

## A PURPLE ECONOMY

# THE CASE FOR PLACING THE ECONOMICS OF CARE AT THE HEART OF SUSTAINABLE DEVELOPMENT

Written by: Ana Sofia Fernandes, Secretary-General of The Portuguese Platform for Women's Rights & Board Member of the European Women's Lobby

The Source Network is an online network bringing together academics, policy professionals and civil society organisers from across Europe.

Source is a project of the New Economics Foundation and is supported by the KR Foundation.

Published by The New Economics Foundation

[www.neweconomics.org](http://www.neweconomics.org)

+44 (0)20 7820 6300

@NEF

Registered charity number 1055254

© 2017 The New Economics Foundation

# CONTENTS

The Homo Economicus.....	3
From Production to Reproduction in Liberal and Neoliberal Capitalism .....	4
The Care Crisis .....	6
Changing the Paradigm: The Care Economy .....	7
A Call for a New Economic Order: The Purple Economy .....	11
Conclusions & Recommendations.....	15
Specific Recommendations .....	16
Endnotes .....	18



*“The care economy is the part of human activity, both material and social, that is concerned with the process of caring for the present and future labour force, and the human population as a whole, including the domestic provisioning of food, clothing, and shelter. Social reproduction is the provisioning of all such needs throughout the economy, regardless of whether it is of a paid or unpaid nature.”<sup>1</sup>*

Alexander, P., and Baden, S.

## THE HOMO ECONOMICUS

The *homo economicus*, or economic man, is an economic vision of humans as fundamentally rational individuals guided by self-interest. Its roots go as far back as the works of Adam Smith but it is still present in conventional economics and in the mainstream model used to design societies, systems, and entire economies.

This central character is the rational, autonomous agent who trades with others to maximize a utility function. He – and one might indeed speak of a “he”, for this model is embedded in a patriarchal system where men play a dominant role – is the very image of the completely autonomous individual, independent of all natural needs and social influences. The fundamental question of economic theory is the investigation of how he makes choices in a world of scarcity.

This view is still prevalent in the field of macroeconomics despite having been subject to a number of fundamental critiques. For the purposes of this article, we are particularly interested in the *feminist* critique, that is, the effort to examine the central tenets of economics from a feminist point of view, as embodied in the pioneering work of Ferber and Nelson (1993) or Waring (Waring, 1988). In these original essays, the authors suggested that the discipline of economics could be improved by freeing itself from masculine biases<sup>2</sup>.

The authors discussed the extent to which gender has influenced both the *range* of subjects economists have studied and the *approach* used in conducting their studies. They investigated, for example, how masculine concerns frame economists' focus on the market as opposed to household activities and their emphasis on individual choice to the exclusion of social constraints on choice. This focus on masculine-biased interests, these authors contended, skewed the definition and boundaries of the discipline.

---

<sup>1</sup> Alexander & Baden (2000).

A major consequence was the emergence of several well-known dichotomies: economic vs. social, productive vs. reproductive work, paid vs. unpaid work, and public vs. private sphere, in turn associated primarily with men and women respectively. Mainstream economics has been overwhelmingly concerned with the market-intermediated, remunerated and, in line with the construct of the *homo economicus*, productive part of the economy.

For feminist economics, on the contrary, labour does not only comprise waged labour, but also housework and care; furthermore, it ascribes central importance to the (non) payment of work and its distribution between women and men (Urban & Pürckhauer, 2016).

Reproductive work involves all the tasks associated with supporting and servicing the past, current and future workforce – those who undertook, undertake or will undertake ‘productive work’. It includes, but it’s not limited to, childbearing and nurturing. It has increasingly been referred to as ‘social reproduction’ (Fraser, 2013) to indicate that the term has a broader scope than simply the activities associated with biological reproduction. The fact that reproductive work is the essential basis of productive work is the principal argument for its economic importance. Most of it is undertaken primarily by women, unpaid, and therefore unrecorded in national accounts (Mediterranean Institute of Gender Studies, 2009).

