on, who are good citizens. But mothers cannot demand a fee from employers who hire their children. This care will be underproduced and overexploited unless non-market institutions ensure that everyone shares the burden of providing it. The traditional patriarchal family, and gender biases in society that limit opportunities for women outside the role of wife and mother, have been the traditional way to solve this problem. But this is obviously inequitable, and no solution at all.

REDISTRIBUTING THE COSTS AND RESPONSIBILITIES OF CARE—TO FAMILY, STATE AND CORPORATION

Where do the effects of globalization fit in the larger conflicts over the distribution of the costs of care? Consider a mother who devotes much time and energy to enhancing her children's capabilities and a country that devotes much of its national budget to family welfare. In the short run both are at a competitive disadvantage: they devote fewer resources to directly productive activities. But in the long run their position depends on their ability to claim some share of the economic benefits produced by the next generation.

The family today is a small welfare state. Women invest time and energy in children—essentially a “family public good”. They pay most of the costs—while other family members claim a greater share of the benefits. What they do is far less transferable outside the family than investments in a career. The resulting loss of bargaining power can mean less consumption or leisure time for women, even if they remain married and enjoy some of their husband's market income.

Public spending on children is modest compared with that by parents. Take public spending in the United States, about 38 percent of all spending. Over the past 30 years the elderly in the United States have received far more than the young for a simple reason—the elderly have more votes than parents with chil-

BOX 3.2

Globalization leads to the feminization of labour—but the outcome is mixed

Many empirical studies now allow analysis of how shifts in trade patterns affect employment. A study covering 165 countries from 1985 to 1990 concludes that greater trade openness increases women's share of paid employment. Further analysis of plant-level data from Colombia and from Turkey—both with rapid export growth—shows that firms producing for export employ more female workers, often in skilled functions.

But increasing participation has not always meant less discrimination. Women constitute a large share of workers in informal subcontracting, often in the garment industry—at low wages and under poor conditions. Highly competitive international markets in garments also mean that

the work is volatile—with contracts moving with small changes in costs or trade regulations.

Globalization has also been associated with home work, tele-work and part-time work. In the United Kingdom the share of workers with unconventional work arrangements rose from 17% in 1965 to 40% in 1991. In 1985 the shares of such work arrangements were up to 15% in Japan, 33% in the Republic of Korea and 50% in Mexico, Peru and Sri Lanka. And in Greece and Portugal women constitute 90% of the home workers. This is a mixed blessing. Informal work arrangements can accommodate women's care obligations in the family. But such jobs are often precarious and poorly paid.

Source: Özler 1999.

dren. Studies in Western and Eastern European countries show similar biases against children. Parents who invest in the next generation of workers are not explicitly rewarded for their efforts. Their efforts are socially important but economically unproductive.

For much of the past 200 years nations have exercised a lot of control over the production of care services such as education, health and provision for dependants. The analogy of the family to the state is clear. Both institutions demand commitment to the welfare of the collective rather than the individual. But on the negative side, both institutions can generate oppressive hierarchies that interfere with the development of human capabilities.

Take a multinational corporation, tired of the frustrations of negotiating taxation and regulation with host governments, that buys a small island, writes a constitution and announces a new country—Corporation Nation. A citizen automatically receives a highly paid job. Sounds good, but some restrictions apply. Individuals must have advanced educational credentials, be physically and emotionally healthy, have no children and be under the age of 60. They do not have to emigrate but can work from their country over the Internet. And they immediately lose their new citizenship if they require retraining, become seriously ill, acquire children or reach the age of 60.

Corporation Nation can free-ride on the human capabilities of its citizen workers without paying for their production or their maintenance when ill or old. It can offer high wages to attract the best workers from around the world without threatening its profitability. Footloose capital of the globalized economy weakens the connections between corporations and communities, and the obligations to citizens. Why then would multinational firms remain in countries that tax them to support the production of human capabilities when they can go elsewhere and free-ride? They will remain for a while, out of habit and loyalty. But the ones that jump first to take advantage of new opportunities will win the race if the finish line is defined by maximizing the short-term value of market output.

