

Gender and the Care Economy in the Developing World

10th Annual Birdsall House
Conference
Center for Global Development,
Washington D.C.
November 18, 2025

Nancy Folbre
Political Economy Research Institute
University of Massachusetts Amherst





“Poverty is not just a lack of money; it is not having the **capability** to realize one's full potential as a human being” ...

Amartya Sen

NANCY FOLBRE

**MAKING
CARE
WORK**

Why Our Economy
Should Put People First

- Care provision: definition and characteristics
- Research on care penalties
- Gender, macroeconomics, and public goods



Definition and Characteristics

- Involves **unpaid and paid** work **and financial transfers** (in households, communities, markets and the state). Obviously central to “social reproduction.”
- Shaped by moral obligations, norms, and preferences.
- “Compensating differentials” can’t fully explain the economic devaluation of care, as in in “virtue is its own reward.”
- **Care provision often generates social benefits that are difficult to accurately measure or fully monetize. Individual providers can seldom fully “capture” the social benefits—because they are public goods.**

Both our natural and social environments
are vulnerable to
unsustainable exploitation of unpriced
goods and services

AND

disruption due to unintended side effects
or negative “externalities”

Care Penalties



1) Motherhood earnings penalties:

- Reductions in lifetime earnings related directly to childcare responsibilities (sometimes referred to as “child penalties”)
- % contribution to gender inequality in earnings increases with development.
- May or may not be compensated by intra-family transfers (e.g. from fathers)
- Extensive research in U.S. and Europe (Budig et al. 2012; Kleven et al. 2025); pretty consistent negative effects of children but heterogeneities related to public policies, social norms, availability of migrants/domestic servants

- Income penalty possibly less prominent in rural areas, especially for supervisory childcare: (Gautham on India, “It Takes a Village,” *Population and Development Review*, 2022).
- Considerable evidence from several Latin American countries, increases likelihood of employment in the informal sector and lowers earnings, controlling for other factors (e.g. Villanueva and Lin 2022, *Social Forces*).
- Evidence that motherhood penalty in China has increased over time (Shen, *Chinese Journal of Sociology*, 2022).

2. Motherhood Cost Penalties

Mothers and grandmothers bearing a disproportionate share of the financial and temporal costs of children as a result of non-marriage, desertion, separation, or divorce.

3. Unpaid Care for Disabled and Elderly Family Members

Takes the form of reduced earnings and reduced disposable income. Inequalities among women and among men may be salient, as well as those between women and men, due to lack of social insurance.

4. Paid Care Penalties for Those Working in Paid Care Occupations or Industries

Controlling for gender, education and other covariates, employees in care occupations tend to earn less than their counterparts in other occupations in U.S. and Europe (Hodges et al. 2018). Also, evidence for U.S. that employees in care services (health, education and social service industries) earn less than their counterparts in business services (Folbre et al. 2023).

Not clear if this also applies to low-income country contexts; large size of informal sector may render it less important.

5. Redirection of Intergenerational Income Flows (public finance)

- In many countries, the economic benefits of care provision have been socialized far more extensively than the costs (taxing the young to support the old). This asymmetry indirectly redistributes resources from those who provide a great deal of unremunerated or under-remunerated care to those who provide relatively little.
- Empirically underexplored!

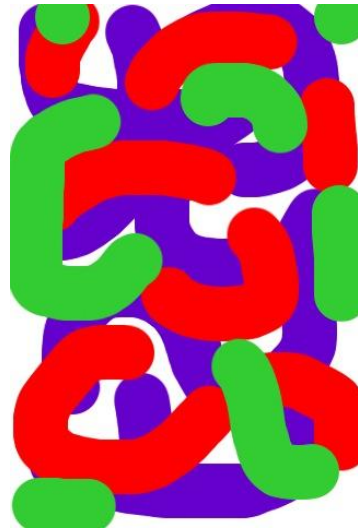
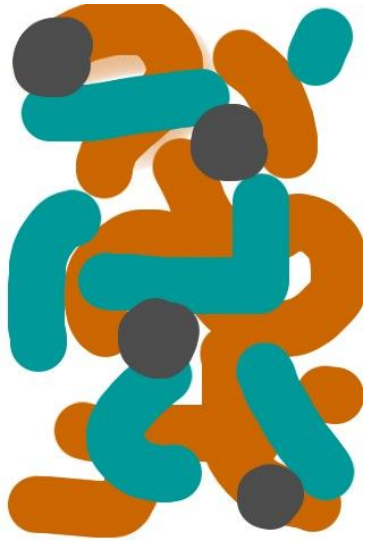
5. Remittances as Care Provision?

Development economists often note the importance of cash remittances from migrants, but to what extent do these remittances compensate for reduction of unpaid services and cash transfers that would have taken place in lieu of migration? To what extent do they compensate for taxes paid to educate those who enter the “brain drain” of highly educated workers?

