Transcript of IMF podcast:

Women in Economics: Jayati Ghosh on Unpaid Labor

Jayati Ghosh:

Gender has been seen as a sort of separate silo, or even dare I say it a ghetto in economic studies. And so people tend to say, well, yes, we'll look at all of these things and then we will look at gender.

Jayati Ghosh:

I'm Jayati Ghosh. I'm a professor of economics at University of Massachusetts Amherst and I taught in India for 35 years before this.

Rhoda Metcalfe:

Where were you teaching?

Jayati Ghosh:

At Jawaharlal Nehru University in New Delhi.

Bruce Edwards:

Welcome to this Women in Economics podcast produced by the International Monetary Fund. Today's episode, our second in this series that showcases extraordinary work by women in a field dominated by men, looks at why care work is rarely captured in GDP and how our vision of productivity is skewed because of it.

Jayati Ghosh:

We can't understand macroeconomic behavior or even how ordinary markets function without recognizing these gender differences, because of unpaid labor.

Bruce Edwards:

Rhoda Metcalfe sat down with Jayati Ghosh whose work shows that unrecognized caregivers, disproportionately women of course, provide the base to our economy.

Rhoda Metcalfe:

Your work looking at gender inequality has received a lot of attention, especially in recent years. And you really highlight the connection between the care economy and the income gender gap. Can you explain this connection?

Can you explain this connection?

Jayati Ghosh:

So imagine a situation where there's a bunch of work that has to be done in a society, and it's not always very pleasant work. A lot of it is quite thankless. It involves a lot of drudgery. Sometimes it's very arduous. And so there is really a question of how do you get people to do this, especially if it's not going to be paid. And that really in a nutshell is care work. Societies have historically handled this by creating a whole set of what is called the gender construction of society. Whereby the responsibility of care is given to women and girls. And women see this as their duty, they see this as part of their life.

Jayati Ghosh:

They're brought up thinking that this is what they will do. And if they do other stuff like have a job, earn a living... That's kind of extra. So the work that is being done for free is sometimes not even recognized. And of course it's not valued. So the women who do this, first of all, do not get social respect and esteem. They don't get equal bargaining power, even within their households and in the broader society, they'd have less of a voice.

Rhoda Metcalfe:

Because, they're not actually earning any money.

Jayati Ghosh:

That's right. And you know, your work is defined by how much you earn.

Rhoda Metcalfe:

Right.

Jayati Ghosh:

So the people who do a lot of unpaid work, which is dominantly care work are automatically devalued by society. And even by themselves. There are so many investigators who go to do surveys and the husband says, oh, my wife doesn't do anything. She's at home

Rhoda Metcalfe:

As if she wasn't doing anything at home, she's sitting there.

Jayati Ghosh:

Yes, exactly. And even if they recognize that it's important for individual wellbeing, it's not seen as an economically productive thing. So that's the first, is that the women get devalued. Because, they are devalued by society and by the economy, when they do go out to work, in fact, they earn lower wages. You can get the women's work for free. So when you are paying them, you're doing them a favor almost.

Rhoda Metcalfe:

Right. And you have mentioned also in your work that the very fact that so many jobs that involve care are connected to women, that also, those tend to be devalued.

Jayati Ghosh:

Absolutely. So that's the next implication is that once women enter the labor market, they earn less and they work in worse conditions, but then they get clustered into certain occupations. Many of those occupations are similar to those that they're doing at home for free. You know, domestic work nursing, childcare, looking after kindergartens, all of that kind of thing. So then those occupations where there are lots of women on average tend to have lower wages. So that there's a wage penalty even for the men who do that. A male nurse gets a lower wage. A male

there's a wage penalty even for the men who do that. A male nurse gets a lower wage. A male kindergarten teacher gets a lower wage and so on. And then there's the fact that all of this is an enormous subsidy to the paid economy, which is something that the paid economy never recognizes because remember, it's absolutely essential. It involves looking after those who cannot look after themselves, the young, the old, the sick, and even the healthy who need other stuff done for them.

Jayati Ghosh:

It's really a subsidy to all of the other stuff. You can pay a worker less because you know that he's going to get access to unpaid goods and services back home.

Rhoda Metcalfe:

Like childcare?