THE CHALLENGE OF CARE IN THE GLOBAL ECONOMY

How can societies design new arrangements for care in the global economy—to make sure that it is not squeezed out?

Many fear that there is no alternative to the traditional model of the patriarchal household in which women shoulder much of the responsibility through unpaid work. The resurgence of religious fundamentalism around the world testifies to the anxieties about changing traditional patriarchal relationships that have ensured a supply of caring labour. Many social conservatives fear that globalization fuels market-based individualism at the expense of

BOX 3.3

More paid work doesn't reduce unpaid work

Women are responsible for most unpaid care work—a social norm slow to change. A review of time-use surveys in *Human Development Report 1995* showed a general trend to greater gender equality in unpaid work in the OECD countries, but no equalization in developing countries and a deterioration in the transition economies of Eastern Europe and the CIS.

Bangladesh had one of the largest increases in the share of women participating in the labour force—from 5% in 1965 to 42% in 1995. This has been important for export growth, with women as the main workers in the garment industry. But women still spend many hours in unpaid work. A survey of men and women working in formal urban manufacturing activities shows that women put in on average 31 hours a week in unpaid work—cooking, looking after children, collecting fuel, food and water (box table 3.3). Men put in 14 hours in activities such as house repair. Workers in the informal sector show similar patterns.

Women in Eastern Europe and the CIS spend more hours in paid employment than those in most other countries. But the gender disparity in sharing the burden of unpaid work remains stark, and it is worsening under the economic dislocations of the transition. In Bulgaria men's total work burden was 15% less than women's in 1977 but 17% less in 1988. Women increased their share of both paid and unpaid work—in 1977 men did 52% as much household work as women, but in 1988 only 48% as much. In Moldova women work 73.5 hours each week.

In OECD countries men's contribution to unpaid work has been increasing. But a woman who works full time still does a lot of unpaid work. Once she has a child, she can expect to devote 3.3 more hours a day to unpaid household work. Married women who are employed and have children under 15 carry the heaviest work burden—almost 11 hours a day.

BOX TABLE 3.3

Time spent in paid and unpaid work in Bangladesh, 1995
(hours per week)

	Formal sector workers		Informal sector workers	
	Men	Women	Men	Women
Unpaid work	14	31	14	24
Paid employment	53	56	23	21
Total	67	87	37	45

Source: Zohir 1998; UNDP 1995.

social commitments to family and community. A consistent theme of religious fundamentalism worldwide: re-establish rules that restrict women's rights for fear that women will abandon caring responsibilities.

At the other end of the spectrum is market provision of care—but often the people who need care cannot afford to pay for it. And finally there is state provision. But the search for efficiency in today's global economy imposes a "market discipline" that is at variance with quality. Cost-minimizing standards drive down quality in schools, hospitals and child-care centres. So public services alone are not a total answer, though state support must be a big part of it.

In all this, the challenge is to strike a balance between individual rights and social obligations of care. Competitive market societies emphasize values that encourage individualism—and say little about obligations and commitment to the family and community. The extreme responses of the patriarchal backlash and the marketization of care require far less effort and negotiation than the democratic response, which requires

serious thinking about how to enforce responsibilities for care in the community.

So the first step must be to challenge social norms—to build commitment of both men and women to their responsibilities for caring labour. Societies—through public and corporate policy—then need to acknowledge care as a priority human need that they have a social obligation to foster.

A clear policy path is to support incentives and rewards for caring work, both paid and unpaid, to increase its supply and quality. This does not mean sending women back to the traditional role of housewife and mother, closing off other opportunities. It means sharing unpaid care services between men and women, reducing men's paid work time and increasing their time on family care. And it means increasing the supply of state-supported care services. Nordic countries have a long tradition of such approaches, which give public recognition and payment for care, rewarding family commitment but without reinforcing traditional gender roles (box 3.4).

