

New Economics for Sustainable Development Policy Brief: Purple Economy (Care Economy+)



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Outline of the policy brief



- Conceptualization of purple economy (care economy +)
- Global and regional frameworks advancing the care economy
- Implications for Sustainable Development and linkages to SDG
- Policy recommendations

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Conceptualization of the **Purple** Economy (Care Economy+)



Referred to as the care economy and obtains its name from the color adopted by many feminist movements

It represents a new vision of economics that recognizes the importance of care work and the empowerment and autonomy of women to the functioning of the economies and wellbeing of societies



Conceptualization of the Purple Economy (Care Economy+): Care Work

Consists of two overlapping activities and can be **paid** or **unpaid**:

- 1 Direct, personal, and relational care activities, such as feeding a baby or nursing an ill partner
- 2 Indirect care activities or domestic work, such as cooking and cleaning

The bulk of care work (paid and unpaid) worldwide is provided mostly women

Source: International Labour Organization (ILO) (2018)



Monetary valuation of unpaid work shows that it plays a fundamental role in the functioning of the economies

Globally

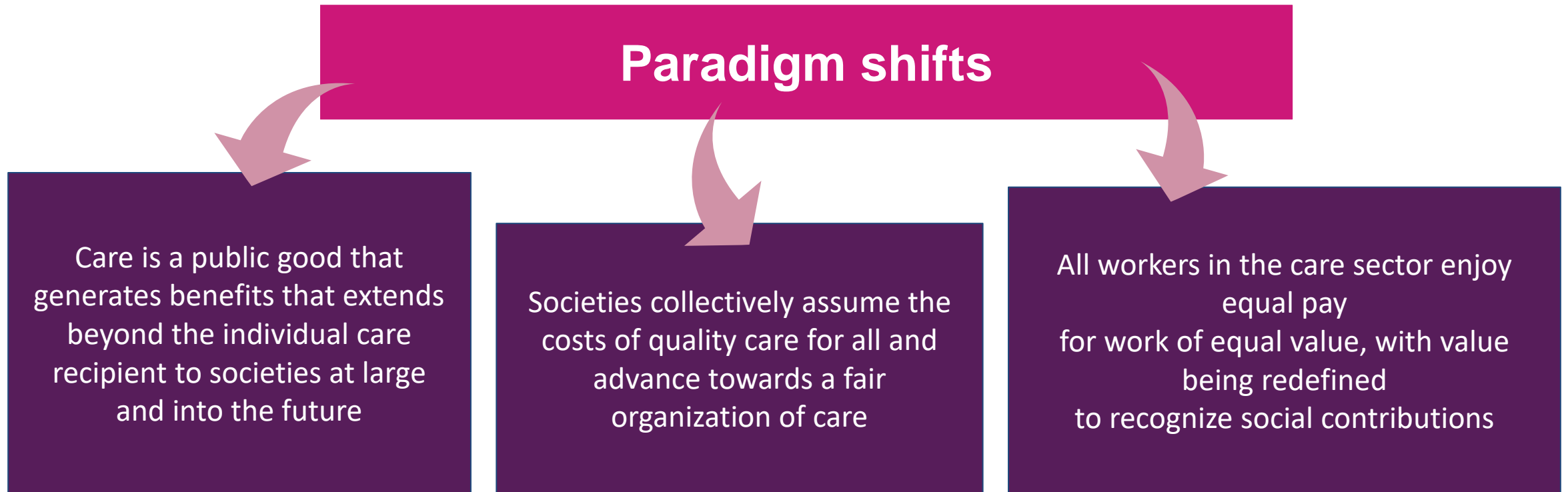
- Attempts to put a value on unpaid care and domestic work have yielded estimates varying between 10 to 39 % of GDP

Latin America and the Caribbean

- 23 countries have at least one measurement of the time spent on domestic and care work
- 10 have made an economic valuation of unpaid work in households
- 5 have calculated a satellite account of unpaid work in households
- Quantification of this type of work is valued at around 15.9% and 27.6% of GDP, **74% of which is contributed on average by women**

Conceptualization of the Purple Economy (Care Economy+)

Calls for a paradigm shifts in economic thinking and policies:



Global and regional frameworks: Advancing the **Care Economy**



It contributes to the achievement of a range of SDGs (i.e. 1, 2, 3, 4, 5, 8, 10)

Care is indispensable to human wellbeing, social cohesion and economic development



Agreements of the Regional Conference on Women in LAC

- Measure the multiplier effects of the care economy
- Gender-sensitive countercyclical policies
- Cooperation between countries on global care chains
- Care economy as a driver of transformative recovery
- Towards a Care society