## **FROM PRODUCTION TO REPRODUCTION IN LIBERAL AND NEOLIBERAL CAPITALISM**

The creation and maintenance of social bonds which embodies the concept of social reproduction relates with the ties between the generations and among friends, family, neighbourhoods, and community. Their affective and material elements supply the “social glue” that allows social cooperation and, therefore, social cohesion. Historically, social reproduction has been strongly gendered, with most of its responsibilities assigned to women, although men have always performed some of it too.

According to Fraser (2013), the gendered separation of social reproduction from economic production is a feature of the accumulative capitalist economic system. Fraser notes that liberal capitalism in the nineteenth century *privatized* social reproduction; state-managed capitalism from the mid-twentieth century partially *socialized* it and financialized capitalism today is increasingly *commodifying* it. In each case, a specific organization of social reproduction went with a distinctive set of gender and family

ideals: from the liberal-capitalist vision of “separate spheres” to the social-democratic model of the “family wage” to the neoliberal financialized norm of the “two-earner family.”

In the current financialized capitalism, under which many women entered the labour market, reproductive activities such as child care, care of the elderly, and house cleaning are organized to a large extent via paid labour and are continuously commodified. These changes are primarily a response to needs created by women’s increased participation in the labour market and only secondarily a response to feminist claims.

Yet these developments did not change the gender division of labour: women make up the majority of the workforce devoted to care work, which tends to be, in turn, less well remunerated. Women face a double burden since they are engaged in paid work and additionally do most of the unpaid housework. In addition, the integration of many women into the labour market relies on a class and ethnic/racial divide among women: caring activities, such as house cleaning or child and elderly care, are often carried out by women migrant workers, many from Eastern Europe or the Global South.

The resources necessary for social reproduction are accorded no monetized value; they are taken for granted, treated as free and infinitely available “gifts,” requiring no attention or replenishment. It is assumed that there will always be sufficient energy to sustain the social connections on which economic production depends. But when a society simultaneously withdraws public support for social reproduction and conscripts the chief providers of it into long and gruelling hours of paid work, it depletes the very social capacities on which it depends.

This is our situation today. **The current, financialized form of capitalism is systematically undermining our capacities to sustain social bonds.** These capacities are being stretched up to a breaking point where a crisis of care will ensue. A similar process took place with natural resources, to such an extent that we are now facing a **systemic ecological crisis**, the realization of which has provided the case for the green economy. It is high time to likewise acknowledge the systemic care crisis produced by the subordination of reproduction to production, and to build the case for the care economy. **The ecological and care crisis are intertwined and so too are the responses to both.**

## THE CARE CRISIS

Across the world, it is a cultural assumption that women are the primary care-givers, yet the value and moral imperatives of care work are undervalued, unrecorded and invisible in most societies. As more and more women have entered the work force, some as primary breadwinners, family care has come under increasing stress. As families struggle to address their care needs, they are confronted with inadequate social support and policies to address child-care, elder-care and care of the chronically ill and/or disabled. Families must often turn to other family members for support or, if they can afford it, hire caregivers. In this way, many families are unwittingly fuelling the global care crisis, creating care chains, transnational networks that reallocate physical and emotional labour to cover care needs elsewhere. Many of the hired caregivers are themselves mothers who leave their families to provide care for others. Poverty drives their choice. **This situation is framed as a personal/familial issue, and not, as it should, as a social/political one.**

This development is, in part, fuelled by demographic shifts in richer countries, such as ageing populations and declining fertility rates. These changes, combined with the financial and economic crisis and the austerity responses that ensued, placed a disproportionate burden on the public sector and the caring activities. One of the consequences of this has been a significant change in migratory patterns: migration is increasingly feminized, with a growing number of women migrating across national borders to take up work in jobs considered to be 'women's work'. Those developments go hand in hand with increasing *flexibilization* and the continuous low status of care.

Furthermore, as the immediate problem women face in trying to combine paid work with household and care responsibilities is being addressed – at least by the minority with the financial means to do so - by paying women from poorer classes or countries to do that work, it detracts from the wider issue of men's responsibility to share domestic and care work and generates inequalities among women. Therefore, **this situation simultaneously perpetuates gendered inequalities associated with care, geopolitical inequalities, and class and ethnic inequalities between women.**

This will become ever more pressing as the proportion of older people increases over the next decades, and care for older people becomes ever more important. Worldwide, the population over 65 is projected to more than double over the next 30 years, from 500 million to 1.3 billion. Europe is expected to be the "greyest" continent, with one in four over 64 and one in 7 over 75 (Jolly et al., 2012).

