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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 care, as the time taken to deliver care does not fall nearly as fast, if at all, as that required to produce a typical bundle of other goods and services. This is not caused by inefficiency (or rising standards) in the provision of care, nor by increasing numbers of people needing care, but is an inherent effect of the relational nature of care. It applies at the macro-level of society as a whole, across both the paid and unpaid economies, and to individuals deciding how best to use their time. Increasing productivity causing wages to rise elsewhere in the economy raise the price of paid care at a similar rate, modified only to the extent that wage rises in caring differ from those in other industries. This will have different effects on the provision of care in different sectors of the economy, which are discussed later in this paper.

People who need care cannot in general be flexible about when and where that care is provided; this is the second way in which the relational nature of care causes difficulties in its

commodification. A child too young to look after itself needs 24 hour supervision as do many people with disabilities. Older children, those with lesser disabilities and the elderly may not have quite such continual needs, but there is still a rhythm to their needs through the day that limits flexibility as to when and where their care can be delivered. Carers are often therefore restricted in where and when they can pursue other activities, including paid employment, restricting their labour market opportunities.

Inequality in care needs and the ability to provide for them

The second reason why the transfer of care to the paid economy cannot happen smoothly through market forces alone is that the need for care and the ability to provide it are both unequally distributed and do not tend to go together. (The latter is true in part by definition in that we don't usually talk about an activity as "care" when it is given reciprocally between able-bodied people). Further, because incomes are unequally distributed and not according to care needs, inequality exists not only in the ability to provide care directly, but also in the financial resources needed to pay for care by other means.

The allocation of caring responsibilities for others is highly gendered and does not necessarily entail the time or income to carry out those responsibilities. Once caring responsibilities are taken on, they do not diminish through lack of resources to meet them. In practice, caring responsibilities often make people poorer, by restricting their time to make use of economic opportunities, in particular to enter the labour market. The more unequal incomes are, and given the gendered allocation of such responsibilities, the greater that inequality is between men and women, the more people will have difficulty meeting caring responsibilities unaided.

Further the *overall* level of wage inequality, not only that between men and women, is an important factor in determining the effect of any division of caring responsibilities within the home on other inequalities between men and women. If overall wage inequality continues to rise, it will intensify inequalities between those who succeed and those who do not succeed within the labour market, magnifying any handicap that caring responsibilities provide and making it far harder to challenge gender divisions within the home.

The influence of changing personal and social norms

Caring practices and norms develop together and reinforce each other. Aided by policy, positive feedback social norms and caring practices has led to path dependence and divergence between societies in the level of care that is considered adequate for particular people, what is seen as the best way to deliver that care and how much time and importance is put on caring and rewarding carers. In all societies these norms and practices are heavily gendered, though in different ways.

The employment rate of mothers of pre-school children, UK, and attitudes to mothers of pre-school children working



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 rapid change through the 1990s in the UK in both attitudes of the general public towards the employment of mothers of pre-school children and their actual practice.

Caring in different sectors of the economy

There are four main sectors of the economy to consider: the domestic, private profit making, public and the not-for-profit, voluntary sector. Caring goes on in all of them.

In the domestic sector, in which caring is nearly always unpaid, caring labour and the work of organising it are allocated by a highly gendered set of responsibilities. Productivity in caring is unlikely to rise here. Indeed it may well fall if multi-tasking opportunities decline through other tasks being taken out of the home and families become smaller. This will be experienced in the form of a rising opportunity cost of staying at home to care for others as real wages rise due to productivity increases elsewhere in the economy. Those caring at home will increasingly feel that they cannot afford to stay out of the workforce. At a national level, increasing numbers of women will seek to combine caring and employment.

However, those who need to pay for replacement care will have problems doing so because the relative price of care on the market will be rising as rising productivity lowers costs elsewhere in the economy. The price at which a good or service is sold will reflect its costs and will therefore be inversely related to productivity in that industry (if wages do not fall relative to those in other industries). Productivity increases in paid care like those in unpaid care will fall behind those in other industries, and the relative price of paid care will increase in line with the increasing opportunity cost of staying at home. So while unpaid carers will be more aware of what they are losing through not being in employment, if they have to pay the full cost of their replacement care they will in practice be in no better position than before, since a similar proportion of their wages would have to go on care.

