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Tesi di laurea  
**ILSETTORE DELCHILDCARE**  
***THE CHILDCARE SECTOR***

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## INTRODUCTION

Globally, individuals and mostly women, spend time cooking, cleaning and providing direct care of children, the ill and the elderly. These activities, which are usually referred to as family work, falls under the umbrella of unpaid care work (see Elson 1998, Himmelweit 1995) although they make significant economic contributions to the economy. Despite the importance of this for both individual well-being and the economy, unpaid care work is commonly left out of policy agendas due to a common misconception that, unlike standard market work activities, it is too difficult to measure and less relevant for policies. Yet, neglecting family work including all forms of unpaid care work leads to incorrect inferences about GDP levels and changes in individuals well-being, the value of time, which in turn limit policy development across a range of socio-economic areas, notably gender inequalities in employment and other empowerment areas.

Based on these issues, the aim of this dissertation is to analyse the interaction between these forms of unpaid care work by focusing on the relationship between paid and unpaid care

work and the implication of this for designing economic models. In line with Nancy Folbre's 2016 work on 'Rethinking the Childcare sector', the dissertation will emphasize the importance of recognising and including unpaid childcare work in economic models by making the case that parental "quality" time with children and paid childcare are complements for one another rather than substitutes. As such, it reinforces Folbre's arguments by also drawing on previous work challenging traditional economic policies of being gender biased. In particular, the current work examines feminist economists' arguments highlighting economic models as flawed since it fails to incorporate the unpaid economy and will explore possible policies to recognise and foster this invisible section of a nation's economy.

Chapter One will discuss childcare with particular reference to definitions, the various types available including the opportunities and challenges in the childcare sector. In Chapter Two, the case is made for the recognition of unpaid work and in particular unpaid childcare work as the economy's invisible driver. In order to show the interaction between the unpaid childcare work and paid childcare this chapter will further explain the circular flow and the implications of this flow for both the economy and the childcare sector. Chapter Three on the other hand shows the various ways in which unpaid childcare work can be measured and how instruments such as the time use survey provide a means of integrating estimates of the market value of unpaid childcare work into regional economic planning models. Chapter Four explains the implications of economic analysis models of childcare sector and policy solutions to emphasize the value of unpaid work and Chapter Five concludes.

## **CHAPTER ONE UNPAID WORK, CHILDCARE WORK AND UNPAID SECTOR**

### **What is Child Care Work?**

Generally, child care is viewed as the caring of and supervision of a child or children by a day care center, babysitter, relatives or friends and other providers (Folbre, 2006). It can also take the form of learning environments that provide both early childhood care and education (Jim Greenman, 1988) which is often remunerated. This means care provision can either be direct and/or indirect as well as paid or unpaid and is required at various stages in an individual's life-course. Usually, parents of children and mostly mothers are children's first teachers providing care in home settings and this is usually unpaid before they start accessing childcare centres or other forms of paid care. Many researchers show that paid early childcare provision is a very important component of child development (James J. Heckman, 2011) while others elaborate its economic and social benefits (Antonopoulos R., 2009). Though often overlooked, childcare providers play an integral role in the system of early childhood education by providing quality care for children from a young age. The quality and quantity of care can have a huge impact on the future successes of children.

Based on these interactions, Folbre (2006) argued that childcare work crosses the boundaries of the paid economy whether provided by for-profit and non-profit centre based

care to more informal family day-care (all charging market prices) to non-market care provided by relatives and parents themselves. Whether paid or not these activities are considered *work*, because theoretically one could pay a third person to perform them and importantly value is added in the course of performance be it by direct means or indirect care. This means production takes place within households as it does in other childcare paid settings but usually this production that happens within households is unrecognised and uncounted as the household is usually represented in the Circular flow as a consumption unit rather as a production unit. In order to provide a clearer picture of this as, it is important to show the different types of childcare and the possible economic contributions they provide to the economy.

