

Care Jobs and the Care Economy: framing the issues for the future of decent work

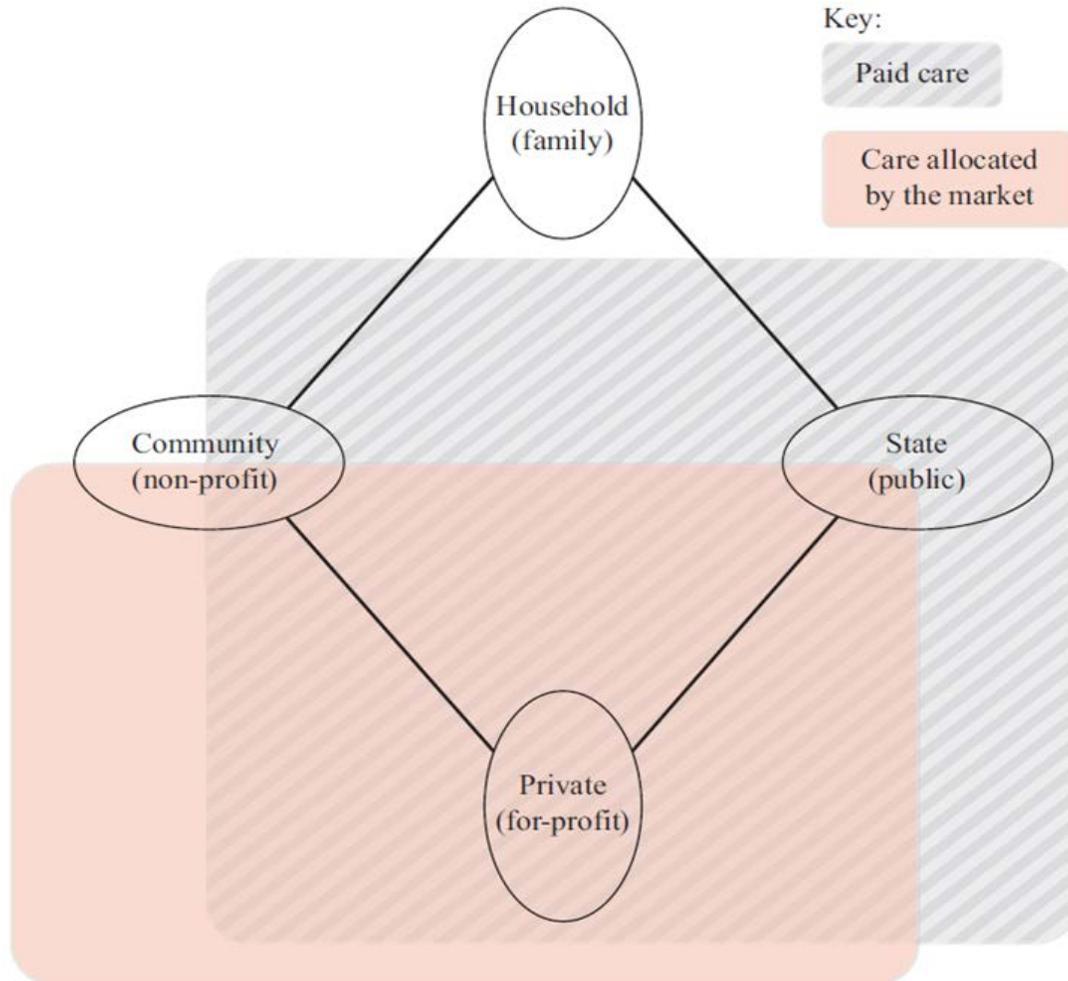
Panel on *Care Jobs and the Care Economy – an opportunity for the future of decent work*

Conference on *Regulating for Decent Work*

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The care economy



- Care diamond give four sectors of care provision
- Both paid and unpaid care:
 - Three sectors mainly employ paid care
 - Family mostly unpaid care – though should really also add growing sector of directly employed care workers
- These sectors allocate care in a variety of different ways eg
 - By social norms as to who should care for whom
 - By the market according to who can pay
 - By charities according to assessed need
- Private for-profit sector is unique in using market as its sole way of allocating care

