

# Why Canadians should care about the global care economy <sup>[1]</sup>

Care work is undervalued both in Canada and around the world- it's time to bring it into the conversation about women's empowerment and gender equality, argues Ito Peng

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## AVAILABILITY

Access online <sup>[2]</sup>

## EXCERPTS

We have witnessed over the last couple of weeks a surge of conversations and activities across Canada and beyond around the issue of gender equality. Along with the federal government's 2018 budget highlighting pay equity and expanded parental leave, many other events have taken place since the beginning of March, including those that marked International Women's Day and the latest session of the UN Commission on the Status of Women, which ran this week in New York.

These events have made people talk and think about gender and gender equality. But one key issue that is not clearly addressed in this conversation, especially in Canada, is the care economy.

'Care economy' refers to the sector of economic activities, both paid and unpaid, related to the provision of social and material care. It includes care for children, the elderly, and the disabled, health care, education, and as well, leisure and other personal services, all of which contribute to nurturing and supporting present and future populations.

In Canada, this work is often done by immigrant women, women of colour, and foreign temporary migrant workers. At home and globally, it is still largely considered menial and insignificant and therefore highly undervalued. There are at least three reasons why we should be taking the care economy seriously.

First, the care economy is the fastest expanding sector of the economy, both in terms of total GDP generated and of employment creation. In the United States, for example, direct care work, such as personal care aides and home help aides, has been growing faster than any other occupational group, so much so that by 2020 it will be the largest occupational group, surpassing retail sales. According to the US-based Paraprofessional Healthcare Institute, the five key elder care occupations of registered nurses, home health aides, personal care aides, nursing aides, and orderlies and attendants, will create over 2.4 million new jobs in the US between 2010 and 2020.

Today, the service sector is a fundamental component of all high-income and most middle-income country economies. In Canada, the service sector makes up 72 percent of the national GDP and nearly 80 percent of total employment. Within the service sector, care-related services are the fastest growing. This is because of the combination of aging populations and the increasing number of women entering the workforce. Canada's 65+ population now makes up 17 percent of the total population, up from 13 percent in 2000, a figure that is expected to increase to 23 percent by 2031.

Health care and other care-giving services are expected to grow rapidly in the future because of rising care demand. McKinsey & Co estimates that globally health care and related jobs resulting from population aging alone could grow by 50 million to 85 million by 2030. But that is not all. With more women working, families are increasingly outsourcing work that used to be done by housewives for no wages, such as childcare, early-childhood education, cleaning, cooking and gardening. This marketization of previously unpaid work could generate an additional 50 million to 90 million jobs globally. This represents a significant opportunity for Canadian care economy leaders to provide services at home but also in the rapidly-growing economies of Asia where demand significantly exceeds supply. In short, the care economy is a new economic growth engine.

Second, if done right, the care economy may also be the best and fastest way to achieve gender equality. Because the care economy is highly female-dominated, both on the supply and demand sides, expansion of this sector could accelerate women's social and economic participation. An active care economy will not only create jobs for women (and men), but women's increased employment can also lead to further demand for care and household services. Moreover, studies show that increasing women's earnings can not only raise women's social status and contribute to economic growth, but also strengthen their household decision-making and thus reduce gender inequality within the household.

But to achieve this, we need to do it right. We need to first recognize the value of care work and the care economy. This means that care work has to be understood as a domain of both women and men, not just of women.

In fact, because it includes a wide-range of occupations, a growing care economy should be a boon for men as well as for women. The

expansion of the care economy therefore can draw more men into care work, reduce gender imbalance in the composition of care workers, and help us reorient our thinking about the value of care. We must then encourage both men and women to take up work in this sector. We then must not just promote care work but also accord these workers decent wages, legal protection, and basic social security rights such as health care, pension, and employment insurance.

Finally, the care economy allows us to rethink traditional economics entirely. As much of the care economy relates to the vital caring and household services that used to be done by women without pay within the household, it sheds light on the importance of unpaid work in sustaining individual and family wellbeing. It also points to the economic value of such work that until now has been largely discounted in national economic accounting systems like GDP.

In short, understanding the care economy allows us to consider a huge and implicit part of the economy that is so vital to our livelihood and yet so unrecognized or undervalued until now.

**Related link:**

**Region:** Canada <sup>[3]</sup>

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