### **Types of Paid Childcare**

- Globally, countries have different types of childcare arrangements. What this means is that childcare occurs in several mixes between government, private sector, non-profits and family settings. These often include childcare centres, family childcare, preschools, school-age, family, friend and neighbour, in-home care and parents of the child or children. What these different types of childcare show is the complementarity between paid and unpaid childcare work and in particular how unpaid childcare work has implications for parents' employment and overall economic output. It also shows that the care provided by all these structures including households have child developmental benefits and as Folbre (2006) showed in her article, children are a form of public good given that they make up the future workforce and therefore the case for investing in unpaid care work within households is equally strengthened. **Childcare centres:**
- These are most often free standing sites could be public provided, private or not-for profit. They are sometimes located within a church or community building providing care and educational experiences for children usually from birth to age 12. However, each centre determines the age group and working hours they serve and usually operate a 5day work week all year round. As noted earlier these are usually paid and in some cases subsidized. **Family childcare:**
- This type of is often located in a home setting with one adult caring for a small number of children. They also provide care and educational experiences for children and may include weekend care or third shift. **Preschools:**
- This refers to programs that are often located within a church or existing school program and usually for children between the ages of 3 to 5. Typical hours are half day, full or part week and during the school year. **School-age:**
- This is typically located in schools or recreation centres. These programs offer care

and activities to school-age children during the school year usually before and after school and in the summer. Examples include after school play programs. **Family, friend and neighbour:**

- This is located at home and the care givers are acquainted with the families they serve. Ages of children and hours of care is based upon agreements between the caregiver and parent. Usually work hours are schedules around parents work schedule to provide flexibility between employment and parent care. **In-home care:**

This is a private care giver hired by the family to provide care in the home of the child.

First and foremost, staff members at most centres are fully trained in early childhood education meaning they provide for child developmental activities and will be able to nurture the child's ability to gain relevant skills in the best way. Since there are a mix of instructional activities during the day such as painting, singing and story-telling, children creativity and learning will be developed. Children learn to socialize including how to share and be in a social environment as well as beginning a basic education before they enter primary. Children are introduced to separation from their parents which will help them when they do begin primary school and the initial shock of being apart will not be as severe. High quality care appears to provide a small boost to academic performance perhaps by fostering the early acquisition of school readiness skill. However, formalised child care has also been described as a patchwork system of caring for children (Stephanie Brzuzy, Amy Lind, 2007) with researchers arguing that there is no formal or comprehensive style of caring for children outside of the immediate family (J. Duncan 2005) and children's needs are better met by mothers themselves.

Secondly, productivity level of working parents is guaranteed when parents can rely on high quality and affordable child care which in turn limits the level of absenteeism and can increase a company's turnover. When childcare is unstable for the employees of a company, businesses lose out given an inverse correlation between employee turnover and sales. In order to create a thriving economy today and for the future, the nation must be able to depend on a stable and focused workforce. However, the cost and inaccessibility of quality early care and learning programs often forces tough choices for employees who may have to choose to stay at home rather than putting their kids in childcare thereby creating an unstable workforce for employers. For low-income families, the cost of childcare maybe similar to the cost of food and housing require a significant part of their family income. Most often they are forced to choose between work and care in the absence of affordable quality care. In both developed

and less developed countries, children of the poor and the disadvantaged remain the least served. This exclusion persists against the evidence that the added value of early childhood care and education services are higher for them than for their more affluent counterparts even when such services are of modest quality. Unless care is subsidised on a national level, childcare is a major expenditure for many families.

Thirdly, early childhood investment is workforce development. Since employers need individuals with strong cognitive, communicative and emotional skills, so do children need access to quality learning environments and the most critical time to exploit these skills is during the early years. Consistent investment throughout life is important to sustain and build upon early gains in skills, but dollar for dollar early interventions yield a much higher rate of return. High quality care can help children to flourish, whatever their family circumstances, parents also flourish knowing their children are well cared for while they go out to work.

On the other hand, unpaid care work includes the production of goods or services in a household or community that are not sold on a market. Unpaid care work in the household includes domestic work such as cooking, cleaning, washing, and water and fuel collection. Products of unpaid care work may also benefit those in the community, such as cooking a meal for a neighbour or volunteering in a homeless shelter. Unpaid care work also includes activities that nurture others such as taking care of children, and tending to the elderly and the sick. However, care giving demands a lot out of an individual and as a result there is a high opportunity cost related to both time and money. Instead of taking care of a family member, a caregiver could spend time working or performing more leisure activities.