Jayati Ghosh:

Like childcare, or like food cooked at home for you, or a clean home and et cetera, all of those things. And it's not just private employers, it's the whole society. You can palm off a lot of care, care of the elderly, for example, which should be a social responsibility, but you know, that families will do it well guess who will do it in a family? It's the women.

Rhoda Metcalfe:

Most of the time,

Jayati Ghosh:

Most of the time. And there's a lot of constant socializing of young girls from an early age to be told that these are the things you will be doing. And we are proud of you that you will be doing all these because you are selfless. You are caring, you are a nurturing type.

Rhoda Metcalfe:

And that actually brings up something that I think is really interesting in your work, this idea that the fact that women do all this unpaid care work really contradicts some of the basic principles of economics. Can you talk about that?

Jayati Ghosh:

You know a lot of mainstream economics, neoclassical economics broadly is based on what is called methodological individualism. That is to say the idea that at the base is this unit, the individual, and it is his or her personal utility that is maximized. And that personal utility is largely based on material gain or some combination of gain and leisure. In fact, there's a reason why it's called rational economic man. The reason you can get away with that is because you're completely ignoring care work. You cannot explain care work that way. There isn't anything in it directly for you. You're doing it out of love, out of concern. And that means that there is a massive decline in bargaining power of that care provider, because you can't just threaten to withdraw.

Jayati Ghosh:

Let's say a worker can go on strike and say, I will not work unless you pay me this minimum. Whereas when you're looking after an infant, you're not going to say, I'm not going to stop looking after this infant. I'm going to stop looking after my elderly mother. And that means that you don't have the bargaining power to demand either recognition or respect or better conditions or even decent remuneration, or even that this work gets redistributed among other people.

Rhoda Metcalfe:

Cause it is an assumption that you will do it. You have been doing it. So why should anyone else take it on?

take it on?

Jayati Ghosh:

And you will do it because you care about that other person. So in a cynical way, even if not explicitly, society and the household takes advantage of that.

Rhoda Metcalfe:

There's this, this weird contradiction that on one side, this product, which is care, being taken care of, that you get it for free. If you're a child, your mother takes care of you- and yet also has an enormous value in terms of the wellbeing of your society, of your family.

Jayati Ghosh:

You know, this is one of those things that I thought the pandemic would bring out so clearly for people, but somehow it hasn't brought it out enough, which is that care is absolutely essential. Without adequate provision of care you don't just have unhappy and unhealthy societies. You have economies that are not resilient, that collapse.

Rhoda Metcalfe:

So you focused on, some of your recent research has looked at this issue also in India. So how does the devaluing of women's care work play out in the country that you grew up in?

Jayati Ghosh:

You know, India is one of the most extreme examples of how terrible it is to devalue work and what implications it has, not just for women, but for the whole society and economy. So in India, we have one of the largest gender gaps in wages in the world. So one of the striking things about the Indian labor market that a lot of people have spent beating their heads over, is why does India have such a significantly low and declining share of women's work participation? Okay, so it was as low as 36% in the 1990s, and it's down to 18%. The latest data suggests that it's even 14%. Now that's crazy, right? In an economy that was supposedly growing at five to 10% for two decades. And yet we have this massive decline in women's workforce participation. It turns out that a very large part of that is related to an increase in the number of women who are doing unpaid work at home.

Jayati Ghosh:

We have survey data that tell us that if you take the larger definition of work, what the ILO now recognizes as work, including all of the care and extended care activities, which means the household duties- cooking, cleaning, et cetera... looking after the young, the old, the sick, fetching water, fetching fuel wood, kitchen, gardening, poultry raising all of these activities. If you include those in work, then it's not 18% of women who are working, its 86% are working. Slight difference. Right?

Rhoda Metcalfe:

Right.

Jayati Ghosh:

And so what we've really seen over this period is a shift away from paid and recognized work to unpaid and unrecognized work for women.

Rhoda Metcalfe:

Where does that shift come from?

Jayati Ghosh:

You know, I talked about how care work, unpaid care work is a subsidy to the formal economy,

You know, I talked about how care work, unpaid care work is a subsidy to the formal economy. So here is an accumulation process using this unpaid work as a way of subsidizing its own expansion.

Rhoda Metcalfe:

So how, can you give you an example of that? I'm trying to imagine what you're talking about.

