

Valuing the unrecognised sector of the global economy

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Executive summary

Unpaid care & domestic work is an essential component of global economic activity and is vital for societal well-being. Cooking, cleaning, older adult & childcare all fall within the scope of unpaid care & work. This work is relied on by households, communities and entire societies to function optimally. Yet, it is not remunerated and is consistently ignored in policy-making. Globally, 75% of the unpaid care & domestic work is performed by women & girls (Seedat & Rondon, 2021). The unequal distribution of unpaid work exists because of sexist gender stereotypes that view the house (and the duties within) as “women’s work” and not needing to be remunerated nor considered when creating economic policy, while formal labour, defined as work outside the home, is central. On average, across all regions of the world, women spend 2-10 times the amount of time on unpaid care than men (Ferrant et. al, 2014). Racialized women experience the repercussions of this care & work burden more intensely, as a result of being at the intersection of both racist and sexist systems of inequity (Frye, 2016). Unique challenges are represented with being a racialized woman and performing unpaid work in the home, while still being expected to participate in the formal labour force due to another system of inequity- racism (Frye, 2016). Globally, in order to achieve gender parity and align with Goal 5 of the United Nations Sustainable Development Goals, federal governments must actively implement policies that aim to reduce and redistribute the unpaid labour performed predominantly by women and fiscally recognize the value of this work, which underpins the workings of the formal global economy.

The three main steps to advancing gender parity regarding unpaid work as feminist activists have called for are Recognize, Reduce and Redistribute (Elson, 2017). We must learn to recognize the value of unpaid care work and how the world economy has been developed to exploit this free labour. We must also learn how to reduce the time and energy women spend on performing this unpaid labour, through investing in physical & social infrastructure, sanitation, etc. Lastly, to redistribute unpaid care work means to both recognize that unpaid work may be distributed unequally and to reduce the amount of work someone is expected to perform, redistributing means to equitably divide unpaid labour.

Context

Gender inequalities within the division of unpaid care & work creates barriers to women participating to their full potential in the formal labour force, directly affecting their access to income, which can impact housing and food stability. Globally, labour outcomes for women include lower participation rates and a higher likelihood of working in precarious, poorly compensated fields such as the service or care industry (International Labour Organisation, 2021). These fields are heavily overrepresented by women, especially racialized women, due to these fields' shift flexibility and/or designation as "feminine work". This system of inequality negatively impacts women's social determinants of health around the world, by limiting their ability to access income, primary care and education while also having mental health impacts.

Worryingly, the amount and intensity of unpaid work women perform has only increased with the onset of the COVID-19 pandemic. Seedat and Rondon (2021) found that women are both more likely to have lost their formal employment and have their unpaid labour increase due to having children at home and public support shut due to lockdowns. UN Women Data Hub reports data from 38 countries that support the notion that while both men and women have increased their unpaid care work (51% and 56% respectively), women & girls are still shouldering the most work (2020). Due to COVID-19, women's time spent on childcare has increased from 26 hours to 31 hours a week, nearly equivalent to full-time employment, making formal employment outside of this care work a difficult task (UN Women Data Hub, 2020). This shift correlates with more women leaving the formal workforce to take up full-time care, with the unemployment rate of those 25 years and older increasing by 2.2% (Seedat and Rondon, 2021). With this increasing burden of unpaid care labour greatly impacting women's ability to remain in positions of remunerated work, women's ability to be economically secure is threatened.

Recommendations

While systemic change in how we define and value labour is needed to achieve gender parity, equitable policy implementation is paramount to making sustainable change. To recognize, reduce and redistribute unpaid labour on a global scale, action needs to be taken to protect women's economic autonomy and dismantle the societal norms that feminise domestic work.