Mothers typically perform about 10 different job functions throughout the week such as cleaning, driving, caring for children and washing laundry which are poorly paid while other tasks like financial and managerial tasks are highly paid. Not only does the child depend on this care but the schools and employers also depend on childcare. The government also benefits because these children will also become tax payers, congressmen and voters. Eventually, they will be the ones running the country. Parental care and child care can be seen as substitutes rather than complements but time use studies suggest that paid child care has only a small effect on the active care that parents provide. This is because parents usually have to rearrange their schedules in ways that improve their overall productivity. What parents need most is the flexibility to choose the best combination of paid and unpaid care - a flexibility that often lies beyond their reach.

## CHAPTER TWO RECOGNISING UNPAID CHILDCARE WORK

In traditional economics when economists talk of work, they usually mean remunerated work in terms of salaries and wages. Feminist economists such as Elson (1992), Nelson (2003) and Himmelweit (2002) have argued that this is a narrow definition of work since it fails to include work that is not paid such as domestic work, care and subsistence work, volunteer workers who work for charity and some internship. They also maintain that the definition of work as presented by mainstream economists is limiting in that it only captures the visible work within the paid economy which counts towards GDP. However, this paid work interacts with the unpaid work in the invisible unpaid economy in many ways and has significant economic value if computed and added to GDP.

Numerous studies have shown that if the economic value of this unpaid economy could be computed its contribution to GDP would be twice (Forbes, 2012). For instance, as shown by Folbre, household members commit time and money to one another regardless of if they are dependent and independent. These commitments constitute transfers -be it monetary or otherwise – within families. Yet, these are not included in national income accounts although they are not very different from the model of government transfers in the public sector. Studies have shown that if the value of these within family transfers were computed and included in national income accounts they would account for more than one-third of the U.S Gross Domestic Product (Morgan, 1978). As such the call for the recognition of unpaid care is made on this premise in addition to the fact that the time and opportunity costs of unpaid work affects an individual's ability to participate and advance their career in the paid work sector and in the political sphere.

### **Unpaid Child Care Work: The Economy's Invisible Driver**

Extensive academic work shows that globally, women have traditionally been responsible for the bulk of unpaid care work (Himmelweit 2002, Lewis 2007) to the extent that even when they began entering the workforce in the late 1650s<sup>1</sup> many still ended up with the same share of unpaid care work after a day of paid work. This has been coined by many feminists as working a "second shift" of unpaid domestic work (Natasha Bitar, 2017) and the consequence has been that women now experience a time crisis (Indira Hirway, 2015) since men would not normally share in this unpaid childcare work and there has been little policy development on this although as noted by many authors, unpaid childcare work is crucial to the functioning of economy (see Elson 2002, Antanopolous and Kim 2009). For example, Elson (1992) describes how care work is socially reproductive work and involves providing for the needs of men and others through activities that keep workers strong and healthy, which is necessary for

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<sup>1</sup> United States Department Of labour, Women Bureau, Washington, October 8, 1946.

productivity at work.

It involves procreating and caring for new generations of workers in order to keep the paid economy functioning. These reproductive functions sustain the productivity level of working parents (usually men) but this disproportionately affects women who are in the workforce with responsibility for unpaid childcare at home, and especially in environments where the provision of high quality and affordable child care is unreliable or non-existent. The absence or low provision of affordable care in turn leads to high level of absenteeism from work by women posing further challenges to their employment (Stephen J. Goff, Michael K. Mount, Rosemary L. Jamison, 1990).

However, the lack of public provision of affordable care does not only affect women. Decades of research provide clear evidence that public investments in early childhood care and education can produce economic returns equal to roughly 10 times its cost (see Folbre 2006). Some of these economic benefits include reductions in public and private expenditures associated with school failure, crime and health problems as well as increase in earnings, stable and productive workforce with a guaranteed turnover for the economy. Unpaid care work is therefore an important aspect of economic activity and an indispensable factor contributing to the well-being of individuals, their families and societies (Stiglitz et al., 2007) and unpaid childcare work is a household intensive activity and is unpaid (Folbre 2006). As such, the household sector differs from the government and business sectors in the sense that few households produce anything for sale and "it is illegal to to sell one of their most important "products", namely, children."