Jayati Ghosh:

Sure. Many. So we have in India, this extraordinary system of what I suppose you would call para workers or informal workers, working for government programs. We run one of the largest nutritional programs for pregnant mothers, infants. It's called the integrated child development services. Okay. they're based on what are called anganwadi workers or nursery workers and helpers. These nursery workers and helpers are not classified as government employees. They are classified as "volunteers", which means they don't have to be paid the minimum wage. And in fact, the official national wage for them is something like one third or one fourth of the official minimum wage.

Jayati Ghosh:

We have a national health mission, which again, is providing basic health services across the country to every settlement. It's run on the basis of, wait for it, "accredited social health activists". "Activists" now, not even volunteers, activists who are these women, and the acronym for this is ASHA, which is a cruel irony because the word "asha" means hope in Hindi. So the ASHAs get even less than the nursery workers and helpers. They sometimes don't get anything. They're paid on a piece rate because it's assumed that the community will pay for them. If they help them to get an injection, if they take them to get a visit, if they assist during maternity, the community will reward them. Can you imagine a health system and a nutrition system running on the basis of such massively underpaid workers?

Rhoda Metcalfe:

So I guess the rationale there is that if they weren't doing this work, they'd be at home doing something similar for nothing.

Jayati Ghosh:

Exactly. So it's a very convenient way for the entire growth process to rely on this unpaid work. And it's never recognized that this has been such a major contributor to the economic expansion of India in the last three decades.

Rhoda Metcalfe:

Okay. So I mean, the fact that care work is done primarily by women and it's unpaid, unrecognized, what's the impact of that in terms of public policy, for example. And, and does everyone in society lose because of this lack of recognition or is it only women who lose?

Jayati Ghosh:

Oh, I think everyone loses, but I also just want to highlight another angle to this, which I think is quite important nowadays, which is that globalization of care. We actually have a value chain in care services now. Women in professional occupations, in advanced economies who are able to hire out, outsource their care work to let's say to live in maids, who are often immigrants. These immigrant maids come from developing countries where they have left families behind and they are able to send back remittances, which enables that family to then hire in some other live-in maid or part-time maid or whatever. That part-time maid often has a family to look out after and that work will then be done in unpaid fashion, by her mother, her sister, her child. So there is a global value chain even in care. And that has been very important in enabling the greater labor market involvement of women in the North. Many countries like Sri Lanka, the Philippines, the balance of payments depends on sending out care workers into some of these advanced

countries.

Jayati Ghosh:

How does it damage the society as a whole, rather than just women? Of course, it's rough on women, but there is both a micro and a macro way in which it damages others. So imagine you have to go out to work and then you can't afford to hire someone come in and do all the other care work. You get home late at night, maybe eight o'clock or something, and then you have to cook and clean and look after the children. You're not going to do it so well. You're not going to give the same quality of goods and services that you could do if you were just at home.

Rhoda Metcalfe:

To your own children.

Jayati Ghosh:

To your own children. You will not be able to. It's not because you don't want to, but you can't. And this is again something which nobody recognizes. Public policy doesn't even factor in time poverty as an aspect of multidimensional poverty. But at the same time, what this is doing is, first of all, reducing your ability to actually engage many more women in more qualified and more creative and more productive activities. Because you're confining them to what is ultimately a lot of drudgery. I mean, yes, there's some good bits to it, but if it were more, fairly and equally redistributed, you would actually get more women being able to work, more contribute to economic activity.

Rhoda Metcalfe:

I mean, you're not necessarily maximizing your human resources of that situation.

Jayati Ghosh:

Absolutely, and I think that is something that policy makers, again, just simply don't get. Austerity packages there is, I mean, look, they all assume that someone is going to do that work when governments stop providing hospital, nursing care in hospitals or basic facilities or, you know, childcare services. They don't think that it's going to stop happening. They know it's going to be done and it's going to be done by unpaid work in the household. So governments in fact, rely on this to cheapen the way that economies work.

Jayati Ghosh:

This is very shortsighted because it implies not just a massive loss of, shall we say human skills, creativity, the potential, but it also means over time that you are getting all the wrong notions of what is productivity. In India for example, labor productivity has been going up a lot, but as I just told you, we've had a big decline in women's workforce participation. And so all those women who are dropping out of the workforce, they're not seen as workers anymore. And so that's why your productivity's going up.

Rhoda Metcalfe:

Right. Because you're not counting in all of the workers that support the income earning.

