

# SPECTRUM

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## Why 'Caring' matters

**F**eminist economics is a growing field in economics that has gained recognition by holding economic thought to a standard that requires human well-being to be the central measure of economic progress.

Renowned expert in the field of Feminist economics and Professor of Economics, American University, Washington DC, Maria Floro in an interview with the *Sunday Observer* said importantly, feminist economists have shifted the notion of the economy away from what is mainly defined by monetised, market activities to one that is constituted by provisioning activities, which include paid and unpaid activities aimed at generating the basic necessities of life.

"What is distinct in the feminist focus on provisioning is the emphasis on the importance of unpaid caring labour for provisioning individuals, communities and societies."

As Prof. Floro explained gender is a key category of analysis for feminist economists who commonly examine gender divisions of labour and gender inequalities in access to resources in the household and in labour, credit, and asset markets, while seeking to promote gender-equitable provisioning and expansion of capabilities. The notion of gender as a social construct, constantly shaped and reconstituted, has been incorporated in a wide spectrum of economic fields ranging from labour economics to development economics, economics of migration, agricultural economics, health, and education, to ecological economics.

Feminist economists argue that gender relations permeate economic, political and social institutions and hence analyses of the households, labour markets, financial markets, credit, asset markets, as well as those of macroeconomic and social policies such as international trade, fiscal policies, monetary policies, need to take gender into account.

### Gender-blindness of traditional economic models

As Prof. Floro has stated in her research papers, feminist economics have critiqued the gender-blindness of traditional economic models and challenged analytic descriptions of development and globalisation that ignore much of women's economic activity.

### Research work on care economies

Prof. Floro elaborated on her recent research studies focused on care work.

"I would like to elaborate on the collective set of studies on feminist economics that were produced by the Care Work and the Economy Project that I led between 2017 and 2021. The research in this project challenges the undervaluation of care work and the invisibility of care in policymaking particularly in macroeconomic policies," she said.

"The care economy - the focus of our project - underpins the functioning of the economy to ensure the reproduction of societies. As British Economist Diane Elson (2017) once said, "If no one had children, and took care of families and friends, economies would come to a halt for lack of a labour force" and then societies would eventually wither away."

### What is Care Economy

Prof. Floro explained that the care economy comprises the work that is necessary to take care of people who are not yet or no longer able to look after themselves. This work can take place on an unpaid or a paid basis in private households and in the market - in places such as daycare centres, nursing homes, education, and healthcare institutions. In countries such as those in the EU and some emerging economies such as Uruguay, Chile, and South Africa, childcare, healthcare and to some extent eldercare are publicly financed and/or managed.

**"Gender, a key category of analysis for feminist economists" - Prof. Floro**

**FEMINIST ECONOMISTS ARGUE THAT GENDER RELATIONS PERMEATE ECONOMIC, POLITICAL AND SOCIAL INSTITUTIONS AND HENCE ANALYSES OF THE HOUSEHOLDS, LABOUR MARKETS, FINANCIAL MARKETS, CREDIT, ASSET MARKETS, AS WELL AS THOSE OF MACROECONOMIC AND SOCIAL POLICIES SUCH AS INTERNATIONAL TRADE, FISCAL POLICIES, MONETARY POLICIES, NEED TO TAKE GENDER INTO ACCOUNT**

Prof. Floro's care work and the economy project was developed after observing how efforts to reduce gender gaps in economic outcomes and promote inclusive growth and sustainable development are often undermined by the lack of gender awareness in existing approaches to macroeconomic modelling, which have served as analytical frameworks for policy making.

"The neglect of care in key policy tools such as macroeconomic models has led to the neglect of addressing care needs in a comprehensive manner. As a result, we have an emerging care crisis manifested in the form of uncared elderly, differently-abled, the sick, and children in society. This crisis also has taken the form of silent protests against long unpaid work hours performed by women leading to the stalling or decline in female labour force participation rates and decline fertility rates, which are now producing serious economic and social consequences in a growing number of countries such as South Korea, China, and Japan, among others," she said.

### Positive outcome

Prof. Floro discussed in detail the positive outcome of their 2017 project.

"The collective endeavour of the Care Work and the Economy project's 35 scholars from around the world has led to the development of innovative, analytical tools that integrate

gender-awareness and the care sector in policy tools such as macroeconomic models. We adopt the feminist economics notion of the economy as constituted by provisioning activities. These provisioning activities take place in the market sector of the economy as well as the non-market sector involving households and their communities and rely on both paid and unpaid labour, including care labour."