Equally, time reserved to unpaid care work within families for the direct care of the concerned represent productive activity since it provides benefits to them, which, if withdrawn, would need to be bought in the market economy - remain invisible and unaccounted for in national accounts. Estimates of the value of time devoted to non-market work within the household amount to between about one-third and one-half of measured Gross Domestic Product (Abraham and Markie, 2005). A nationally representative sample of time budget diaries for U.S residents shows that in 2003, individuals 15 years or older spent about the same amount of time in non-market work like household activities, purchasing goods and services, caring for and helping household and non-household members, and educational activities, as they did in market work - about 4 hours a day on average for each (Bureau of Labour Statistics, 2003).

#### **Sector Children and the Circular Flow**

Most economic theories describe the production of commodities as a circular flow within an annual period with prices attached to these commodities. However, as already seen, not all inputs and outputs come with price tags attached to them. Additionally, the "production" of people and process through which babies are conceived, nurtured, educated and eventually fit to participate and contribute to the economy requires considerable time and effort as well as



money. The picture below is a simplistic representation of a circular flow of exchange between the various sectors of the economy. The purchased value of all the goods and services produced within our national boundaries represents the Gross Domestic Product.

In the diagram below, the expenditure arrow represents all the newly produced goods and services that are purchased. It shows exchanges between households and businesses, with the government and within households (see Figure 1). Households supply labour to businesses and receive income in return. They use this income to buy the goods and services that businesses produce and this is represented as expenditures to the household. Form the diagram it would appear as if the household is just a spending unit and no production takes place within this sector. However, production takes place within households as most often the goods and services purchased from businesses are not usually in a readily consumable state. A household still need to process these goods for final consumption and the labour that is needed to transform them for consumption is unpaid labour.

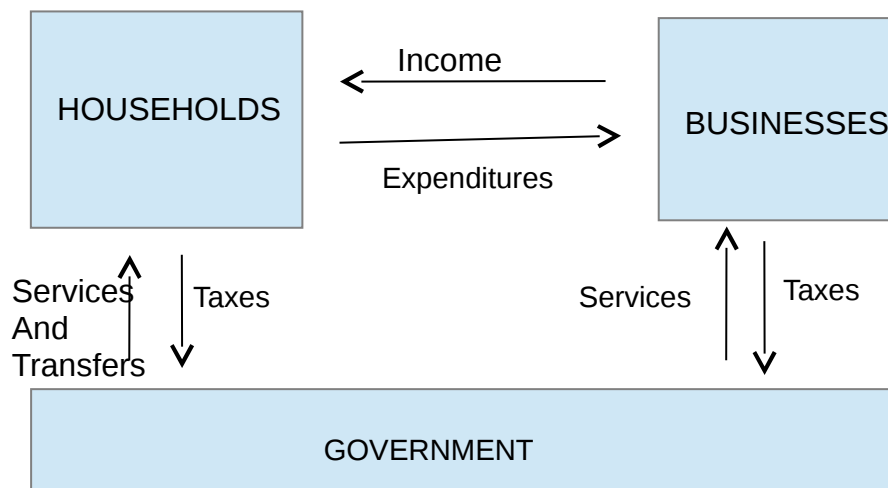


Figure 1: Conventional model of circular flow

The diagram also shows that households and businesses pay taxes to the government. When they pay taxes, they in turn receive services and/or transfers. Government activities that directed towards producing goods or services are counted as part of the Gross Domestic Product while those that are seen as simply redistributive such as transfers to families are not. It is important to point out that over the years, most of the transfers that used to take place within households moved into government sector as individuals began saving money to hire others to help them out in old age. Individuals equally paid and still continue to pay taxes to support programs that benefit the older generation and other programs that benefit children of certain ages. Consequently, they spend less earned income on dependent family members since most of the unpaid household work became publicly provided. The rise of the welfare state partly reflects the greater visibility of intra-family transfers that take place through the state. The type of transfers that take place through government is less likely than those within

the household. Few elderly people receive personal transfers from children who are not family members but beneficiaries of social security receive transfers from younger generation whether or not they put any effort into raising that generation. In that case, parents subsidize the benefits that non-parents receive. Again showing that one way households make implicit contributions to the economy is through taxes that younger generation would pay to fund transfers in the future.