Source: Economic Commission for Latin America and the Caribbean (ECLAC) (2021)

Policy Recommendations: the 5Rs Approach

Recognizing

Reducing and

Redistributing unpaid care, ensuring adequate

Reward systems for paid care workers and prioritizing

Representation of caregivers and care recipients from policy design
to evaluation



Recommendations for National-level action

- Create an enabling macroeconomic framework to ensure adequate investments in the care economy
- Adopt and strengthen policies to recognize, reduce and redistribute unpaid care and domestic work
- Combat occupational segregation and promote women's economic empowerment and autonomy
- Ensure robust participation, accountability, and monitoring mechanisms



Recommendations for UN Country Teams

- Incorporation of care economy analysis in Common Country Analysis (CCA)
- Development of legal and policy frameworks
- Mapping of existing care infrastructure
- Development and application of costing and economic multiplier effects
- Fiscal space analysis and recommendations
- Development and support for service delivery models at national and local level
- Strengthening capacity and ownership of the care economy agenda at country and regional level
- Ex ante assessment of trade agreement



Thank you !



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NEW ECONOMICS FOR SUSTAINABLE DEVELOPMENT
PURPLE ECONOMY (CARE ECONOMY+)

INTRODUCTION

The Purple Economy, also sometimes referred to as the care economy, obtains its name from the color adopted by many feminist movements. It represents a new vision of economics that recognizes the importance of care work, empowerment and autonomy of women to the functioning of the economies, wellbeing of societies and life sustainability. Care work consists of two overlapping activities and can be paid or unpaid: 1) direct, personal, and relational care activities, such as feeding a baby or nursing an ill partner, and 2) indirect care activities or domestic work, such as cooking and cleaning. Paid care work refers to occupations where workers provide direct face-to-face care or indirect forms of care that provide the preconditions for caregiving. It thus includes the work carried out by nurses, childminders, community health workers and elderly care assistants as well as domestic workers, cooks, and cleaners. Unpaid care and domestic work are provided without explicit monetary reward in homes and communities. Care workers perform their tasks in a variety of settings: public, private, not-for-profit organizations as well as private homes¹. The bulk of care work worldwide is provided by unpaid carers, mostly women and girls. Paid care work is also predominantly carried out by women, often those from socially disadvantaged groups, including migrants. Being mostly in the service sector, care work is often associated with significant wage penalties and poor working conditions².

Care work sustains people on a day-to-day basis, from one generation to the next, and contributes to production and reproduction of a labor force that is fit, productive, creative and capable of learning³. Despite this invaluable contribution, unpaid care continues to be largely treated by mainstream economics as an externality, being unaccounted for in policies and national accounts. The associated costs in the form of forgone wages and opportunities for women and girls amplify gender inequality, two key concepts of the Purple Economy.

The COVID-19 pandemic has exacerbated and brought further to the fore these costs. With schools and day-care centres shut down, families witnessed a massive shift of childcare responsibilities into their homes. While both women and men increased their unpaid workloads, women continued to shoulder the bulk of unpaid care and domestic work, with negative ripple effects on their working hours and earnings, mental health and wellbeing. Many mothers have left the workforce altogether to care for children amid prolonged school and day-care centre closures⁴.

Though the pandemic raised social recognition of paid care workers – particularly those in the health sector – the high numbers of nursing home deaths, in advanced economies for example, have confirmed what many had called a looming care crisis. The large proportion of deaths in public elderly care facilities were attributed to longstanding infrastructure deficits, poor working conditions, and high turnover rates among staff, as well as dependence on private-for-profit providers⁵. Overall, public care services remain underdeveloped and chronically underfunded in many countries, with negative implications for unpaid caregivers, paid care workers, children and care-dependent adults. Women's growing participation in the paid labor force has reduced the supply of unpaid family care, while poor working conditions and wages have exacerbated labour shortages in the paid care sector⁶. At the same time, population ageing has driven up demand. This has led to large-scale migration of nurses and domestic workers from poorer to more affluent countries, both reflecting and exacerbating inequalities between countries⁷. This search for economic opportunities often leaves care deficits in countries of origin with potentially negative implications for children and increased burdens on the women who stay behind, including grandmothers, siblings and daughters⁸.

As we enter the third year of the pandemic, economic penalties and occupational health and safety hazards in the sector remained largely unaddressed, with migrant women and women of color being disproportionately affected. The pandemic raises the urgency of addressing looming care labor crises around the world.

The Purple Economy aims to overcome the fragility of the care economy at the national and international levels and address the multiple and intersecting inequalities created by the disproportionate reliance on women's unpaid and underpaid labour, and underinvestment in the care sector.

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