BOX 3.4

Support for men's child-care responsibilities in Western Europe

Although several countries in Western Europe have encouraged gender-neutral family-oriented work policies, in 1995 only 5% of the male workforce in the European Union (EU) worked part time, and only 5% of fathers took paternity leave. Men often cite their work environment as a constraint when explaining their reluctance to make full use of parental and paternal leave rights or to work part-time to care for a child. Private sector employers in particular are seen as unsupportive of such arrangements. Traditionally it has been women who have had to move into part-time labour or take a career break after the birth of a child. EU Commissioner for Employment and Social Affairs Padraig Flynn has stated that "even where there are policy instruments aimed at breaking down the gender imbalance in caring . . . the assumption that caring is the responsibility of women persists."

Time use

Austria. Men spend an average of 70% of their time in paid labour, 30% in unpaid; women spend an average of 30% of their time in paid labour, 70% in unpaid. Women make up 98% of part-time employees.

Denmark. About 65% of men in the labour force work 30–39 hours a week, 30% work more and 5% less; 69% of women work 30–39 hours, 11% work more and 20% work less. In 1987 men spent 10 hours a week in unpaid work, women 21 hours; in 1997 men spent 13 hours in unpaid work, and women 18.

Germany. A third of women work less than 35 hours a week; only 2–3% of men do so.

Italy. Married women with children spend 7.5 hours each day in care work, men 1.5 hours.

Netherlands. Women spend twice as much time in unpaid work at home as men (women 32 hours, men 16). But women who work more than 30 hours a week spend only 18 hours in unpaid housework, compared with 19 hours for their husbands.

Spain. Women spend seven times as many hours doing domestic work as men.

Paternal and parental leave

Denmark. Fathers are allowed a 2-week paternal leave for the birth or adoption of a child. They can also use the last 10 weeks of maternity leave (10% of fathers do this). And there is a 4-week extension for fathers only.

Finland. Fathers may take 6–18 days of paternal leave, and 158 days of parental leave can be shared after maternity leave ends (parental leave is used by only 3% of fathers). One parent can take unpaid leave until the child is three. And parents are allowed 2–4 days a year to care for a sick child.

Italy. During the child's first year a 6-month parental leave can be taken after maternity leave ends (at 30% pay).

Norway. Employees may take parental leave for 42 weeks (at 100% pay) or 52 weeks (at 80% pay). Fathers must use at least 4 weeks of the parental leave; otherwise that period is lost. Parents may also combine their leave with part-time work. Employees are allowed 10–15 days each year to care for a sick child, single parents 20–30 days.

Sweden. Employees are allowed 10 days' paternal leave for the birth or adoption of a child, 450 days' parental leave (at 80% pay). One parent, usually the father, has an absolute right to one month (at 85% pay). Parents have the right to a 25% reduction in their work hours until a child is eight; child care is a legal right.

Source: Flynn 1998; EU Network 1998.

Citizens could be given tax credits for contributing care services that develop long-term relationships between individuals. And this model could be extended further. For example, many young adults benefit from public support for higher education. They could repay the costs through mandatory national service that takes some responsibility for children and other dependants in their community. The care services they could provide would be at least as valuable as military service, and they could develop important skills as well as reinforce the value of care.

Policies to foster more caring labour appear unproductive or costly only to those

who define them as narrowly contributing to GDP or short-term profit. The erosion of family and community solidarity imposes enormous costs reflected in inefficient and unsuccessful education efforts, high crime rates and a social atmosphere of anxiety and resentment. The nurturing of human capabilities has always been difficult and expensive. In the past it was assured by a gender division of labour based on the subordination of women. Today, however, the cost of providing caring labour should be confronted explicitly and distributed fairly—between men and women, and among the state, the family or community and the employer.