To put this in perspective, when economists talk about investments in human capital, they are usually referring to formal education not the reproduction of children or the investments that go into taking care of them when they get home from school. Childrearing and care is always treated as a form of consumption rather than production. The justification is that parents choose to rear and care for their children because children provide "pleasure" even though this can be classified as work when placed in a different setting such as the market economy. In the modern capitalist economy, labour is considered one of the most important factors of production but economists in general have traditionally failed to pay much attention to what goes on in the household box and whose labour from the household box is valued and exchange for income in the market economy. They fail to account for how individuals within households allocate time, labour and money and the constraints that might leave one individual at a disadvantage over another as a result of unpaid work demands in the household.

Parents and mostly women spend money to buy goods and services for their children especially when this is not provided by the state. They also devote considerable time to bringing them up and the time any individual devotes to family members reduces the time they have available to meet their own needs for sleep, leisure or work that could potentially earn a market income. When parents make these investments in time and money on children, it is not with the rational intention of making money from them yet their expenditures of time and money create the next generation of workers and tax payers. Therefore, the care of family members -especially children- represents a form of production because it creates something of value to others. The quantity and quality of labour that households supply to businesses as well as the potential contribution of future citizens and tax payers represents economic contribution from households to the economy. This means changes in resource allocation and provision within businesses and government will affect the resources devoted to children. For example, when a government subsidizes childcare or education, parents can spend less money and time with their own children or be able to participate more in the labour market if preferred. Consequently as workers they pay income taxes in addition to employers' contributions to taxes which help finance public education and other programs that benefit children who in turn grow up, become employers and workers and pay taxes themselves. The social security system and method of financing national debt establish public claims on the income of future adult citizens (Lee and Miller, 1990; Folbre 1994a). Most economists agree

that the current generation of working adults has an economic stake in the productive capabilities of the younger generation (Congressional Budget Office, 1995).

### **Implications of the Circular Flow Model for the Childcare Sector**

As shown illustrated above, most economic models provide an incomplete picture of the flow of resources to and from children given that it greatly focuses just on the market economy. Researchers also note that simplistic cost-benefit approaches ignore intra-household dynamics given that economic analyses usually fail to capture exactly who is paying the costs of market-based childcare and who is reaping the benefits. It is possible that children who benefit from early childhood education grow up to pay higher taxes that effectively repay the loans incurred to finance that education. In such instances, they paid for financing the development of their own capabilities. However, it is still the case that advocates of intergenerational accounting entirely ignore non-market work and transfers even though these are obviously crucial to the creation of the next tax-paying generation. The common argument is that flows of money and time among adults and children, men and women, parents and non-parents are difficult to measure. However, the growing availability of time diary data provides a good starting point for the development of a broader accounting frame work.

## CHAPTER THREE INSTRUMENTS FOR INTERGRATING UNPAID CARE WORK INTO ECONOMIC MODELS

Increasingly, it is becoming apparent that most productive activities that take place outside the realm of the market exchange involve the provisioning and care of family members. Importantly, not all of these activities have market substitutes. Nelson (1994) noted that, given that the distinctive characteristics exhibited by most of these activities, it makes sense to refer to them as "family-work" rather than "non-market work". However, within the context of economic modelling and in an attempt to make these activities visible in mainstream economic analysis, it is important to note that these are unpaid activities that make significant economic contributions to national output if counted or accounted for. Referring to these activities as mainly 'family work' fails to illuminate the economic value aspect and how it is linked to the market economy.

Various methods have been advanced for measuring and or integrating unpaid care work. Beside time-use surveys, which are meant to integrate unpaid care work in economic policy and analysis, methods of measurement of unpaid care work include the opportunity cost method, market replacement method and input/output method. These are discussed below.

