

ECONOMICA

WOMEN *and the* GLOBAL ECONOMY

PODCAST: The Cost of Care: A Conversation with the Feminist Theorist Nancy Folbre

HOST: Welcome to the International Museum of Women and this podcast for *Economica: Women and the Global Economy*.

NANCY FOLBRE: *A lot of women's domestic and family work has been a kind of social safety net for everyone. If somebody gets sick, it's their wife or their mother or their daughter or their aunt who takes care of them. And I think it was easy to take that safety net for granted because it was kind of invisible.*

HOST: Nancy Folbre researches the interaction of feminist theory and political economy, with a particular focus on the work of caring for others. Folbre is recipient of a MacArthur Fellowship, and has consulted for the United Nations Human Development Office, the World Bank and other organizations. She teaches economics at the University of Massachusetts, Amherst.

Economica curator Masum Momaya sat down with Nancy Folbre at the 2009 conference of the International Association for Feminist Economics. She began by asking just what is meant by the phrase “care work.”

FOLBRE: Care work is a term that not everybody is completely agreed on what they mean by it. But in general what we mean is work that involves face-to-face, person-to-person interactive care for somebody—often a dependent, a child, a sick or disabled person, a frail elderly person, people who are somewhat vulnerable.

It's a really interesting category because it crosses the boundaries of paid work and unpaid work. So, we have a lot of services that are provided through the market and a lot of services provided by the state and also a lot of services provided in the family and the community. So there are a lot of different institutional forms and sometimes those institutional forms work pretty well together and people get what they need, and sometimes they really don't. And, you know, we live in an increasingly complex world where sometimes it's really hard to coordinate care. So a lot of people feel like they're working too many hours in their paid employment to be able to meet their family care needs and it's hard to cut back to part-time work without paying a big penalty or they can't afford to cut back to part-time work.

On the other hand, there are some people who are forced to work part-time and would really like to have more full-time employment, but for one reason or another they can't really get it. And we're kind of locked into a lot of rigid institutional arrangements that make it hard for people to put together the packages that they need to care for one another. So, I think that's one thing that economists can do, is try to think about you could rearrange some of those institutional arrangements to give people more flexibility.

MOMAYA: Do you feel like care work, the nature of care work has really changed in the recent historical moment in the United States?

FOLBRE: Well, it's certainly true that there's a reduced supply of care work relative to the demand for care that arises from the fact that women are putting more hours into paid employment, so that makes it harder for them to be the caregiver of last resort. I think that, you know, basically a lot of women's domestic and family work has been a social safety net for everyone. If somebody gets sick, it's their wife or their mother or their daughter or their aunt who takes care of them. And I think that it was easy to take that safety net for granted because it was kind of invisible, yeah, it was kind of there. And when something becomes scarce or problematic, that, you become more aware of it. And there is an increasing awareness that that work was performing a really vital function and it's harder—you know, there's less of it than there once was. So, we need to think more carefully about how to get what we need from it.

MOMAYA: Is there a shift from people seeing care work or being able to rely on care work for free versus now people's—because of either lack of time or changing family arrangements—that people are outsourcing, for lack of a better word, or paying for things that historically have been free?

FOLBRE: Well, there's definitely more reliance on purchase of care services. Childcare services—clearly that's on the increase in most countries, I would say, and elder care services have also increased. But care services in some ways are kind of a luxury good—they go up along with economic development.

And so, it's interesting to me that even though we're spending more money on childcare in countries like the U.S. there's also evidence that families are devoting more time to it. In other words, people—families and communities seem to have a pretty strong preference to care for one and other, and even when you have a pretty high level of market purchase services, it's not necessarily reducing the amount of time that's provided. It's often helping rearrange it, right?

MOMAYA: And responsibilities.

FOLBRE: So you need to drop your kids off at childcare at 8 a.m., so that you can work until 3 p.m., but what a lot of parents do is then reorganize their schedule, so they're

making up for that lost time in other ways with their kids. So again, that flexibility is really a pretty key issue.

MOMAYA: You said that as economists, you feel like one type of contribution you can make is proposing some solutions and arrangements in terms of being able to facilitate the presence of care work. Can you talk about some of the ideas that you have around that?

FOLBRE: Well, one point that a lot of feminist economists have made and have actually been making for a long time is that a lot of our institutional arrangements are based on a kind of male bread winner/female caregiver model. So, there's this presumption that there's one person who's working 40 hours a week and cannot possibly work less. And there's another person who's not working at all and really ideally would not be in the labor market.