Together with ICT and 'green jobs' care, is one of the sectors with highest job creation potential. However, job creation in the care sector has until now received less political interest. Tapping on the potential of job creation in the care sector requires addressing the low job quality characteristic of the health and care sector across the EU. Low pay, high levels of part-time work and poor working conditions do not reflect the social value of this sector and make it difficult to attract new human resources. In nineteen out of the 27 EU Member States more than 50% of the elderly receive informal or no care (European Institute for Gender Equality, 2011).

## CHANGING THE PARADIGM: THE CARE ECONOMY

According to the Report of the Secretary-General of the United Nations (United Nations, 2016) **the total value of unpaid care and domestic work is estimated to be between 10 and 39 per cent of GDP worldwide.** Unpaid care and domestic work supports the economy and often makes up for lack of public expenditure on social services and infrastructure. It represents, in fact, a transfer of resources from women to others in the economy.

The case for public investment in times of high unemployment and pervasive underemployment derives from Keynesian macroeconomic theory, the central argument being that the injection of demand into the economy by public investment will generate employment directly and indirectly and have an expansionary impact on overall demand, in turn helping to lift economies out of recession. Although Keynes remarked that the 'kind of public investment does not matter' as it generated jobs of all sorts, there is a gender bias in the implementation of this economic thinking, and a case can be made to direct public investment to areas of the economy where the need is greatest, i.e. the care economy.

Traditionally, governments adopting a public investment strategy have invested in *physical* infrastructure, especially in the construction industries, promoting a particular increase in *male* employment, with scant attention being paid to the social or gender impact of such a strategy. This gender bias in economic thinking may derive from the gendered division of labour employment segregation, with male unemployment being often seen as a more pressing problem.

Despite this scenario, there is growing evidence of the effectiveness of public investment in the *social* infrastructure. Social infrastructure is intimately connected to reproductive work, and comprises all facilities related with education, health services, and care activities, including care for the elderly, disabled, and pre-school children. It includes both the labour force that provides care services and its skills, as well as the physical infrastructures that support their work (De Henau et al., 2016).

Although both public investments in physical infrastructure and social infrastructure create new jobs, recent evidence shows that public investment in the latter, and specifically in the care services, creates more jobs.<sup>3</sup> Thus, it may be a more efficient way to tackle some of our central economic and social problems, such as low productivity, the care deficit, demographic changes, and the continuing gender inequality in paid and unpaid work.

According to a recent study from ITUC (2016) which made a gender analysis of employment stimulus in seven OECD countries, if **2% of GDP** were invested in caring industries, there would be an estimated increase in overall employment ranging from **2.4% to 6.1%**<sup>4</sup>. Most the jobs created would be taken up by women (between 59% and 70%) because of occupational segregation. Nevertheless, due to the multiplier effect<sup>5</sup> of this jobs creation, many jobs would be created outside the care sector and, therefore, would lead to an increase in jobs for men and for women. The authors estimate that the employment rate of women would increase between **3.3 and 8.2** percentage points and between 1.4 and 4.0 percentage points for men, resulting in a reduction in the gender gap in employment between 1.6 and 4.2 percentage points, depending on each countries' labour market characteristics.

The study also points out that the provision of socialised care services frees people to take on other work, in particular enabling a greater labour market participation for women. In fact, women are more likely to be prepared to take employment once high quality and affordable care services are available.

The extent to which investment in care services reduces gender segregation over time would depend on the extent to which men are incentivised to take up jobs in the care

---

<sup>3</sup> According to De Henau et al. (2016) for a similar amount of investment in the caring industries and in the construction

industries more jobs, even on a full time equivalent measure, are created overall.

<sup>4</sup> The countries analysed were the UK, US, Australia, Denmark, Italy, Japan and Germany which differ in the welfare regime typology.

<sup>5</sup> Multiplier effect is the creation of jobs in other industries than those in which the public investment focused, namely those that supply the necessary raw materials and services for the initial investment (known as the indirect employment effect). In addition, the expansion of employment created by these jobs will lead to an expansion in household income, so, new demand is created for goods and services for household consumption and entertainment (known as the induced employment effects).



sector<sup>6</sup>. Valuing the care sector in terms of pay and conditions would certainly make it more attractive as a viable career prospect to both women and men.