### Measuring Unpaid Care Work

- There are three main ways of measuring unpaid care work. These are: **Opportunity cost method**: This method measures the value of unpaid domestic work by calculating the amount of money unpaid domestic workers could be making if they were working in the labour market. The major flaw with this method is that two unpaid domestic workers can do the same job at the same proficiency level but the value will fluctuate

based on the workers education and skill level (Fitzgerald,J.& Wicks, J.,1990)  
**Market replacement cost method:** Measurement is done by calculating the monetary cost of purchasing that service instead of a household member providing it e.g. cost of hiring a nanny, cooking a meal. It also comes with its flaws in the sense that it cannot account for the added sentimental value of having a mother stay at home with her children rather than a stranger (Bel Mooney,2013).**Input/output method:** This method measures the value by calculating the monetary value of economic goods and services produced by unpaid domestic work and how much these goods and services would sell for in the open market.

### **Time-Use survey and potential value**

Time use surveys provide a means of integrating estimates of the market value unpaid care work into regional planning models. Existing studies suggest that parental "quality" time with children and paid care are complements, rather than substitutes for one another (Nelson 1995). As such, quantifying family work that parents do can strengthen the case for introducing public policies that offer parents more support and flexibility such as paid family leaves from work and publicly provided childcare. Time is a limited resource, which is divided between labour and leisure, productive and reproductive activities, paid and unpaid work. However, this time is usually disproportionately shared between parents within the household and mostly sustained by the breadwinner model welfare ideal that historically labelled men as breadwinners and women as caregivers. The effect is that every time that a caregiver spends on unpaid care work represents one minute less that she could be potentially spending on market-related activities or investing in her educational and vocational skills.

With respect to unpaid family-work, a substantive body of scholarship have examined the time spent in housework on these activities and their division between men and women (Berk, 1985; Bittman & Pixley, 1997; Bianchi, Milkie, Sayer, & Robinson, 2000). This method of accounting for gender division of family-work between parents or couples in households refers to time-use survey method of measuring unpaid work. Although studies of time-use have been conducted over and over again, a major drawback for the purpose of accounting for provision of unpaid childcare work amongst parents is that they often categorize child care in different ways and rely on small samples (Budig & Folbre, 2004). Also, several studies have been noted to survey individual adults without specifying the age or number of children being cared for. For instance, Child-centred surveys, such as the Panel Survey of Income Dynamics Child Development Survey (PSID-CD), provide a somewhat accurate picture of the adult time children receive, but focus entirely on children's activities, ignoring adults' supervisory and on-call responsibilities. All these activities are components of caregiving.

Also, although the flow of time can be measured objectively, it is experienced

subjectively and often remembered poorly. Thus, asking conventional questions in the time-use surveys would often yield only inexact answers. This suggests that the reports that family members would give are not necessarily going to be always consistent. Cases have been noted where husbands typically report doing more housework than their wives report them doing, and vice versa (Kamo, 2000). Additionally, issues such as social desirability bias often arise since respondents are more eager to give a good impression and are likely to exaggerate time spent in activities considered praiseworthy (such as childcare) and to under report time spent in activities considered unproductive (such as watching television). Beside accounting for time spent in activities considered as caregiving activities, researchers have equally used measures such as parental spending as an alternative measure and means of integrating unpaid care work activities into mainstream models. For instance, data from the Consumer Expenditure Survey have been used to estimate average parental spending on children up to age 18 with potential parents interpreting such data points as indicators of the costs incurred for unpaid childcare work. On the other hand, policy makers apply them to the design programs for foster childcare, child support enforcement, and social safety nets policies.

However, money expenditures are misleading in the sense that they fail to capture the value of parental time, thus, reporting a lower value of time spent caring for some members of the household, which can lead to inaccurate comparisons of economic well-being within and across households. Money expenditures as a method is equally problematic in that it distorts perceptions of the relative costs of children of different ages. Young children need less food and clothing than older children and most children require breast milk which comes from the mother and as already stated above is far valuable than any amount of money spend on alternative foods. Also, young children need far more direct care. Although the monetary value of this time and care cannot be precisely estimated, even an approximate value would provide a picture of the value of transfers within the household and its effect on major macroeconomic economic variables.