And, that model left its imprint on all of our social institutions like, why do schools let out at 3 p.m. when most people are working till 5 p.m? That's a relic of an earlier period. Why do we have a three month summer vacation for kids rather than a rotating system that allows children to synchronize vacation schedules with vacation times? Why do we have a big penalty for part-time work so that it's very hard in the U.S. in particular, to find a part-time job that is comparable to a full-time job in terms of career development. There's no real economic reason for that. It's kind of institutional inertia in a sense that is an obstacle. I do think that's changing and it's changing in good ways but it's always changing in ways that create some political challenges.

For instance, if you look at the current increase in joblessness in the U.S., it's true that unemployment rate has gone up, but there's also been a lot of reduction in work hours along with joblessness. That's a fairly new phenomenon, the last time that we had a recession there wasn't, you didn't, it wasn't quite so common to see workers being furloughed or being asked to take unpaid—in other words, to adjust in terms of a reduction in hours. In general I think that's a good thing. It's better to reduce hours by 10% than to eliminate 10% of jobs because it spreads the—

MOMAYA: Burden.

FOLBRE: —burden more evenly. But again, our social safety net institutions haven't caught up to that. So, in most states you can get unemployment insurance if you get laid off but you might not be eligible for unemployment insurance for a reduction in hours. In some states you are, but even in those states people don't know about the program and they may not apply for it. That's very specific example in the U.S. of a kind of mismatch. People are trying to adapt to a more flexible work regime but they're blocked by the bureaucratic inertia of the unemployment system.

MOMAYA: And as you think about economies really aligning themselves with this shift in the model from, away from this male bread winner full time in the paid labor force/women care giving at home, are there other countries or models that you look to in terms of policy where the implicit assumption is different to start with?

FOLBRE: Well there's been a lot of comparative analysis of European work family policies compared to those of the U.S. And what's distinctive about many of the countries of Northwestern Europe in particular, is not just that they're providing more public services like universal health insurance and universal childcare, but they're also providing family-friendly work schedules that include things like paid family leave and the ability to opt into part-time work when you have kids. These are not all policies that are replacing family work; some of them are policies that are enabling family work, right? And that's really key—to be doing both.

MOMAYA: So a lot of the debates I think or at least that I have heard in feminist economics is one about accounting for cared work. And you had mentioned earlier that the fact that it's not really accounted for means that it's harder to formulate policies around it and monitor the impact of it. Would you say something?

FOLBRE: Okay, well here's an example. Let's say, you're really worried about healthcare costs and so you tell hospitals that you want them to shorten patient stays in hospitals. And so, the hospitals make a real effort to send patients home earlier than they did before and they come back to you and say, "Wow, we've increased our cost effectiveness by 20% because we've reduced hospital stays." That sounds great until you realize that a lot of those people being sent home can't take care of themselves.

And so a family member needs to take off time from work or they need to hire somebody to come and provide those services in the home. And that's not being factored into the cost saving equation. So, it appears—you think you've made progress, but in fact it's a lot less efficient to send people home and have, to have a lot of caregivers taking a lot of time to care for them individually. It might actually be more efficient to leave them in the hospital, right, if you were really taking that into account.

So, this comes up a lot in environmental policy. Sometimes a company can save money by dumping their waste in a local river. And if nobody is monitoring the level of waste in the river it appears to be an efficient outcome but from a social point of view it's not. Well, the same thing happens with families and communities. If you take waste and you dump it into the family or community or you make a demand on the family or community and you don't count up what the cost is, then you're distorting incentives in ways that often lead to really inefficient outcomes.

MOMAYA: So would you advocate for some sort of quantification or accounting for certain types of care work within budgets? Or—I know that in feminist economics,

they've also done a lot of work with aggregate measures like GDPs and adding care components to that.

FOLBRE: Well one really specific thing that we can do is measure how people use their time. In the U.S. as in many other countries we know have a regular time use survey where a representative sample of respondents are asked, "What did you do yesterday?" And they recount their day in some detail so you have a sense, how much time did they spend getting their kids ready for school? How much time did they spend driving their kids to school? How much time did they spend checking in on an elderly family member? How much time did they spend volunteering in a local community organization? And even though you're only measuring one day...

MOMAYA: It's representative.

FOLBRE: If it's a representative sample that allows you to arrive at an estimate for the economy as a whole of the amount of unpaid work that's being provided. And a lot of the unpaid work is either directly interactive care work or it is support for care work. You know, that is, managing it, transporting people to get the care they need or providing the kind of services in terms of a clean and healthy environment to allow care to take place.