Care is highly gendered

- Within families, women give more unpaid care and tend to receive less
 - Norms determine who gives unpaid care within families and who is seen as needing care
 - Women often poorer in old age due to spending time on unpaid care and more often living alone
 - Women less likely to be able to purchase own care
- Public/community care sectors particularly needed by women
- Paid care workers also more likely to be women
 - Care work seen as unskilled because women do it
 - Skills learned in the home go unrecognised, and undervalued
 - Underinvestment in other skills needed to provide good care
- Tendency towards low pay and poor working conditions in paid care
- Austerity/lack of public care provision impacts particularly on women as:
 - Care receivers
 - Care workers
 - Those whose unpaid work makes up for failures in public provision

Care is relational work

- Hard to assess quality from outside
 - Difficult to regulate
- Continuity of care matters to building relationships
 - Exit costly – for both children and adult care receivers
- Market mechanisms do not work well in improving care quality

- Intrinsic motivation of care givers matters
 - Cannot care well without caring “about”
- Good treatment of care workers improves quality of care
- Training and career structure matter to both quality of work and quality of care

- Hard to spread relationships over too many people to raise productivity
 - Indeed low productivity care-giver/care-recipient ratio taken as indices of quality
- Labour intensive with limited scope for improving productivity without reducing quality
- Training/technology tends to improve quality rather than reduce need for care workers

- Quality of work = quality of care

Problems with for-profit care services

- Difficulties in assessing care quality
 - Purchasers often income constrained
- Competition between for-profit providers tends to be over cost not quality
 - Little incentive to train or to improve quality
- Care is highly labour intensive
 - Only way to reduce costs is by cutting payments to staff
 - employing fewer or worse paid/less well qualified staff
 - worsening conditions of employment
 - directly reducing quality: quality of work = quality of care
- The public sector and non-profits can resist such pressures, if
 - they are mandated to provide high quality care
 - funded sufficiently to be able to retain their mission and professionalism
 - and are trusted to use funding in that way
- Requires good conditions of employment and training: quality of work = quality of care

Investing in the care economy

- Investing in care means increasing the share of paid care by
 - Providing paid care for those with unmet care needs
 - Shifting some care from unpaid family care to paid care sectors
- This has benefits for both those with care needs and some of their unpaid carers
- Public spending on care is an investment in social infrastructure
 - Has long-term benefits – thus *investment*
 - Benefits extend beyond the immediate recipients of care – thus *infrastructure*
- Also has immediate benefits for women's employment and gender equality in both paid and unpaid work
- Only high quality care provision will improve care quality, provide good jobs and transform gender inequalities

