The Global Care Economy

BACKGROUND

Care work makes all other work possible. It is also the fastest-growing sector of work in the world—projected to add 150 million jobs by 2030. The COVID-19 pandemic has amplified the importance of care work. It has also exposed that women perform the vast majority of caregiving work—work that is often unpaid, underpaid, and/or undervalued. Globally, women and girls contribute more than 70 percent of total global caregiving hours (paid and unpaid) and perform more than 75 percent of unpaid care work. Due in part to this unequal caregiving burden, women globally lost more than 64 million jobs due to the COVID-19 pandemic, resulting in more than $800 billion in lost income in one year. In the United States alone, when forced to decide between caring for their families and paid work—some 3 million women left the paid workforce in 2020. The inordinate amount of unpaid care work women and girls perform often prevents them from earning a paid income, which contributes to greater gender inequities worldwide.

The global care economy—the paid and unpaid labor related to caregiving such as childcare, elder care, and domestic chores—is a critical sector that enhances economic growth, gender equity, and women’s empowerment. Care work is economically valuable but globally undervalued.

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In the United States, contributions related to the care economy amount to $648 billion, annually.\(^8\) Globally, if unpaid care workers earned a minimum wage they would add nearly $11 trillion a year to the global economy.\(^9\)

While women make up only 46 percent of the global paid workforce, they make up 89 percent of home health care workers and 94 percent of child care workers. In the United States, care workers are paid roughly half of what the average worker earns and only one-quarter of care workers receive employer-sponsored health coverage.\(^10\)

One in 25 people, or at least 756 million people globally are domestic care workers, or workers who provide direct and indirect care services in a private household. Of that, 75 percent are women.\(^11\) There is no required minimum wage for some 41 million domestic workers.\(^12\)

In the United States, women, especially women of color, are more likely to work in essential front-line occupations including care work, leaving them at higher risk of COVID-19 illness and mortality.\(^13\) This is also the case globally, where women and girls make up two-thirds of the paid care workforce.\(^14\) The care economy is supported by a diverse and often marginalized population. Race and ethnicity, migration status, and socioeconomic status, in addition to existing gender bias, often lead to a layering of burdens for care workers.

Unpaid care work presents additional challenges for women.\(^15\) Globally, 647 million full-time unpaid caregivers are not seeking a job due to their caregiving responsibilities. Most (93 percent) are women. In the United States, more than 1 in 5 adults were unpaid family caregivers prior to the pandemic.\(^16\) Now, an estimated 43 percent of adults in the United States are unpaid caregivers.\(^17\)

Another subset of unpaid caregivers is the sandwich generation of caregivers. People in this group provide unpaid care to an adult while also caring for a child or children under the age of 18. In wealthier countries with older populations, the sandwich generation results from a combination of high life expectancy and delayed fertility. However, in sub-Saharan African countries, with twice as many “sandwiched” caregivers, high fertility increased the probability of generational overlap in those needing care.\(^18\)

Caregiving, paid or unpaid, is a skilled and difficult job. In low- and middle-income countries (LMICs), female caregivers are more likely to report symptoms of burnout—difficulty with life tasks, mild to moderate anxiety, and severe depression—compared to non-caregiving females.\(^19\) Caregivers of people with diseases and disabilities in LMICs face significant challenges, however there is still limited research and agreement on how to define the physical and psychological burden on caregivers globally.\(^20\) In the United States, parents and unpaid caregivers have significantly worse mental health compared to adults who are not in caregiver roles.\(^21\) The COVID-19 pandemic has exacerbated this burden by removing many formal and informal sources of support for caregivers.\(^22\)

Another effect of the countless hours of unpaid labor that women and girls perform is time poverty, or the lack of “discretionary time” to access economic opportunities or health services. Globally, time poverty results in women not seeking health care services, delaying care for prevention and treatment of HIV and other medical conditions, decreased use of prenatal care, and lack of utilization of sexual and reproductive health services.\(^23\)

In the paid care workforce, women’s involvement and employment does not inherently lead to an equitable division of labor across genders. Among paid care workers, women work longer days than men, which increases women’s time poverty.\(^24\)
When we dismiss the value of the care economy, populations in need receive a lower quality of care. Poor work conditions, poor quality jobs, harassment in the workplace, lack of education and training of care workers, low pay or lack of pay, lack of supportive policies, and limited recognition for the skilled and difficult work of caregiving all lead to heightened stress for the care provider and can impact the quality of care they are able to provide.25,26

The Impact of the Pandemic and Authoritarianism on Caregivers

By April 2020, 91 percent of students had left the classroom due to the pandemic, resulting in increased childcare burdens for parents globally.27,28

Nearly half (47 percent) of working mothers in the United States reported taking unpaid sick leave because their child’s school or daycare was closed. This rate was higher for low-income mothers (65 percent) and for part-time working mothers (70 percent).29 More than half (56 percent) of working mothers reported that pandemic-related stress and worry affected their mental health.10 Globally, nearly 90 percent of caregivers surveyed said they prioritized the needs of the person they care for above their own during the pandemic, and 76 percent said caregiving during the pandemic made them feel more “burnt out” than ever before.10

The global pandemic has also coincided with a global rise in authoritarianism, which has led to the prioritization of patriarchal values that treat family care needs as an individual responsibility, rather than a governmental priority.31 Therefore, in countries where these values dominate government thinking, policy fails to meet the needs of careworkers, and the needs of women.