So now that data has become available what we really need is we need to researchers to be analyzing it and assigning an estimate of the dollar value of that unpaid care. And then asking how it changes when policy shifts are made or not made. You know, what the consequences are.

MOMAYA: Do you think people would be surprised? Are there things in it that people would be really surprised by if they actually saw how many hours people spent on one thing versus another?

FOLBRE: I think people have a pretty good sense of their own schedules but they're not accustomed to thinking about it in macro-economic terms. They're not accustomed to thinking, what would happen if people suddenly stopped providing unpaid care work. How many people would we need to hire on a given day to work eight hours, you know, to make up for that. I think that's where people are startled is that, going from their individual experience to thinking about the economy as a whole. I think it is kind of startling and it helps you realize how important it is to have good social policies and good work family policies that enable that kind of work when you see how quantitatively significant it is.

So for instance, I've been working with a couple of colleagues on a better quantitative picture of the care economy in Massachusetts. And what we find is that there are about 500,000 paid workers in the State of Massachusetts who are primarily engaged in care service provision. That is, they work in healthcare, childcare, elder care or in social

services that are related to the provision of that care. But then if you look at the number of hours that are being spent in unpaid care and you divide that by eight hours—that is, you know, kind of how many working days are represented there, it comes up to over three million workers that you would have to hire to perform that work.

MOMAYA: Is the implication then that you would argue for a budgetary shift or some resource—a difference in terms of resource allocation? Like what do we do with that number now that we know?

FOLBRE: OK, well, right, that's a good question. A lot of people jump to the conclusion, "Well does that mean you're advocating paying people for housework?" That's not the idea to commodify that work or to argue that it should be treated just like market work. But the idea is that if people are willing of their own accord to supply all of this labor to take care of one and other, you should respect it and honor it by making sure that they need the services and the institutional arrangements that they need to actually perform it, right?

MOMAYA: Things like flexibility in work schedules...

FOLBRE: Right. I think you could look at the care budget for a state as a matching grant. You're saying, well, people are doing all this work, right, to take care of kids, to care of elderly people, to take care of their communities. So let's provide a matching grant in the form of public support for these services like, getting them childcare so that they can help organize the way that they combine different forms of work. Or, let's provide some technical assistance to meet the medical needs of an elderly member. If they're going to be there in the home providing those services, let's make sure that a visiting nurse is available to come and give them the training and technical expertise that they need, right?

So it's kind of helping them use that labor efficiently and productively as possible to provide the highest quality services. And that's the sense in which you need improved coordination of public provision and family work.

MOMAYA: I was really struck by something you said in terms of people having a sense of individually like, their own schedules and how they manage things and how they eke out time in a lot of cases, like, to take someone to the doctor and sit there in the waiting room and go to the pharmacy and bring them home, and things like that. But then when it comes to a macro-sense people may not have a sense of really what it is the aggregate impact of that. It does seem like we sort of have a culture where individual people and their families figure things out and don't necessarily ask more of the state or of the government.

FOLBRE: What advice can we give them about how to cope with the recession? And one strategy that I think is really interesting is something called Common Security Clubs, which is a strategy that has been suggested and is being adopted through the local community churches and community organizations, basically urging people to get together and meet on a regular basis to talk about how they can help one and other. And that can take the form of advice or just talking about what their problems are, but it can also take the form of mutual aid like, helping—

MOMAYA: Exchange.

FOLBRE: —Yeah, exchanging services or stuff like that. But it can also provide a kind of kernel for political activism, you know like, how can we figure out how to get together and change the level of political awareness or mobilize more support for the kinds of community services that we need.

MOMAYA: So you mentioned the example about hospitals and them sending patients home earlier because they're trying to reduce costs of keeping patients there for longer. And I'm wondering what's the incentive for private enterprises to account for and take into consideration some of the social costs given that they are trying to have their books reflect more and more profit?

FOLBRE: Right, well there is no incentive, and that's a major flaw in a purely market based system, is that everybody is competing with everybody else. If you can improve your competitive position by offloading costs you're forced—in fact if you don't do that you can be driven out of business. So, you know, that's exactly why a market economy needs a regulatory environment with real democratic input into the system as a whole, the structure of the system as a whole. And obviously, the economic crisis has really reminded a lot of people that regulation is really key.

You could see mortgage debt as kind of an example of a toxic waste that resulted from a competitive process where everybody—some banks saw that everybody else was doing it so they did too. It wasn't until it built up to a certain level of toxicity that they really realized that the system as a whole was in danger. That's what, you know, that's the whole point of social regulation, is to try to figure out some way to understand what the risks are to the health of the economic system as a whole.

