

Elisabeth Stiefel, June 2009

A contribution to the discourse on the Care Crisis

Summary of some remarks made during the WIDE Conference in Basel, 17 – 19th June, 2009

In order to better understand the nature, the origins and the dimension of the care crisis it is necessary to analyse it from the perspective of feminist economics.

The first step is to realize that the principles of care don't comply with the logic of the industrialized way of providing goods. While **production** relies on increased technical efficiency of human activity, **care** work accompanies human life and strengthens the ability of individuals to cope with changing conditions. Therefore, it is fundamental to look how the economic discipline handles paid and unpaid care which all-over the world is the domain of women.

While we find paid care in a straightforward manner lined up with 'productive' jobs in the frame of the labour market, unpaid care appears to be totally external. For every economist who regards the claim of universal validity of her discipline both cases are deficient. Is there any path to enrich the concept of industrialized provisioning by looking at non-productive work? Will it lead to insights which might help tackle the care crisis?

The terms productive and non-productive were once created by the founding fathers of industrialization. The current mainstream (macroeconomic) discourse doesn't refer to the distinction but relies on the universal use of the word production (*production of goods and services*). On the micro level the different terms are still crucial for the low remuneration of care work. They are – among other factors – a key to explain the persisting gender wage gap.

Ever since the introduction of capital-supported procedures productive work has speeded up. On the other hand, the efficiency of care cannot be increased in a comparable way. On the battle-field of the productive system, paid and unpaid care work will necessarily be marginalized, if it is not subsidized by transfers from the productive sector or the state.

Let's look at systems and contexts!

We should beware of trying to merge care into 'production' in order to cure the inability of the current economic setting to deal with the needs for well-being and human relations. In the

economic edifice, *care-givers are* nothing but *consumers* of material goods drawn from the global market. It is the private household which is supposed to take care of the needs for care.

For mainstream economists, *the household* functions as the smallest economic unit which is handled as black box. On the other hand, it can't be doubted that its internal set-up is crucial for social reproduction. Fade out the household means denying that the patriarchal family of the 19th century still accounts for much of the *male bias* in economic assumptions, social structures and social policy.

During a long-lasting past the male head of the family was not only the hinge between the household and the productive system, but at the same time the representative of the care-giver whom he maintained. Even in the 21st century the bulk of public subsidies for care are reaped by married men.

Engendering budgets means supporting care resp. non-productive work

Gender budgeting is one of the most popular demands among the world's women, but also among international organizations who realize that the new method can be a tool to link economic efficiency to the economic and social well-being of the entire population. It promises transparency of structures and conditions and is closely related to the fact that modernisation means regarding both women and men as individuals in their own right.

In the EU, gender budgeting is defined as the application of gender mainstreaming to public finance. It is up to oblige public authorities on all levels – local, regional, national, supranational – to mind equity and equality between men and women whenever public income or public expenditure are concerned.

The expert group of the Council of Europe who designed a model of gender budgeting for the EU member states blames the gender-blindness of economic theory for the gender-bias of economic policy. They demand that new thinking be developed to critique the economic theory and to accommodate the principles inherent in the theory. The group advocates a dialogue between economists and gender experts in order to overcome the potential discriminatory effects of mainstream economic thought.

Feminist economists should enter the economic edifice through the kitchen door!