"Without incorporating gender-differentiated aspects of economic behavior, conventional macroeconomic models omit key feedback effects and dynamics, thus resulting in inaccurate analysis of the impacts of economic policies such as fiscal and labour policies on growth, distribution and gender equality. Misguided policy responses to economic problems result."

### Application

"We applied these gender-aware analytical tools to a country that has industrialised and grew very rapidly in the 70's and 80's, but is witnessing a rapid demographic change in both fertility and life expectancies: South Korea. We wanted to demonstrate the policy lessons that a care-focused macroeconomic model can reveal. Given the increasing interest among South Korean policy-makers in promoting women's labour force participation in the context of low fertility rates and the rapid pace of aging, our research project hopes to provide opportunities for furthering policy discourse regarding the impact of macroeconomic policies on unpaid care work and gender inequality, as well as the central role of governments in investing in care provisioning," Prof. Floro said.

"Korea is one of the OECD countries whose women's labour force participation rate lags behind other high-income countries. Although this grew from 37 percent (1963) to 51.8 percent (2015), it is only a modest increase when compared to the country's significant achievements in education. Cultural and social norms around marriage and family (patriarchal norms and filial piety) and the institutionalisation of these norms have put most of the burden of childcare, sick and disabled care and eldercare on the shoulders of women. We conducted an in-depth examination of the nature of unpaid care and paid

care in South Korea and their impact on the well-being of these carers. For this, we made use of in-depth interviews and data collection using detailed surveys of household care providers as well as paid care workers in different settings. This fieldwork and survey data yield deep insights about acts of caring, which are necessary functions for maintaining and reproducing societies and the achievement of well-being. In addition, we also developed methodological tools to capture the full extent of care provisioning by measuring the paid and unpaid care sector," she added.

### Interconnectedness of care crisis and environmental crisis

Prof. Floro has also conducted some studies on the interconnectedness of care crisis and environmental crisis. "In a time of crisis such as climate change and environmental degradation, we, as global society, have also sorely neglected to "care about" and "care for" the natural environment." As with the care crisis, climate change is increasingly being recognised as a global crisis, but responses to it have so far been mainly focused on technological and market-based solutions, rather than on the significant human and gender dimensions," she said.

### Ignoring gender issues

As Prof. Floro has repeatedly shown through her research "traditional economic thought has historically ignored gender issues by disregarding or underestimating women's lives and work."

She explained her point further. "Much of the feminist economists' critique of the conventional or mainstream economic thought has focused on the core assumptions and the characterisation of the economic behavior of individuals. Mainstream analysis assumes that the economic system comprises self-interested individuals (homo economicus), that make rational decisions and choices based on their preferences and their capacity to meet them. The maximising individual is assumed to interact with others in markets through the use of price signals and engage in voluntary and harmonious exchanges. This self-interested, autonomous model of human agency presumes that people are impervious to social influences and norms and lack sufficient emotional connection with others to make empathy possible. The notion of people as independent agents, responsible for only their needs, reflects a disproportionate male, adult and privileged world view. Economic theories



Prof. Maria Floro

and models built on the experience of independent adults ignore the limited autonomy experienced in many life stages: as a child, as a sick person, and as a frail elderly. Even able-bodied male adults often depend on others, including female family members (For example their wives) to clean the house, cook their meals, do the laundry and do the shopping."

"Gender as a central category of economic analysis, conveys what it means to be born female or male and what rights and obligations are expected of them. Gender value systems define the ideal behaviours, attitudes and activities for women and men. They embody power relationships and determine social hierarchies in terms of who is the decision maker, who has access to resources, and how men and women's economic contributions are valued (or not)."

According to Prof. Floro, feminist economists have criticised human capital theory that posited women's secondary position in labour markets as purely the outcome of their own choices. "Gender-aware analysis of the labour market brings attention to the discriminatory practices in the socialisation process of boys and girls that produce different skills and job preferences."

Moreover, the labour market discrimination against women - whether in hiring or on the job - also shapes women's occupation or job choices. A feminist approach to analysing labour market outcomes recognise that gender norms (for example, the undervaluation of women's labour or cultural norms that predetermine the gender division of labour in households) are embedded in the workings of the labour market, which makes it more difficult to root out discrimination via equal employment policy alone. Active labour market policies such as adequate parental leave, social security, childcare subsidies, welfare rights and collective bargaining for both men and women workers and other changes are necessary."