MOMAYA: I'd like to know if you have any thoughts on why there's so much resistance to regulation in general, because it really seems like we're still debating this. Even after all the stuff that's happened, there's still a lot of hesitation. And then second, what do you think are some of the most promising avenues in terms of exerting sort of political pressure and having systemic change around how powerful markets and sort of private enterprise has become?

FOLBRE: There are two levels to my answer to that question. And the first level is that, resistance to regulation primarily comes from people whose economic interests are threatened by regulation. And there's a tremendous inertia in favor of the status quo. Nobody who's currently making money under current circumstances is going to be happy with the idea that their ability to continue to do so might be threatened one way or another. And they're very good at investing their resources in ways that maximize their political influence. And so, it's very, very clear that a lot of resistance to increased financial regulation, environmental regulation and development of alternative healthcare and family care regimes is basically coming from vested interests that stand to lose economically from it.

But it's also true that it's very hard to design good regulation, and that it's very hard to regulate the regulators. It's not as though we can snap our fingers and implement really good regulation. I mean, in terms of the financial sector for instance, you know, just strengthening the federal reserve bank is not necessarily the solution because the federal reserve bank, ostensibly the regulator, has some sense been captured by the interest that it is regulating.

It's also true that regulation can become very bureaucratic and very inefficient and very cumbersome, and that the process of negotiation over regulation often leads to what I would call, complexification that is itself really burdensome. You look at, you know, look at the income tax code you can see why a lot of people hate taxes.

MOMAYA: It's so confusing.

FOLBRE: It's so confusing. Or you look at health insurance. Health insurance itself is so complex that often that seems like the worst aspect of it, not just that people aren't covered. And people just give up. So, I think these are problems that social scientists really need to figure out and to address. And so, I don't want to suggest that we have all the answers or that we can just snap our fingers and say more regulation and we'll solve it. We need smarter regulation and we need better regulatory design and I think that's a real challenge to social science.

But I mean, surely in the short run politically it's not that hard to figure out where we need to increase regulatory vigilance. So I don't want to suggest that we need to wait until we figure it all out to move in a better direction.

MOMAYA: In terms of areas of pressure or kind of levers of change, do you feel like there are certain—are you hopeful about certain types of intervention being more effective than others?

FOLBRE: You know, I'm not. I don't have a sense of that. For the last eight years most of us have felt that there's not much we could do on the federal level and we've been concentrating on our effort on local and state interventions. Now, we see a political opening on the national level with the Obama administration and a Democratic

Congress to make a difference. But you know, it's sort of careening along in some unpredictable ways and it's hard to call it. It's hard to say exactly where the greatest leverage lies. So, I think every person has to decide for herself or himself where they can be most effective, where they see their greatest potential to create the kinds of political coalitions that are needed to make change.

MOMAYA: So you mentioned that some of the work that you do is related to economic literacy and you're reaching people with everyday issues and problems. What do you say to them in terms of ways that they can well, one, deal with their own situations but two, also try to be part of the process for change?

FOLBRE: Well, I try to encourage people to see the many ways in which the public sector and in which public policy really can help us deal with important problems. And I think that there has been kind of an all out conservative assault on the notion of using the state and using the public budget as a way to solve problems. We need to move past that. You know, sure it's not perfect, sure there are always going to be some limitations. But there are just a lot of problems that we can't solve unless we work together and are willing to spend some money together to address those issues.

And in general, taxes in the U.S. are very, very much misunderstood and misrepresented. People have this notion that the burden of taxation has increased over time and that we've reached some sort of limit and that we can't possibly increase taxes any further. That's just not true. The overall level of taxation has remained pretty constant. What's happened is that the tax system has become less progressive and that a larger share of total tax revenues are being raised from people who can't really afford to pay them. We could make the tax system much more progressive. I think we should. I think that could help us fund the social programs that we need. And to encourage people to move in that direction, I think we need to explain to them how much they stand to gain from more generous provision of public services, and also, just how easily we could change our tax system to impose a higher burden on the affluent and a reduced burden on the rest of us.

MOMAYA: Do you think the resistance to this is what you mentioned in terms of the same issue with private enterprise—that the people who stand to lose, for lack of a better word, from a more progressive tax system, are the ones with the vested interests in not changing the system, and are the ones who have influence in terms of political decision-making and public policy? Or is not as simple as that?

FOLBRE: Well, I think that's a big part of it. But I think we've actually reached the point where a lot of affluent taxpayers recognize that they themselves would benefit from paying higher taxes, because we've reached the level of crisis, of international economic crisis, that really requires that.