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, because employers may not be able to pass on rising wage costs to customers who are themselves income constrained. The only other ways to stay profitable then are to lower wage costs or reduce standards. But employers may not be able to recruit or retain workers if they pay wages that increasingly lag behind those available in other types of work. To cope with rising costs and labour shortages there will be a tendency to employ less well-trained workers and/or recruit from groups with restricted alternatives, including immigrants in many societies. That will put downward pressure on standards of care and training will become seen as an expensive luxury, except perhaps for those trying to attract higher-paying customers – inevitably a limited market.

Low productivity growth in caring will also have an effect on public sector provision. The relative costs of care will increase, as in the private sector, but in the case of the public sector such increases may be seen as sign of inefficiency, rather than the consequences of an inherent characteristic of care. This is likely to lead to political pressure for privatisation and/or user fees to control “inefficiency” and apply the discipline of the market. Without a specific political commitment, standards of care and training are likely to fall, or where they survive may be taken as yet further evidence of inefficiency.

And the effects on the not-for-profit sector of low productivity growth are likely to be similar. Increasing wage costs will be creating a continual and permanent need for greater funding. In practice, funding is likely always to lag behind costs, creating problems of insolvency and making it impossible to keep up with wages elsewhere in the economy. Workers, however, may be more understanding of this than in other sectors leading to a tendency to self-exploitation, which may itself be exploited by government contracts for “best value” providers. In such circumstances, the expectation that providers given short-term funding should eventually become self-supporting is unlikely to be realised. In practice such short-term funding is likely just to lead to churning, whereby existing providers cannot survive once funding ceases and new entrants on similar short-term funding are brought in to fill consequent gaps.

Policy on care

Economies need to provide both for the production of goods and services and for the provision of care. One way to manage both of these is through a gender division of labour within the family as in the male breadwinner/female carer model. Social policy on care is needed because families cannot in practice provide for all care needs. As gender relations change, or are under pressure from new forces such as the HIV/Aids, the numbers of people whose needs are not catered for in this way inevitably increases.

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 the family or the market does not
 - people having access to care according to need rather than ability to pay
- Poor care may threaten the social fabric of society through, for example, high crime rates

At the same time to pay for social policy we are getting increasing emphasis on employment, high growth rates and a lower dependency ratio. Women and others who provide care are at the nexus of this contradiction between an increased need for care, for many countries especially in the context of HIV/AIDS, increasing costs of providing it (see below) and pressure from governments and internal bodies to maximise employment, partly in order to pay for the social policy that may be needed to provide care for those for whom the family or the market does not.

The current policy interest in care, at least in developed economies, is a belated response to women's increasing participation in the labour force, which has rendered the male breadwinner/female carer model in need of serious amendment. Nevertheless ideas based on the way that care is provided with this model have a powerful hold on public discourse and have important effects in shaping policy. Because less has changed in the gender division of labour over care, it is women and those that they care for that have been primarily affected by the lag in public perceptions and in policy responses. This means that social policy on care, depending on its specific content and how it is implemented may either exacerbate or ameliorate gender inequalities.

Policy options basically fall into two types according to how they cope with the care that needs to be provided when someone with caring responsibilities enters or increases their hours of employment. Some solutions focus on enabling some or all of that care to be performed by family members without leaving employment by reducing the incompatibility of "informal" unpaid care with employment. Such policies may enable either all workers or just those with specific caring responsibilities to limit or reschedule their working time, either on a regular basis or for particular periods when care needs are at their most acute. Other solutions involve shifting care into the paid economy by subsidising its provision by others, directly or indirectly through the market, or by state provision of care as a public service. Both types of policy on care can be carried out in ways that may either reduce or reinforce gender inequalities. This has implications not only for the desirability of such solutions, but also for their sustainability and eventual cost.