The public provision of care could also narrow social divisions by enabling low earning women to enter the workforce or to have full time jobs and increase their earnings. This in turn would have a positive impact on women's lifetime earnings, pension entitlement, and reduction in the gender gap in poverty rates. It would also potentially narrow the social divide among children if it results in children from different backgrounds being cared for together, contributing to their well-being, learning opportunities, social development, and integration.

In a nutshell, the authors make the case that countries seeking to boost employment could invest in social infrastructure, specifically social care services. Such investment would contribute to more job creation and to greater gender equality. It would contribute to reducing employment gaps; improving working conditions in the care sector - currently characterized by absence of decent work and labour rights, particularly for migrant workers. They show that public investment in social infrastructure makes economic sense, as it not only generates employment, but also contributes to gender equality and human development.

A few examples of success stories that are already happening at the local/regional/national level across Europe:

### **Free childcare in Malta**

Women's employment rate in Malta is one of the lowest in the EU and the gap between women and men is the widest. In 2014 the Maltese government introduced free child care for parents/guardians in work or education. Three years later, while the gender employment gap remains wide (difference of almost 28 percentage points), the measure has had a positive impact on women's take-up of paid employment.

---

<sup>6</sup> Along with other incentives to equalise participation of men and women in private life.

### **The Story of Buurtzorg in the Netherlands**

Buurtzorg provides neighbourhood nursing. The Netherlands had autonomous neighbourhood nurses until the 1980s when the state pushed for centralization for economies of scale and set up centralized call centers. Nurses were assigned a detailed daily schedule and as organisations merged an elaborate hierarchical bureaucracy evolved. Clients disliked the new system. They used to have one trusted nurse, whereas now nurses were changing all the time and were only available for short periods. Nurses also disliked it: their job became heavily bureaucratized and they had less contact with clients.

Jos de Block, a former nurse, created Buurtzorg in 2007, by gathering ten nurses self-organising. By 2014, Buurtzorg comprised 8000 people with a market share of 80%. They work with 1-2 nurses per client, so there's time for bonding. The purpose is not just to provide medical care, but to help people live meaningful, autonomous lives.

More info at: <https://www.leadershipandchangemagazine.com/reinventing-organizations-a-case-study/>

### **Time use survey in Portugal**

Portugal carried out a National Survey on Time Use by Men and Women in 2016 in order to obtain updated information, namely in terms of paid work and unpaid care work. It made possible an analysis of the trends since the last survey (1999). The survey was complemented by a qualitative analysis, based on in-depth interviews. It raised awareness of the need for a balanced distribution of unpaid care work between women and men and supported recommendations for public policies in the area of work, personal and family life conciliation.

More info: <http://www.cesis.org/pt/area-atividade/198/inquerito-nacional-aos-usos-do-tempo-de-homens-e-de-mulheres/>

### **WeStart Mapping Women's Social Entrepreneurship in Europe**

The overwhelming majority of women social entrepreneurs mapped in 10 EU Member States, indicated that their decision to start a social enterprise was a response to an unmet need in the community. The 'unmet' needs included social enterprises for disabled persons, integration of former prisoners, creating devices for autistic children, well-being centres for the chronically ill and developing new skills related to the environment.

More info: <http://www.womenlobby.org/-westart-?lang=en>

## **A CALL FOR A NEW ECONOMIC ORDER: THE PURPLE ECONOMY**

The gendered characteristics of the global economic crises of 2008 have been pointed out both in terms of the predominance of men in decision making and the prevalence of “macho” norms of behaviour. It is true that most of the EU decision-makers in the field of finance are men and possibly having more women in charge of financial governance might have led to more careful appraisal of the risks of financial innovation. However, it would not have addressed the underlying problem of what some have called “the financialization of everyday activities” (Rai & Waylen, 2013).

The response to the 2010 European debt crisis, namely in the form of the so called “expansionary austerity”, was intended to restore confidence in the financial markets and stimulate private investment. These austerity policies failed and led to a second recession in 2012 in many European countries.