I mean, if you look at where the political support for Obama lay, a lot of people with incomes over a \$250,000, in that income category, support for Obama was greater than for McCain. And I think that's because they realized there's an environmental crisis you know, global warming, you can't buy your way out of you know, your country club is not immune from global warming, right? Your kids are vulnerable to a healthcare system that doesn't provide health insurance for young people who aren't lucky enough to lock into a job that provides benefits. So, many of those problems have now spilled over that I think there's now a broader political coalition but there's still a lot of this inertial phobia about taxes and higher taxes that we really need to challenge.

MOMAYA: It also seems like the cost of continuing things as the way they are, both from a social perspective and an economic perspective, has become clear, and that even people who may not, for whom this social cost argument may not be appealing, the economic, the inefficiency and the waste of continuing to do things the way they are seems like it's become compelling to others who, you know, for whom that...

FOLBRE: That's what a financial crisis does. I think that it makes people realize that in fact reliance entirely on unregulated, private enterprise system is very, very risky even if you're very, very rich. That's what we're seeing is the shake up from that. I think that's why it's really important for people to get in there and understand what the economic crisis means and how our economic institutions could be changed and to move it all in the right direction.

MOMAYA: And in your own commentary, in terms of your work on care if you would comment on the mothering chain, and we understand that to be the trend by which women in the United States who are entering the workforce import and hire care workers from other parts of the world who, in turn, have left their families and their children perhaps in the care of other women in their families, including elderly women. And I'm wondering if you can comment on the implications and the sustainability of that.

FOLBRE: Well it's a classic example of the way in which class and gender intersect in some fairly powerful ways. So as long as you have a large supply of very inexpensive labor to purchase substitute for your own you don't really have much incentive to provide public services or to coordinate public provision of that care. So I would say a big reason why we haven't developed better public policies in the U.S. is that we've had a pretty permeable border and that's enabled us to take advantage of a large supply of low cost immigrant labor. That's also very true in Europe particularly in Southern Europe there's been a big influx of migrant workers from Eastern Europe that has had very important political implications. So it's pretty easy to see what the political consequences of it are.

On the other hand, it's a little bit hard to figure out what to do about it, because I don't want to conclude from that, that tighter immigration control is the solution, because

part of the reason that you have low wage women immigrating to provide those care services is that the job market in their country of origin is very poor. So I think again, you need some careful thinking about institutional design where you allow immigration to play an important role in labor markets, but you want to ensure that immigrant workers are protected, so that the jobs that they move into meets some minimum standards in terms of worker rights and pay and benefits and they're not vulnerable to exploitation at will by employers.

So that's something that again, requires some pretty careful thinking and also some pretty strong political will in order to address those issues.

MOMAYA: I also wonder if it requires a transnational solution or a rethinking of employment opportunities, because as you said, a lot of the women are migrating, there's not equivalent economic opportunities in their own country. It's not really a matter of choice. And it does seem like it's a race to the bottom rather than this overarching—I mean, I don't know if there could be policy around this. But it seems like everyone's struggling with care.

FOLBRE: Well you're right.

MOMAYA: And everyone wants it cheaply.

FOLBRE: Right, well that's the overarching problem of the global economy. You know, we were talking earlier about how individual firms have an incentive to offload costs into the environment because it's to their advantage. Well it's also true that individual countries have an incentive to do the same thing. And our whole regulatory infrastructure is pretty much based on the nation state, the multilateral institutions that we have like, the United Nations, are not very democratic and they're not very effective.

And so, that's probably the most serious problem facing the global economic system and you see that in the environmental area with the difficulty of forging an international agreement about carbon dioxide emissions and international labor standards. It's exactly the same problem. It's very, very hard to get powerful countries to agree to provisions that might work to their disadvantage, and it's very hard to get less empowered countries to agree to provisions that they think are going to reinforce the existing international inequality.

So, human society is evolving in some very complex and contradictory ways and we haven't quite caught up to the process of regulating or mediating it, and so it's generating some really serious problems. So that's the really big question; are we smart enough, are we going to be smart enough to figure out how to cooperate effectively enough to be able to develop a sustainable global economy? Hopefully we will be! But it's not at all clear.

HOST: You've been listening to Economist Nancy Folbre in conversation with Masum Momaya, curator for *Economica: Women and the Global Economy*, at the International Museum of Women in San Francisco.

This is one of a series of talks with experts who attended the 2009 conference of the International Association for Feminist Economics in Boston, Massachusetts.

Visit our website to explore more stories of remarkable women at www.imow.org. And thanks for listening!