Reducing working time

Whether policies that enable all workers to limit their working hours increase or decrease gender inequalities depends on what happens to working time as a result. Existing gender inequalities in both employment and caring will be exacerbated if such policies result in women but not men limiting their working hours. On the other hand policies that limit working hours for everyone can enable men as well as women to participate in care, reducing gender gaps in both caring responsibilities and employment.

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 gender pay gap, these workers will be mainly women. This in turn will weaken women's bargaining power in changing the division of caring responsibilities within the home. Conversely men, through a lack of time spent in the home, will fail to develop the awareness and skills that would enable them to take a more equal share in those caring responsibilities.

Thus unregulated working hours reinforce gender inequalities. As labour market inequality widens, without any control on working hours those with caring responsibilities will increasingly be left behind, unable to compete on the same terms with those whose labour market engagement is unconstrained in this way. This would be a cause for concern even if there was not such a clear gender division entailed, but that such a division between workers reinforces traditional gender norms only intensifies its unequalising effect.

Flexible working

An alternative approach to regulating working hours for all is to allow some categories of workers with caring responsibilities to work "flexibly", that is to vary their conditions of employment by reducing their working time, shifting it around the day or from workplace to home. Reducing hours entails a loss of income, though shifting working time should not. Unless such rights are reinforced by effective anti-discrimination legislation, they can increase gender inequalities, by enabling employers to make those who take up this option pay for it in other ways. In practice, employers who are more flexible in order to attract staff are often forced to be so because they pay so badly; they would no longer be able to recruit workers if those better paying employers with whom they compete in the labour market also had to grant flexibility to their workers. Without the right being generalised and employees protected from discrimination if they make use of it, the fall-back position for any worker trying to negotiate flexible working is reduced and employers who grant flexibility are able to be worse employers in other respects¹.

The right to flexible working can increase gender inequalities if women make use of the right more than men and, for reasons given above, with a large gender pay gap reinforcing current gender norms, it will be women who take up these opportunities more than men. Such a right can also lead to discrimination against all women, not just against those who take up the right, if they are thought more likely to make use of flexible working or would be more difficult to refuse. It can also increase gender inequalities if the conditions of flexible working are themselves too inflexible, so that those who take up flexible working cannot easily return to a "normal" contract and have their employment prospects permanently reduced as a result. This is particularly important for those caring for the sick or elderly whose future needs are likely to be unpredictable. Again the larger labour market inequalities the greater the cost of these labour market penalties and thus the greater the effect on gender inequalities.

On the other hand, flexible working should enable women to stay in the labour market under better terms of employment through intensive care periods. By improving the quality of jobs

¹ In the UK Department of Trade and Industry's work-life balance survey, although most workers said that they have suffered no deleterious consequences through working flexibly, a sizeable minority (44 per cent) reported negative consequences (Department of Trade and Industry, 2007: 74)

that offer flexibility, this should prevent the deskilling of the majority of women who currently change jobs in order to work family-friendly hours and cut the supply of labour to those employers who offer flexibility in return for low pay. This would be a significant step in reducing pay inequality and the disincentive it provides to challenging traditional gender roles within couples. A reasonably high level of uptake of flexible working provisions might also encourage some men to consider the possibility of working flexibly.

Parental and caring leave

A third prong of policy to enable workers to combine employment with caring responsibilities is to introduce job-protected leave from employment to cover periods in which caring needs are particularly acute. These include maternity, paternity and parental leaves, which can be either paid or unpaid.

The institution of maternity leave, by enabling women to remain employed through childbirth, has always been an important plank of feminist demands. Without any such leave, the cost of motherhood to women would be much higher, since women giving birth would have to quit the labour market and subsequently re-enter it probably on worse terms. In so far as it helps keep women employed throughout intensive care provision, the existence of leave for specific caring needs is important therefore in reducing gender inequalities. And in so far as such leave is paid, and thus keeps the income of those who take it from falling too far behind those who do not, it reduces gender inequalities in income too.