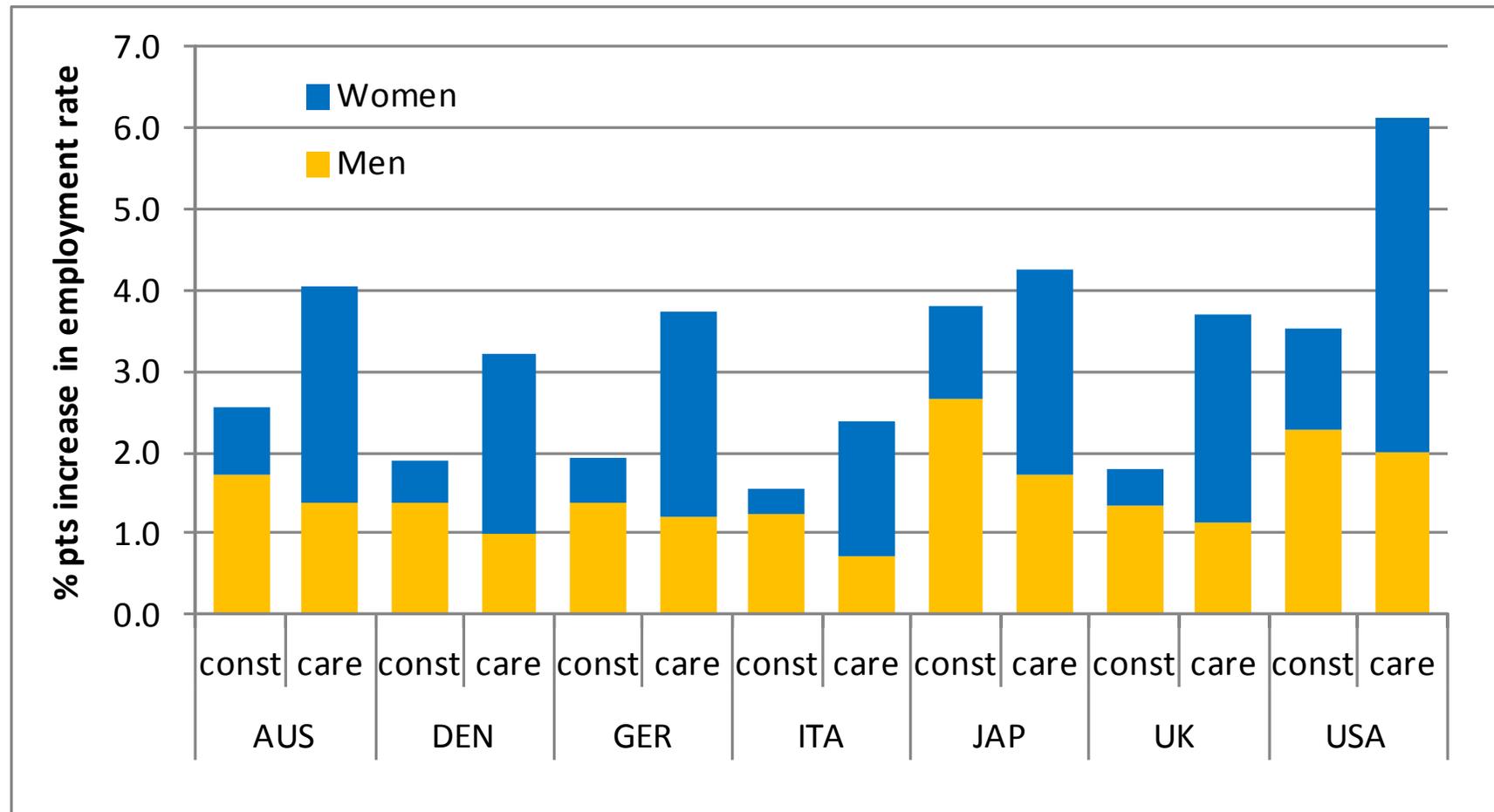


A study conducted for the International Trade Union Confederation (ITUC)