Fiscally protecting female-dominated fields that are undervalued due to gendered perception of value would reduce the disparity between the sexes' economic incomes. In countries such as New Zealand, pay equity legislation outlines equal pay for work of equal value and demands an unbiased reevaluation of the value of all labour-including emotional and caregiving (Sussman, 2020). Under this legislation, individuals and unions representing individuals who work in fields that are traditionally female-dominated can raise a claim with their employer if they feel their work has been undervalued on the basis of societal views of the

value of gendered work (NZ). This legislation allows individuals and their unions to take claims directly to their employers and avoid lengthy court battles. Sussman (2020) reported that under this legislation a union of social workers in New Zealand demanded reevaluation of the value of their work; the result was an average 30.6% pay increase, with valuation comparing the difficulty of the field to family violence constables and detectives.

Secondly, eliminating taxation laws that discourage second earners in the household would encourage a higher labour force participation from women. According to the OECD's Family Database (2016), in countries such as the United Kingdom and Denmark, taxation for second earners decreases as gross earnings increase, incentivizing second earners to pursue higher income jobs and to participate in the formal labour force full-time. Adopting this style of taxation that rewards more formal labour participation could ultimately reduce the amount of unpaid care work women do by incentivising their careers.

While the previous recommendations would encourage more women into the labour force, compensating individuals who continue to perform work in the home is crucial to recognizing the value of their work to the economy; implementing an economic change which allows people who work in informal sectors to access a pension and receive tax benefits for their contribution will create more fiscal independence for individuals who work in the domestic sphere and give them social security later in life. In Argentina, to recognize the massive 15% contribution to the country's economy, an amendment was made to the country's pension system-moratorium, which allowed housewives and informal workers to access a pension without the 30 years' labour participation (Government of Argentina, 2021). This legislation monetizes the informal labour performed by women who do not have time or ability to work due to care burdens, as a result 73.4% of individuals who have accessed this moratorium were women (Government of Argentina, 2021). This data suggests that remunerating women's vast labour in the domestic sphere can help fight their economic insecurity later on in life.

To tackle entrenched societal norms regarding the genderization of caregiving and domestic work, it is imperative to implement family friendly policies that encourage the redistribution of work in domestic spheres. Implementing shared, paid parental leave with a 'use it or lose it' scheme, such as in Sweden, would not only encourage fathers to undertake care work but normalise parental absence in both sexes, potentially alleviating workplace dynamics. Under Sweden's Parental Leave policy, fathers are encouraged to take paid leave to help in the domestic task of raising their children, which cannot be used at the same time as the mother (Duvander et al, 2005). Furthermore, this legislation does not allow paid leave to be transferred to the other parent, which further encourages fathers to take advantage of paid leave from work, while normalizing men taking leave from their careers to aid in child rearing. This policy has proven to be largely successful, with the percentage of fathers taking parental leave steadily increasing since the legislation's introduction in 1994, and as of 2013 over 90% of fathers were

taking some form of paid leave (Doucet, 2018). Doucet further reports that the percentage of couples sharing parental leave equitably, and therefore sharing more child rearing responsibilities, was also steadily increasing (2018). Secondly, providing publicly funded, high quality older adult and childcare facilities would greatly reduce the number of unpaid hours worked by women. Once again, Sweden is a prime example of the benefits of publicly funded childcare, where over 84% of children ages 1-5 are in full-time daycare (Duvander et. al, 2005). Consequently, women in Sweden have a lower unemployment rate than men, which are 6.2% and 6.5% respectively (OECD, 2020). Combining these family focussed, workplace policies with publicly funded care options allows more room for progress in the redistribution of unpaid care that unfairly burdens women.

Conclusion

Throughout the world achieving gender parity requires systemic change that does not simply aim to reduce women's unearned disadvantage but rather that dismantles the system of inequality that is sexism. Under our current policies women are more likely to be spending countless hours on childcare and domestic work that limits their ability to participate in the workforce and negatively impacts their mental health (Seedhat and Rondon, 2021). One step towards gender parity is ensuring women have equitable opportunity to participate in the workforce and re-imagining⁸ how we address the redistribution of unpaid care & work. Women's quality of life would rise substantially if public and workplace policies allowed more time for them to pursue education, careers and hobbies that brought them joy, without spending the time of a full-time job on unpaid care duties. Acting on recommendations that champion remuneration and tackle entrenched societal norms is a crucial first step in achieving gender parity.

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