However, beyond its mere existence, the terms and conditions of maternity leave can have substantial effect on whether those gender inequalities are intensified or reduced. Although short periods of leave may not have material effects on labour market prospects, longer periods of leave may put workers at a disadvantage, with reduced promotion prospects. Further, the perception that women but not men are likely to take long periods of leave may lead to discrimination against women workers and pregnant women in particular. (The increase in cases of pregnancy discrimination in the UK since statutory maternity leave has been lengthened is an illustration of the need to ensure that anti-discrimination legislation and its enforcement keep up with changing social policy). Again the larger labour market inequalities are, the greater the cost of these career penalties and thus the greater the effect on gender inequalities. While policy should outlaw discrimination against those who take up their leave entitlements, if leave is taken for long periods by one sex only, it will exacerbate gender inequalities both in employment and in the ability of men and women to contribute equally to the care of family members. Patterns of unequal sharing in caring responsibilities can be set up during parental leave that become entrenched long after both partners have returned to employment, reinforcing traditional gender inequalities.

The important issue then is to create conditions under which inequality in uptake of leave between the sexes is reduced. Leave that can only be taken by women obviously does not fulfil that requirement. There is no equality case for having leave that is specifically for women beyond the period required for recovery from childbirth.

There are two ways to make non-gendered parental leave available: as an individual right for both parents and as a family right, that parents can decide to allocate between them as they wish. Most Scandinavian countries now have some combination of the two, with a portion that can be allocated to either parent, and a portion of leave that can be taken by each parent alone; the latter leave is generally known as “daddy leave”, even though there is in practice at least an equivalent amount of “mummy leave”. And it is the allocation to the father that is

talked about as “compulsory”, or rather as being granted on a “take it or leave it basis”, in recognition that it is only the restriction that a portion be taken by the father that is in practice binding. This may of course change in the future.

Evidence on the uptake of ‘daddy’ leave has been encouraging. For example, in Iceland where, since 2000, fathers have three months’ leave, mothers have three months and parents have three months to share as they wished, 90% of fathers take advantage of their right. This is giving fathers a substantial amount of time to assume caring responsibilities for their young children and although they are taking considerably less time out of the labour market than women (on average 97 days annually compared with women’s 180 days), it is still a significant amount of time for which employers will have to make similar sort of provision that they do for mothers taking leave. Such a parental leave system should be less likely to lead to systematic labour disadvantage for women than one in which only women take an amount of leave that can lead to significant disruption at the workplace and the amount of parental leave taken by men is comparable to that taken for annual leave. Indeed a study of the effect of Iceland’s leave system indicates that, although it is too early for any evaluation of effects on the gender pay gap, it “has levelled the status of men and women in the labour market” (Gíslason, 2007, p3). In Sweden where the total amount of leave is longer, but the amount that can only be taken each partner is less, the proportion of leave taken by fathers is much lower, only about 17 percent of all parental leave days (Duvander et al, 2005).

There is also the issue of the relative cost of mothers or fathers taking leave. Given the gender pay gap, parents may not be able to afford the loss of a male wage if parental leave is paid at too low a rate. If it is paid at *any* flat rate there will be an incentive for the lower earning parent to take any leave which is transferable. Systems that are earnings-related at a high rate of replacement pay are the only ones that do not discourage men from taking leave and thus can challenge traditional gender roles. Earnings-related paid leave is found most frequently in systems funded by earnings-related national insurance, where it is clear that those who gain more have contributed more, as in Sweden where parents on leave receive 80% of their average salary up to a ceiling. That is also the case where leave is paid out of progressive general income tax, but in residual welfare systems, such as the UK, payments are more likely to be flat-rate or even means-tested.

Poorly paid leave not only discourages take-up, particularly by men, it also disadvantages those who take up the leave by reducing their income. As a result income inequalities between men and women and any consequent inequalities in bargaining power within households are exacerbated during the period of leave. Such power imbalances may persist in the longer term, reinforcing traditional gender divisions in employment, caring responsibilities and domestic tasks long after both partners have returned to employment.

A number of studies have concluded that for fathers to take a reasonable amount of leave, a system of maternity/paternity/parental leave requires: that the rights be independent, with some non-transferable time available only to the father (or to each parent), that it should be paid a rate high enough to be comparable with male earnings, and that there should be flexibility in the ways it is taken, both with respect to whether it is taken full or part time and also as to when in the child’s life it is taken, especially after the age of six months (Carlsen 1998, Deven and Moss, 2005; Moss and Deven, 2006; Math & Meiland, 2004).