"Feminist economists like myself have problematised the invisibility of unpaid work not only in economic models and economic development theories, but also in economic statistics. The historical invisibility of unpaid work in economic analysis is not surprising, given that traditionally it focused on the market. This, however, has led to the undercounting and undervaluation of women's contributions in national output and labour force statistics. It is no wonder that, for a long time, we discerned a large

disconnect between the official statistics on economic activity rates among women and the material realities and economic processes that have been observed in countries like Sri Lanka, India, Bangladesh, Pakistan, Philippines, Ecuador, Thailand and Turkey.

The information embedded in economic statistics such as labour force data and output data is powerful for it provides the foundation for measuring the level of economic activity and its changes over time, and for economic policy and development planning. Since a substantial part of women's work performed within their households and communities has traditionally been unpaid and not sold in the market, it was excluded from national income accounts and on the labour force," she added.

### Covid-19 pandemic

Feminist economists have sought to challenge society's undervaluation of women's unpaid contributions by addressing the conceptual, theoretical, and statistical biases that are at the root of the undervaluation. In a way, they have posed far-reaching challenges to the basic tenets of economic thinking by revealing the embedded bias in conventional wisdom that identifies work as paid labour and productive activities for the market. Moreover, these challenges have contributed to the discussions around the care economy and its crucial linkages with the market economy - a fact that is now revealed by the Covid-19 pandemic.

### Systems of patriarchy

The erosion of systems of patriarchy has been identified as a key factor in women's entry into the paid labour force. Have the Asian countries achieved tremendous progress in this respect when compared with their bleak past, the *Sunday Observer* asked Prof. Floro.

"I don't think that patriarchy has eroded in all of the Asia Region. When women's entry into the paid labour force is taken into consideration, I would argue that the extent and nature of their participation have responded to the strength of demand for women's labour (deemed by employers to be cheaper, more docile and have 'nimble fingers') as well as to the nature of gender norms," she said.

She added, "Hence women's participation in the labour force can lead to new forms of gender inequalities such as relative greater income insecurity and economic vulnerability and reassertion of gender norms that emphasise women's dependence on men, giving priority to men in job hiring and promotion."

### SDGs for 2030

In 2015, the United Nations GA declared seventeen Sustainable Development Goals (SDGs) for 2030. Are those goals economically viable in the eyes of a feminist economist, the *Sunday Observer* asked.

In response she said; "The attainment of the SDGs requires not only a gender-aware perspective and a deep commitment to inclusiveness and equality but also, first and foremost, a strong political will and a committed leadership willing to cooperate and work together to achieve these goals. Sadly, the recent 2021 COP26 Glasgow Summit shows the inadequacy and hesitation of many political leaders to do so."

Feminist Economics has not yet gained enough popularity as a subject among the tertiary level students in Asia. However, Prof. Floro added that the University of Peradeniya Masters Program on Gender and Economics is a trailblazer.

"In fact, it is the only one that I am aware of in Asia. Although, the number of feminist economists in Asia have increased, most universities and colleges in the region have yet to acknowledge and support the teaching of gender economics in their institutions. I laud the action of the University of Peradeniya in undertaking this initiative," she added finally.

**FEMINIST ECONOMISTS HAVE SOUGHT TO CHALLENGE SOCIETY'S UNDERVALUATION OF WOMEN'S UNPAID CONTRIBUTIONS BY ADDRESSING THE CONCEPTUAL, THEORETICAL, AND STATISTICAL BIASES THAT ARE AT THE ROOT OF THE UNDERVALUATION. IN A WAY, THEY HAVE POSED FAR-REACHING CHALLENGES TO THE BASIC TENETS OF ECONOMIC THINKING BY REVEALING THE EMBEDDED BIAS IN CONVENTIONAL WISDOM THAT IDENTIFIES WORK AS PAID LABOUR AND PRODUCTIVE ACTIVITIES FOR THE MARKET. MOREOVER, THESE CHALLENGES HAVE CONTRIBUTED TO THE DISCUSSIONS AROUND THE CARE ECONOMY AND ITS CRUCIAL LINKAGES WITH THE MARKET ECONOMY - A FACT THAT IS NOW REVEALED BY THE COVID-19 PANDEMIC**