The gendered impact of the EU debt and austerity crisis on the sphere of production became clear as austerity policies began to take effect in 2011. What was first called a “*mancecession*” ceased when men’s unemployment declined while female unemployment continued to rise as the sectors where women worked began to be affected by cuts, wage freezes and other austerity measures. Self-employment, involuntary part-time work and the emergency of the ‘gig’ economy increased, leading to a *informalisation* of the labour market and a weakening/loss of social rights and social protection. There were also debates about whether austerity was leading to a reversal of the dual earner/dual carer regime of gender relations, reinstating instead the male breadwinner/female carer model.

Cutbacks in care services put pressure back on households, and make increasing demands on unpaid care work. When the nursery closes, or limits its opening hours, when childcare fees become unaffordable, or when support services for an elderly relative are cut down, it is mostly women who drop out of paid employment and take over the care responsibilities. The shift from public care services to unpaid care work within the household poses a severe threat to gender equality in Europe. Austerity is leading to reprivatisation of care and a shift towards more familial welfare systems. Such a shift would also mean a return to more traditional gender roles.

**Austerity policies undermined public services that have supported the sphere of reproduction in the past 50 years.** Cuts to care services increased the amount of unpaid care work that women perform, and their cumulative impact was hardest on the poor and most vulnerable women. Research has shown that **lone mothers and female single pensioners face the biggest cumulative losses** (The Fawcett Society, 2011).

Overall, the crises stem from the dominance of finance over production and reproduction. Securing a sustainable crisis-free gender-equal global economy requires a fundamental reorganisation of the relations between the three spheres, so that finance and production serves the needs of reproduction - the sphere in which the care to human well beings is provided. Economic reasoning must take account of unpaid work and gender norms. Hence engaging with financial governance, monetary and fiscal policy, and policies for structural change in production, reproduction and consumption is of paramount importance.

Many critics of austerity policies are calling for more expansionary fiscal policies, with a focus on restoring and increasing sustainable economic growth and on investment in social infrastructure, especially care services (Rai & Waylen, 2013). More broadly, they argue for a **rethinking of the type of goods and services we want to produce and consume, and what criteria to use to judge economic success.**

**Scholars and activists are increasingly calling for a shift away from a profit and growth oriented economy towards more sustainable and gender-just economies that meet the needs of all human beings while respecting ecological boundaries, acknowledging that markets are not self-regulatory and promoting a regulatory social state with “embedded autonomy”. A society that assumes every adult is a person with primary care responsibilities, community engagements, and social commitments.**

In this overall scenario, Ipek Ilkcaracan (Ilkcaracan, 2013) introduces an alternative vision that she names **Purple Economy**<sup>7</sup>: a new economic order to address the multiple systemic challenges we are currently facing. This vision recognises the centrality of the care economy to wellbeing, and entails institutions, policies and practices for care provisioning without generating inequalities. It treats care as a public good<sup>8</sup> and internalises the costs of its reproduction into the economy through state intervention and market regulation.

The Purple Economy stands on four pillars: 1) Universal public provisioning of care services for children, the elderly, people with disabilities and the sick as well as self-care. 2) Regulation of the labour market to enable balancing of paid employment with care labour in the private sphere based on equal conditions and incentives for women and men. 3) Public policies to address the special needs of rural communities where unpaid

---

<sup>7</sup> The colour purple comes from its symbolic meaning as the colour adopted by the feminist movement in many countries around the world.

<sup>8</sup> This vision acknowledges access to care as a basic human right, and hence a State obligation, as for example access to education and health services.

care work entails a larger array of productive activities dependent on natural resources.

4) The regulation of the macroeconomic environment for nature and nurture as the core objectives of macroeconomic policy. The first three pillars refer to an encompassing public social care infrastructure and the fourth one to the macroeconomic content that enables its functioning.

The financing of the first pillar includes a shift from the traditional public investments and stimulatory spending focused on physical infrastructure towards building a social care infrastructure. Funding reallocation and, where necessary, expansion of government spending is complemented with incentives for private investment in the care economy. This includes purple taxation and investments for financing care and global pacts on reallocation of military spending. This investment strategy has the potential to serve multiple goals: enabling the sustainability of reproduction in an egalitarian manner, alleviating the effects of the economic crisis through generation of “purple jobs”, and counteracting the demographic crisis.