Jayati Ghosh:

Exactly.

Rhoda Metcalfe:

So, I mean, I'm just kind of curious. I mean, how did you come to focus so much on women's economic status? I mean this very uneven playing field for men and women. Was this something that you were aware of yourself growing up, or is it an issue that you've come to later on in your career?

Jayati Ghosh:

I have to confess its something that I came to later on. I grew up, I was very privileged. I grew up in a very emancipated household. It's true that my mother was a home maker and therefore did all the unpaid work. But we, as we were just two sisters and we were always brought up to think that we could do anything, but I think I realized the economic implications of this much more, funnily enough, when I was looking at the international economy. I've, a lot of my work originally was in fact, in international economics and on developing in a global economy and what it meant. And I came to realize that, first of all, there were all these huge differences in the way labor markets function and employment happens and how much diversification occurs. And a lot of those differences could be related to the gender constructions of those societies and how they used men and women differently in labor markets.

Rhoda Metcalfe:

So, I mean, are there solutions out there? Are there any programs, policies that are happening right now in the world that are doing a better job of addressing unpaid care work, you know, in a way that makes society better?

Jayati Ghosh:

Yes, I think so. And well, you know if you want to think of the broad schema for this, I mean, feminist economists have been arguing what is called the five R's, for unpaid care. First, obvious, recognize this care work, acknowledge that it exists. Do the time use surveys that will measure how much care what people are doing and in what forms. Then once you've recognized it, reduce as much as possible. In India, women spend hours and hours collecting water. So bring in public policies that enable water supply to every home, for example. But you know, reduce a lot of the unpaid work, which can be easily done if public policy addresses that. The third thing then, redistribute. It shouldn't just be women and girls within households. They do about 75% of the unpaid labor time in the world. It shouldn't just be them. It should be spread between household, private provision and the public sector. So you need public provision of things like childcare, of things like elderly care.

Rhoda Metcalfe:

To free up women's time to do other things.

Jayati Ghosh:

Yes, exactly. Then forth, reward the care workers whom you do pay. I just told you about the workers in India who are not even called workers, who don't get even the minimum wage and yet have to do really difficult and demanding things. So reward care workers properly. And finally represent care workers, give care workers themselves, a voice, including the unpaid care workers who really, there's no question of anybody even knowing what they want, because this is essential work, which is much more essential than a lot of people working in, let's say global finance (laughter).

Rhoda Metcalfe:

Right? But are some of these concepts being incorporated in programs that exist now?

Jayati Ghosh:

Yes. In fact, you will find that there are a bunch of countries where there's been quite significant improvement in many of these indicators. Argentina in the 2000s, one of the important things they did was through child support grants that enabled a lot of the transfer of care activities domestically to paid care services. They enabled trade unions and labor unions of women workers paid and unpaid. Costa Rica has been doing something similar. The state of Kerala in India, brought in a lot of innovative ideas about care. So they created voluntary groups who were paid volunteers, but community volunteers for health, looking after elderly care, ensuring that the

paid volunteers, but community volunteers for health, looking after elderly care, ensuring that the elderly got access to people beyond those living in their immediate homes and families.

Jayati Ghosh:

And they did a bunch of other things which actually shifted some of the burden of care. There have been care cooperatives formed in Italy. There are, there's very interesting innovations in care, work in Vietnam. So I think, yes, there are societies where things are being done. It's not easy and it requires a lot of pressure. Governments don't do this because they suddenly feel good. They do this because they have to. So I think the most critical thing is for voices to be raised and enough mobilization to occur for governments to feel they have no choice, but to do some of these things.

Rhoda Metcalfe:

Okay. Well, I mean, Jayati Ghosh your work really gives us all a lot to think about. And, I thank you so much for speaking with me today.

Jayati Ghosh:

Thank you. It was a pleasure.

Bruce Edwards:

That was Rhoda Melcalfe speaking with Jayati Ghosh, Professor of Economics at the University of Massachusetts Amherst. The next episode of this Women in Economic series will feature Diane Coyle, the Bennett Professor of Public Policy at the University of Cambridge. Look for it wherever you get your podcasts. You can also follow us on Twitter at IMF underscore podcast to make sure you don't miss anything. I'm Bruce Edwards

Rhoda Metcalfe:

And I'm Rhoda Melcalfe. Thanks for listening.