Usually, family time is harder to account for than family spending. Meanwhile quantification family spending by members of the family is one-way accounting for visibility of unpaid caregiving, time-use surveys offer a means of making family time visible. Although, time like money can be denominated in standardized units and tallied in spreadsheets, an hour of time is not as homogeneous as a unit of money and many family activities are conceptually difficult to measure. Also, time devoted to the care of others is far more difficult to compute because there is an emotional burden and complex interaction that is often better described as a responsibility than a specific activity (Budig & Folbre, 2004). Just tallying time spent in activities with children suggests that parenting is not very demanding. In the United States, mothers devote on average, less than two hours a day while fathers less than an hour a day to activities with children under the age of 18 (Bryant & Zick 1996; Robinson & Godbey 1997; Bianchi 2000).

However, these statistics understate the temporal demands that children impose. Children influence the larger allocation of family time. Responsibility for children reduces the amount of time women can devote to paid employment but the trade-off time devoted to paid employment and childcare is not as steep as once supposed. An additional hour of time devoted to paid employment reduces time spent in activities with children by far less than one hour. Supervisory time tends to be reduced far more than what might be termed "developmental" care activities such as reading to and talking with children (Bittman, Craig & Folbre, 2004). When activities like physical and supervisory care (such as time taken to change a diaper and being available in the next room while children play or nap) take place within a private home, their economic effect is largely determined by what else a caregiver can be doing at the same time. Also, women who work for pay tend to reduce hours devoted to housework, leisure, and sleep more sharply than hours they devote to the care of children (Bianchi 2000)

#### **CHAPTER FOUR IMPLICATIONS OF ECONOMIC ANALYSIS MODELS OF CHILD CARE SECTOR**

Relevant to macro economists and regional planners are the limitations of focusing economic planning and analysis on the market economy only. Market income as a measure of standards

of living fails to capture fully the some of the important inputs and outputs are not easily assigned a market value and these limitations of course impact the way child care sector is viewed and corresponding policy implications. Overall, the fact that the economic value of women's unpaid labour is not included in GDP or national income indicators is problematic for recognising and valuing unpaid childcare work and fails to show a full picture of national economic output. For this reason, the invisibility of women's work makes analysing the relationship between households and labour markets difficult. If unpaid work were incorporated when measuring GDP, it would increase the value of GDP as opposed to what is currently being reported without it.

Furthermore, the complexity of intergenerational flows of time and money challenges the assumption that parents always make efficient decisions. Traditional neoclassical models take parental preferences as a given, and assume perfect information, whereas this is not necessarily the case as household agent's decision-making is not necessarily based on rational profit maximising ideals. Altruism equally plays a significant role especially when issues of care and social reproduction are concern. Parents most probably value happiness and certainly struggle to maximize family happiness, since their ability to do so is constrained by the decisions that other parents make and the difficulties of organizing effective collective action. As such, spillovers and coordination problems help explain why public debates over both child care and paid family leaves have intensified in recent years.

### **Policy options for Paid Childcare**

Although the growth of paid child care makes spending on child care more visible, estimates of its value-added typically ignore non-market family care (Warner, 2006). They introduce what could be termed a "pro-commodification" bias into policy debates that can have a polarizing effect. More so, estimating the relationship between "on call" time and "quality time, including a precise definition of "quality time" could lead to more efficient time allocation. This approach provides opportunity to build stronger alliances between stakeholders advocating for more support for parents at home (in the form of paid parental leaves from work) and those that advocate for more publicly provided child care. These two policy options are complementary in the sense that they offer parents the flexibility they need to make good work-life balance choices which in return have implications for overall economic wellbeing of a country's workforce and in particular women's employment.

Beside these policy areas identified above, other specific categories of time use that need closer analysis are managerial and logistical activities. For example, activities such as transporting children, waiting to pick them up, and making arrangements on their behalf are some to consider. However, using an American Time Use Survey which indicates that adults living in a household with a child under the age of 6 but none over the age of 12 spend, on average, thirty minutes a day on these tasks, Folbre and Yoon (2005), maintained that it is not



clear that much quality interaction time is involved when administering such activities. They backed this up by noting that even if a parent spends the fifteen minutes required to drive a child to a swimming class in animated conversation, the fifteen minutes returning home in an empty car is not benefiting the child or the physical environment. This type of analysis somewhat ignores the effect of school schedules on a parent's work and family time.