The second pillar regards the labour market regulation for work-life balance to equalise cost-benefit incentives for men and women in allocating their time between paid versus unpaid work. This would be based on four components: legal rights to paid and unpaid care leave for child care<sup>9</sup> as well as other dependent care for both men and women – including paid non-transferable paternity leave of equal length; regulation of labour market working hours within decent job standards; right to flexible work arrangements<sup>10</sup> to enable addressing of household care needs as they change over the life cycle; and regulation of labour market to eliminate discriminatory practices.

The third pillar addresses the needs of rural communities, namely the specific conditions they face when performing care labour. This would entail, besides public provisioning of care services, support in terms of public and private green investments in agriculture and rural infrastructure, green technology transfer programs that build on women’s local knowledge of ecosystems, and targeted rural subsidies for women.

Finally, the regulation of the macroeconomic environment for nature and nurture as the core objectives of macroeconomic policy entails letting go of the gender bias in mainstream macroeconomic policy, namely its manifestation in the focus on GDP growth and efficiency as exclusive goals. These could instead be framed as possible tools, among others, in reaching the ultimate objective of nature and nurture.

---

<sup>9</sup> Ipek Ikcaracan mentions, for example, the possibility to implement mandatory child care leave for fathers, which could potentially replace mandatory military service that still exists in many countries.

<sup>10</sup> Without promoting part-time work only for women as a means of reconciling paid work and care responsibilities.

This effort also includes acknowledging the fact that gender-responsive budgeting has not yet fully engaged with the macroeconomics of budgets at national level. Some EU Member States or local governments have legislated for gender budgeting, e.g. Austria, Belgium and Andalucía; others have initiated changes to the institutions<sup>11</sup> of the budget e.g. Belgium, while others have linked equality policy with economic policy e.g. Sweden and Finland. But the existing practices are almost exclusively associated with the expenditure related to the delivery of public services - with a few exceptions like Austria, where the Ministry of Finance specified a tax-related gender equality objective. Some countries have also started to acknowledge the importance of extending their gender budgeting activities to the realm of taxation (Quinn, 2016).

Issues of reformed progressive and fair tax systems to generate more revenue to allow high public expenditure for services that are currently being outsourced and privatised need to be balanced with issues of when fiscal policy should be expansionary or contractionary. Fiscal austerity, for instance, a strong component of conventional macroeconomics thinking that calls for reduction in social expenditure, is based on a false assumption that women's caring labour is infinite, which facilitate the shifting of the care burden from paid work to women's unpaid reproductive and care work. As Diana Elson points out *"the household sector is frequently called upon to play the role of safety net of last resort in [this] risky system, but if the demands that are made on the household sector to provide a safety net of last resort are too great, human capabilities will be depleted. Unpaid care labor in the household is not infinitely elastic; it cannot stretch to patch up all the holes in the safety nets that states used to be supposed to provide and increasingly do not."* (Diane, 2012)

Therefore, taxation and spending allocation need to be placed in the analytical framework of gender budgeting<sup>12</sup>, that allows the evaluation of their impact on access to care and gender equality by class and origin without presuming an infinite source of female unpaid caring labour.

---

<sup>11</sup> Belgium begun to move towards performance based budgeting.

<sup>12</sup> Women's organisations are beginning to provide hands-on tools on gender budgeting, to provide capacity building for organisations to ask the right questions in scrutinising state budgets. For example, the Swedish Women's Lobby has developed a number of such tools over the last decade, including an "All-around method" hand book and, templates with guiding questions for analysing budgets from a gender equality perspective.

## CONCLUSIONS & RECOMMENDATIONS

The EU is now currently in a process of reflection following the issuing in March of the **White Paper on the future of Europe: analysis and scenarios for EU 27 until 2025**. It is, therefore, a favourable moment to acknowledge that economies and societies need to be rebalanced and that women and men have a right to decent paid work that can be combined with caring responsibilities. Care is a collective need and a collective responsibility that should be adequately shared between families, communities, businesses, and states and equally shared between women and men.