POLICIES AND INTERNATIONAL COMMITMENTS

• Commitments at the 2021 Gender Equality Forum32
  » The Global Care Alliance announced a $100 million investment in international assistance dedicated to paid and unpaid work.
  » Commitments made by the United States:33
    ▶ Provide relief for women and families through the American Rescue Plan Act, which includes an investment of more than $40 billion in childcare and early learning.
    ▶ Invest in care infrastructure with a $400 billion contribution to expand access to home- and community-based care, long-term care services, and child care facilities.
    ▶ Expand access to sexual and reproductive health care in the United States and globally.

• National Strategy on Gender Equity and Equality34
  » Calls for structural change to support the care workforce and infrastructure.
  » Increases pay for jobs that are disproportionately held by women, such as in domestic care work and home health care.
  » Promotes efforts to confront and address stereotypes and gender norms that devalue women’s work.
USAID’s Implementation Plan for the U.S. COVID-19 Global Response and Recovery Framework

- Calls to improve the care economy and infrastructure and expand safety net protections.
- Supports “shock-responsive” safety nets, cash transfer programs, expanded child and family care.
- Promotes family care and provides economic and psychosocial support to children who have lost their primary adult caregiver due to COVID-19.
- Increases investment in compensating childcare, which often contributes to increased unpaid care obligations for women.

RECOMMENDATIONS:

Invest in the paid and unpaid care workforce

Governments worldwide must recognize the value of unpaid care work and implement efforts to compensate it. In many sub-Saharan African countries, governments have implemented cash transfer programs that provide compensation to mothers in households with children under the age of five. As a result, households were more productive as women in the household were able to increase time spent on family businesses and the local economy.

It is also critical to redistribute unpaid work between men and women, as well as in the paid care economy. Improving working conditions in the paid care sector is important to maintain a high standard for quality of care. Increasing wages and benefits for the paid care workforce can pay dividends in improving quality of care and workforce stability. Increasing the minimum wage by 10 percent for nursing home workers would reduce preventive care costs and improve patient health and safety. Workplace protections must also include protection from discrimination on the basis of race and sex, and protection for workers vulnerable to exploitation.

Investing in education and skills training for frontline care workers is also critical to improving quality of work environments, as well as quality of care. Practicing inclusive hiring, work-based skills development, and creating opportunities for career advancement increases opportunities for care workers to advance in their field and remain in the workforce.41

Globally, if governments invest resources to meet the Sustainable Development Goal targets on education, health, long-term care and gender equality, the care economy could grow from 206 million to 475 million care jobs by 2030.

Create family-friendly workplaces

The International Labor Organization recommends a minimum maternity leave period of 14 weeks, which is in place in at least 120 countries as of 2021. Still some 650 million women have no maternity leave or not enough leave after the birth, adoption, or placement of a child. Additionally, almost two-thirds of potential fathers globally live in countries where they are not entitled to paternity leave, and the average global paternity leave is only 9 days.

To ensure that parents and other caregivers can maintain their employment while undertaking critical caregiving responsibilities, workplaces must provide paid parental and long-term care leave. Providing parental leave equally for both parents would also increase uptake by fathers, which can help redistribute household care responsibilities.
In low-income and post-conflict settings where fiscal and social services are less available, family-friendly workplaces can promote women’s economic empowerment in settings where parents must choose between earning income for their families or providing care at home.43

Address harmful social norms and the physical and mental burdens of caregiving

Though social norms globally reinforce the idea that women are responsible for care work in the home, involving men in the care economy can overcome these norms by showing younger men and boys the value of care work. Additionally, treating care as a societal and governmental issue rather than an individual or family burden can promote a cultural shift towards valuing care.44

It is also critical to ensure that policies are gender proactive and ensure women’s advancement as well as men’s role in caregiving. Men must be included in the care economy as countries enter COVID-19 recovery periods. While 11 percent of recovery plans globally include care work, none of them include men as contributors of that care work.45

Global access to comprehensive sexual and reproductive health services must be guaranteed, especially for women experiencing time poverty. It can ensure that women can access essential and routine health services; are able to decide if, when, and how many children to have; can decide whether to join and stay in the paid work force or provide care at home. Ensuring the physical and mental health of care workers enhances their ability to provide quality care.
ENDNOTES

40. Care Work and the Economy. (2021, April 2). What Is The Care Economy And Why Should We Care? https://research.american.edu/careworkandeconomy/blog/2021/04/02/what-is-the-care-economy-and-why-we-should-know-more-about-it-particularly-now/