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 are currently looking after their children full time would have an income in their own right and others might welcome the opportunity to look after their children themselves. Further, such payments can be seen as recognition of informal care, and by extension of women's unpaid labour more generally.

However, unless such payments were high, their take-up would inevitably be both gender and class divided, since those with low earning power and less fulfilling employment would be more likely to take them up. But the consequent interruptions in employment history would only intensify such divisions, both between men and women and among women. Differential take-up would also intensify class divisions in care arrangements, destroying the potential for social cohesion that universal use of public childcare can provide. In France since the introduction of such payments the children of the poor are underrepresented in the *écoles maternelles*, attendance at which used to be more evenly spread across classes (Fagnani, 1999). Such payments to mothers at home would therefore also be likely to entrench the pattern by which mothers with the lowest earning power pay the highest costs for having children because they take longest time out of the labour market (Rake, 2000; Joshi and Davies 2000).

Policies to shift care into the paid economy

The alternative approach is to develop policies to enable some aspects of care to be provided outside the family. Such policies, if successful, can promote gender equality in employment by enabling women to take employment and for longer hours than would be possible if reliant only on themselves or family members for the provision of care. The use of paid care may also be part of a solution which includes more equal sharing of care work between men and women, which is both more possible and more likely if the total quantity of care the family needs to provide is not too large, and therefore sharing is less disruptive of men's employment and other uses of time.

This policy has been at the heart of the Scandinavian approach to gender equality that, as we have seen, supports both parents to remain in full-time, though not long hours, employment by providing high quality childcare. The so-called "Dutch Solution" of encouraging high quality part-time employment by *both* fathers and mothers has also been supported by providing high quality childcare. Although this solution has by no means been universally adopted, the Netherlands, does have a larger proportion of men in part-time employment than other EU countries (Plantenga, 1997).

On the other hand, care provision outside the family can increase gender inequality if it enables gender roles to go unchallenged when women take employment. The very small immediate effect that women's employment has on their partners' contribution to domestic labour, and anecdotal and time-use evidence about how little childcare men do in France, where childcare provision for working mothers is excellent, suggests that this could be a meaningful consideration (European Commission, 2004).

Paid care provision can also increase gender inequality if the paid carers themselves are badly paid, since they are predominately women in all parts of the world. Because of the difficulty

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 hours, 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).

Policies 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 equality 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 such pressures will pay a higher price for doing so and may have less influence on policy than those conforming more to current norms.

Policy tends to reflect the social norms and practices of a society. But policy can also change those norms and practices. An economic strategy for caring would need to recognise that public funding for caring will have to increase as a proportion of GDP if those doing unpaid caring are to achieve equality in the labour market. Inequalities in the distribution of responsibilities and resources for caring mean that this will not be achieved without public support, whether it be through subsidising carers, not-for-profit providers or through public sector. Such a strategy will also need to give specific attention to improving the standards of care and the training and pay of care workers. Otherwise the standards of care will fall and care workers will pay the price for differential productivity gains.

Further even in the long run (e.g. once employment goals are realised), the effects of differential productivity mean that spending on caring will have to grow:

- at the rate of GDP simply to maintain the status quo
- faster than GDP if standards are to improve
- faster than GDP if numbers needing care increases

This is for spending on caring overall. *Public* spending on caring will have to grow at the same rate unless inequalities in the distribution of responsibilities and resources for caring reduce. Increasing wage dispersion within most economies suggest that in practice such inequalities are likely to be increasing.

The need for such increased spending is partly independent of rising care needs; some arises simply from increasing productivity elsewhere in the economy. Allocating enough to public expenditure to cope with the effects of differential productivity on caring would still leave an ever-increasing amount of GDP as disposable income or for other types of public spending (including spending more on care where needs increase). In economies with progressive rates of income tax, if politicians can be persuaded not to refrain from buying themselves

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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