To monitor the situation of women and men overall, the EU would benefit from regular, periodic time-use surveys across countries. **Disaggregated time-use data — by sex, income, age, location, and other relevant factors — should inform policies**. The understanding of economies as gendered systems and structures and of economic crises as crises in social reproduction, finance, and production require in the future that gender impact assessment of macroeconomic policies - as well as gender budgeting - become an institutionalised practice at the EU and Member States level.

But the future has already started, and within the current EU €315 billion investment plan for Europe, it would be important to allocate funding for social infrastructure investment, placing nature and nurture at its heart. This is an opportunity for a long-term recovery gender-equitable and more sustainable development of a care economy, where care for people as well as for the environment is the central objective.

**Care is all but invisible** in GDP terms. This invisibility perpetuates poverty, promotes gender disparity and income inequality, degrades democratic systems, increases rates of incarceration, and strains governmental budgets by swelling the demand for public assistance.

Higher GDP does not necessarily improve standards of living across the board. To make that happen, we need tools that make care visible. These tools will relate *inputs*, in the form of care investment, to *outputs* demonstrating the consequent growth in human capital and well-being. Creating a care infrastructure, where meeting human needs is not in opposition to a prosperous economy, but **the very foundation upon which it rests**, is the way forward.

Economic governance at EU level has systematically focused on the reduction of public spending and has done very little to regulate tax revenue on a global level, particularly with regards to corporate tax. This has resulted in a race to the bottom that fuels inequalities on a global scale. Tax justice is a women's rights issue and a necessity if

governments are to invest in gender equality. Progressive and balanced taxation is crucial to ensure a fair and equal contribution to State budgets.

Caring and being cared for, at different stages in our lives, is one of the central emotional experiences of our shared humanity. The lack of affordable, accessible, and high quality care services in the EU is a major obstacle to women's full participation in all aspects of economic, social, cultural and political life. Care policies, the provision of care services and the development of the care economy are therefore crucial for the achievement of equality between women and men.

## **SPECIFIC RECOMMENDATIONS**

**Macro-economic policies must be gendered, in particular:**

- Invest in social infrastructure to develop the care economy in light of its huge potential to create quality jobs and as a response to increasing care needs across the life-cycle.
- The €315 billion Investment Plan for Europe, the so-called 'Juncker Plan' should remove gender bias and rebalance its investment strategy to invest in the care economy alongside physical infrastructure
- Ensure that the 80€ budget of the European Investment Bank (EIB) is directed to investments in the care economy to implement its Strategy on Gender Equality and Women's Economic Empowerment, adopted in December 2016
- Investment in the care economy is a long term sustainable investment for present and future generations. Investments in the care economy must be exempt from public deficit calculations which consider this type of public investment as a cost and a burden to the public purse rather than a sustainable investment for the present and the future.
- EU economic governance which scrutinises national budgets (particularly in the Euro zone) should strongly recommend investments in the care economy and carry out gender impact assessments prior to issuing country-specific recommendations particularly in the area of macro-economic policies; for example progressive taxation as opposed to VAT, to strengthen the revenue base of the State for public investments in the care economy.

**Progress towards an equal-earner-equal-carer model to ensure that both women and men share caring responsibilities, in particular:**

- Speedy adoption of the European Commission's proposal for legislation on work-life-balance, with regards to non-transferable paid parental leave, paid paternity and carer's leave and the right to flexible working arrangements on return to work to ensure continuous sharing of care between women and men at different stages of the life-cycle.

**Other measures:**



- Invest in the care economy to implement the Sustainable Development Goals, in particular Goal 5 on gender equality and empowerment of all women and girls, goal 8 on promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, and 10 on reducing inequalities within and among countries.
- Provide resources to non-governmental organisations, in particular women's organisations to develop innovative care initiatives and services.
- Facilitate linkages between the care economy and the green economy as part of a continuum of care between people, the environment and the planet.
- Engage in and facilitate movement building for systemic change that places care at the centre of sustainable development.