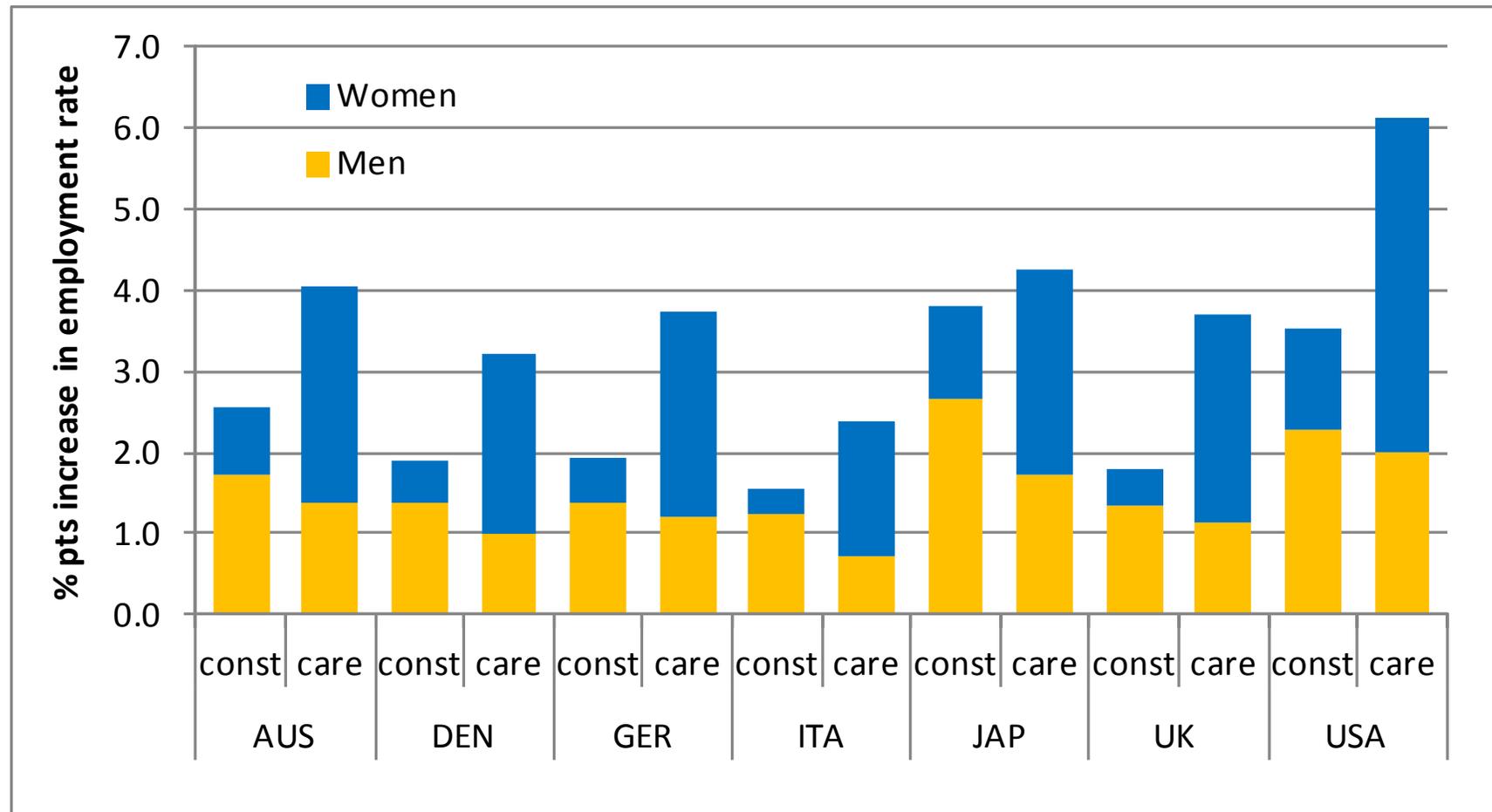
- An international comparative study conducted by the **UK Women's Budget Group**
- **Seven OECD countries:** Australia, Denmark, Germany, Italy, Japan, UK, USA
- Compared effects of a large public investment (**2% of GDP**) in:
 - **Care industry**, broadly defined to include both child and adult paid care, enhancing **social infrastructure**
 - **Construction industry**, as a typical focus of stimulus policies, justified as **physical infrastructure**
- Assumed everything else stayed the same including wages and gender employment ratios in all industries:
 - So not specifically about improving conditions in paid care work

Findings: total employment effects



- Height of bars gives overall increase in the employment rate as a result of investing 2% of GDP in paid care or construction in each economy
- In all economies number of jobs created by investing in care is much greater than from investing in construction (at least half as much again except in Japan)
- These are large investments creating large numbers of jobs (eg nearly 13 million care jobs in the US, 2 million in Germany)

Findings: gendered employment effects



- Gender segregation in both industries
 - Investment in care reduces gender employment gap, but in construction increases it
- Much larger effect on women's employment from investment in care than in construction
- Greater overall employment effect of investment in care
 - Men's employment rises by almost as much as from investing in construction