These questions haven't gotten enough attention.

How are the costs of **care provision**
(including
demographic sustainability)
distributed between women and men,
young and old, owners and workers,
rich and poor countries?

Gender, Macroeconomics, & Public Goods



The Traditional Gender-and-Development Frame

Get women into paid employment
which will increase productivity,
promote economic growth,
improve women's bargaining power in the home,
and benefit children.

Win, win, win, win ...

Variations on This Theme

Care-led growth as an extension of wage-led growth in a Kaleckian-model (Braunstein et al. 2011).

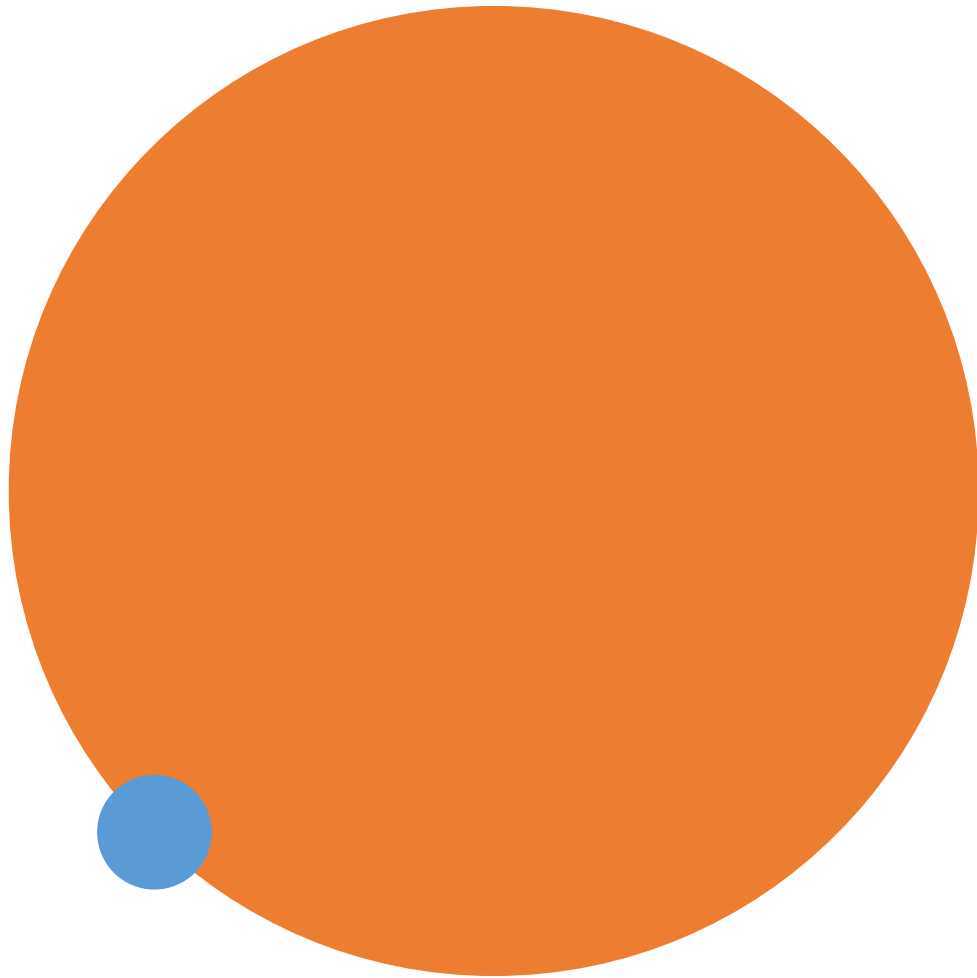
Investments in the care economy can create more jobs than other alternatives (Ilkkaracan 2016; De Henau and Himmelweit 2021).

Public social infrastructure investment has a high positive effect on both output and employment (Onaran et al. 2022)

Limitations of This Theme

- Either entirely ignores the economic contribution of unpaid care OR assumes it is perfectly substitutable and assigns it a very low economic value (replacement cost wage).
- Understates the potential payoff to investments that improve the productivity of unpaid work, such as pumped water, electricity for households, more efficient cook stoves.

- Doesn't confront the possibility that we have entered a period of global labor surplus exacerbated by new barriers to immigration and the emergence of artificial intelligence.
- Also, (paradoxically) ignores the long-run implications of below-replacement fertility (which is partly a response to mounting care penalties!) -- for our existing systems of social insurance.
- Most macro models either take the supply of labor as exogenously given or explain it as a simple response to changes in prices and incomes, rather than acknowledging the impact of institutional change.



More fundamentally, the the market economy represented by Gross Domestic Product is relatively small compared to our unpriced natural and social assets, including our individual and collective capabilities.

Which is one reason we should put these capabilities first.



Thanks for your attention!

For more info about me and my work, check out my website carethink.org