## ENDNOTES

- Alexander, P., & Baden, S. (2000). Glossary on macroeconomics from a gender perspective. Brighton: University of Sussex. Institute of development studies. Retrieved from <http://www.bridge.ids.ac.uk/sites/bridge.ids.ac.uk/files/reports/re48c.pdf>
- De Henau, J., Himmelweit, S., Lapniewska, Z., & Perrons, D. (2016). Investing in the care economy: a gender analysis of employment stimulus in seven OECD countries. (1st ed.) Brussels: The International Trade Union Confederation.
- Diane, E. (2012). Unpaid care work in economic context. In European Women's Lobby, *Her Future – Intergenerational solidarity from a gender equality perspective*. Retrieved from [http://www.womenlobby.org/IMG/pdf/european\\_women\\_s\\_voice\\_spring\\_2012\\_lr.pdf?1515/6d18fbcacc2a8af8da243ef8e128e403a8a91fc](http://www.womenlobby.org/IMG/pdf/european_women_s_voice_spring_2012_lr.pdf?1515/6d18fbcacc2a8af8da243ef8e128e403a8a91fc)
- European Institute for Gender Equality (Ed.). (2011). Review of the implementation of the Beijing Platform for Action: women and the economy; reconciliation of work and family life as a condition of equal participation in the labour market; main findings. Luxembourg: Publ. Office of the Europ. Union.
- Ilkcaracan, I. (2013). The Purple Economy: A Call for a New Economic Order beyond the Green Economy. In GENANET (Ed.), *Sustainable Economy and Green Growth: Who Cares?* Retrieved from [http://www.genanet.de/fileadmin/user\\_upload/dokumente/Care\\_Gender\\_Green\\_Economy/Int\\_WS\\_Sustainable\\_Economy\\_Green\\_Growth\\_who\\_cares\\_EN.pdf](http://www.genanet.de/fileadmin/user_upload/dokumente/Care_Gender_Green_Economy/Int_WS_Sustainable_Economy_Green_Growth_who_cares_EN.pdf)
- Ferber, M. A., & Nelson, J. A. (Eds.). (1994). *Beyond economic man: feminist theory and economics*. Chicago: Univ. of Chicago Press.
- Waring, M. (1990). *If Women Counted: A New Feminist Economics*. San Francisco: Harpercollins.
- Urban, J., & Pürckhauer, A. (2016). *Feminist Economics | Exploring Economics*. Retrieved 24 May 2017, from <https://www.exploring-economics.org/en/orientation/feminist-economics/>
- Fraser, N. (2013). *Fortunes of Feminism: From State-Managed Capitalism to Neoliberal Crisis* (1 edition). Brooklyn, NY: Verso.
- Jolly, R., Cornia, G. A., Elson, D., Fortin, C., Griffith-Jones, S., Helleiner, G., ... Stewart, F. (2012). *Be Outraged: There are alternatives*. Policy & Practice. Retrieved from <http://policy-practice.oxfam.org.uk/publications/be-outraged-there-are-alternatives-224184>
- Mediterranean Institute of Gender Studies. (2009). Glossary of Gender-related Terms. Retrieved 25 May 2017, from <http://www.medinstgenderstudies.org/glossary-on-gender/>
- Quinn, S. (2016). *Europe: A Survey of Gender Budgeting Efforts*. International Monetary Fund. Retrieved from <https://www.imf.org/external/pubs/ft/wp/2016/wp16155.pdf>.
- Rai, S. M., & Waylen, G. (Eds.). (2013). *New Frontiers in Feminist Political Economy* (1 edition). London; New York: Routledge.

The Fawcett Society. (2011). *Single Mothers: Singled Out – the impact of 2010-15 tax and benefit changes on women and men*. Retrieved from <http://www.rosswa.co.uk/single-mothers-singled-out-the-impact-of-2010-15-tax-and-benefit-changes-on-women-and-men/>

United Nations, Economic and Social Council. (2016). *Women's economic empowerment in the changing world of work. Report of the Secretary-General*. Retrieved from [www.uncitral.org/uncitral/en/uncitral\\_texts/arbitration/1985Model\\_arbitration.html](http://www.uncitral.org/uncitral/en/uncitral_texts/arbitration/1985Model_arbitration.html).

Urban, J., & Pürckhauer, A. (2016). Feminist Economics | Exploring Economics. Retrieved from <https://www.exploring-economics.org/en/orientation/feminist-economics/>

Waring, M. (1990). *If Women Counted: A New Feminist Economics*. San Francisco: Harpercollins