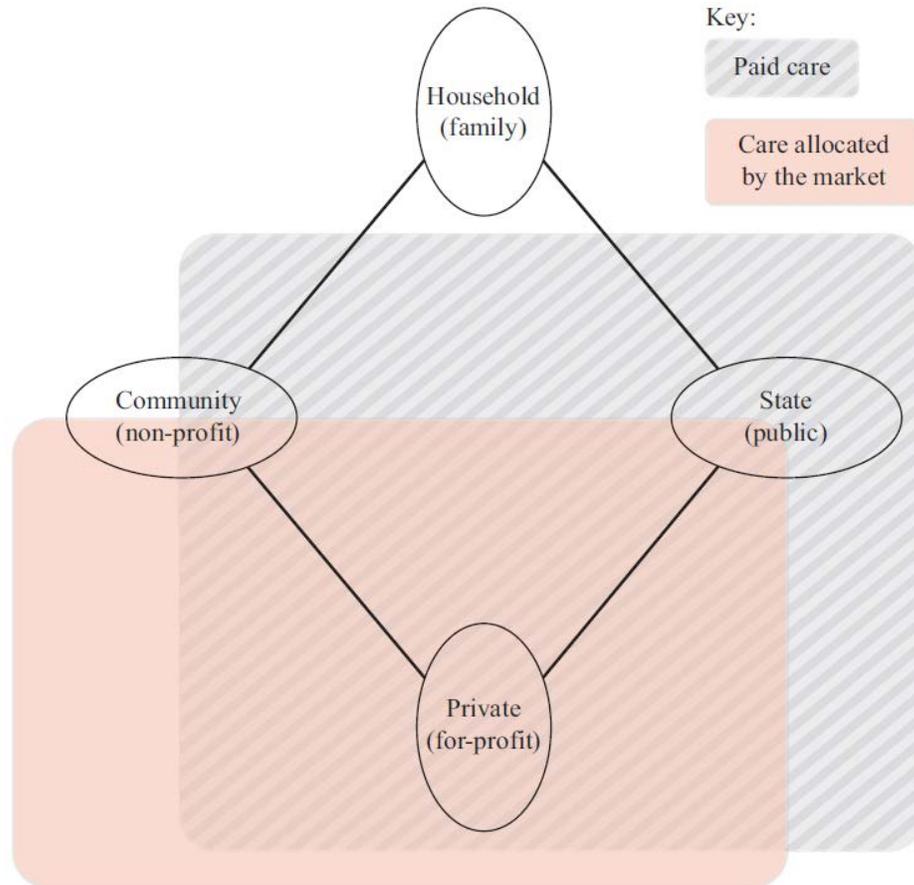
Investment in care

- Provides care for those with unmet needs and shifts care from unpaid to paid sectors
 - Not only creates jobs it also frees up unpaid carers to take them
- Net gain for the economy as a whole
 - including for government in increased tax revenue and decreased social security spending that reduces net cost to public purse of such investment substantially
 - eg in UK, Jerome De Henau of the WBG estimates that 89%-95% of the gross costs of providing universal publicly funded childcare would be recouped (depending on employment conditions)
- This effect does not apply to investment that just gives jobs to existing workers eg many construction projects

Quality of care jobs and provision matters to gender equality

- Training, recognition of skills and reasonable working conditions in the paid care sector are required to provide both
 - High quality care and
 - Good jobs in the care industry
- Care quality and quality of jobs in care industry intimately related
- Both are important to gender equality because
 - Low quality care will be used only by those who have no alternative
 - will not change norms overall or free up higher skilled women to participate in employment
 - Conditions of paid care workers have substantial effects on overall gender gaps
 - and affect bargaining conditions for women elsewhere in the economy
- In practice investment in care would have to improve conditions of care workers too
 - Our model, by assuming wages unchanged, did not take account of that
 - Underestimates effect on gender wage gap
 - Overestimates effect on gender employment gap and on overall employment

Policy to get good quality care services



- Investing in care involves increasing the share of paid care
- Within paid care private for-profit produces:
 - less good quality care
 - worse working conditions than public sector or non-profits
- Evidence from Europe where cost cutting has led to privatisation and casualisation of care

- Investing in care will
 - Meet unmet care needs and shift care from unpaid to paid sectors
 - Increase employment, generating more jobs than investment in other forms of infrastructure
 - Reduce the gender employment gap by generating more jobs for women
 - Free up people, mostly women, currently providing unpaid care to take employment
 - Recoup much of its costs because employing new workers
- But to transform gender inequalities need to provide good quality care and employment conditions
 - So also closing gender pay gap
- For that important to develop care systems based on public sector (or non-profit) provision