Generally, school schedules are evaluated solely for their effects on children, but not also for their effects on the temporal organization of family and work as a whole. The exclusion of on their effects on the organisation of family and work poses serious questions on how such schedules affect earning potential of parents as childcare providers. Schools that let children out before 3pm without providing after-school programs impose costly constraints on parents, who end up often paying a large penalty in wages and benefits for the prerogative of leaving their paid employment before 5pm. As such when designing policies, employment schedules should also come under scrutiny. While generally, highly educated mothers can often bargain for flex time, less educated mothers and those working in less skilled employment are less likely to enjoy flex time (McCrate, 2002).

The availability of non-standard split shift jobs in the United States helps many parents tag-team childcare (Presser, 2003). In Northwest European on the other hand, countries do a much better job providing a combination of paid child care and paid family leaves from work. Part-time employment in those countries imposes smaller penalties in part because health and retirement benefits tend to be universal rather than linked to full-time employment (Gornick & Meyers, 2003).

Improved efforts to account for the contributions of unpaid family work represent an important first step toward a complete picture of child care. Both time and money are important inputs into children, and time and money are not perfect substitutes for each other. Equally, no linear input-output model will fully capture the complexities of child care (Pratt & Kay, 2006). On the demand side, parents' abilities and childcare preferences, income levels and constraints such as working hours or transportation options all influence their willingness and ability to purchase childcare. Parents would usually consider the type of childcare arrangement available for example centre care, family care and nanny, the developmental quality of the care arrangement and its convenience and reliability in relation to their ability to buy them before making care choices. From an economic perspective, the key point is their willingness to substitute different types of quality care arrangements in response to different prices.

The supply of childcare in turn is influenced by what economists call the "technology" of producing the care and price of inputs; primarily, the cost of employing staff with particular level of skill and qualifications. These factors affect providers' willingness to offer childcare at alternative prices according to quality, type and location. A key aspect on the supply factor is the availability.

## **Policy solutions to emphasize the value of unpaid work**

Over the years, childcare costs skyrocketed, becoming out of reach for even middle class families. The effect is that working men and women are forced to make impossible choices, that aren't real choices at all. The cost of child care today exceeds the cost of housing and even in-state college tuition for many families. The implication is that women's employment are disproportionately affected, and increasingly more and more women are opting out of the workplace to take care of a new child, in part because child care is just too expensive. Therefore, potential policy solutions that emphasize the value of unpaid labour contribution at the macro level are vital to capturing the value of unpaid childcare and its effect on macro-aggregates.

One of the most important set of policy options that policy makers should consider and has been championed by researchers in this field is family-friendly working policies. Shortened work weeks, flexible paid leave and the ability to work from home are possible solutions that can go a long way to facilitate the redistribution of unpaid labour within households. Empirical evidence shows that maternity leave public subsidies of 14 weeks (ILO standard) improve women's likelihood of taking leave instead of leaving the labour force entirely. In Morocco, increased maternity leave (from 12 to 14 weeks) was associated with an increased share of working mothers. Also, equal amounts of maternity and paternity leave increase women's employment by increasing employer incentives to hire woman. In Sweden, for example, a minimum share of available parental leave is reserved to fathers on a use it or lose it basis, encouraging an equal sharing of caring responsibilities. The promotion of family-friendly working conditions would equally enable parents to balance their working hours and caring responsibilities. Flexible work schedules or opportunities for teleworking allows women and men to choose working hours that better accommodate their caring responsibilities.

Subsidized childcare services by the state is equally relevant for advancing women's employment especially those low income families in need of unpaid care provision. Within this context, a state's role in providing quality and affordable care services should not be overlooked. Since state provision of free childcare would be ineffective at generating income for childcare workers- who are equally mostly women, the service needs to be subsidized and state budget allocations re-examined to ensure that workers are compensated for their labour and the families can afford to use their services. High-quality, flexible state provision of care should be made more affordable and accessible for all families – and it should value the work of caregivers. The universal provision of childcare can be designed such that it provides a set of policies that frame spending on childcare as investing in children's healthy development and their parents' ability to go to work, to earn a decent living and a national economic priority. This allows every family to be eligible for some form of assistance regardless of

income levels.

Data collection at national and state level is equally important in driving policy solutions. The quality and availability of data at the micro and macro levels is an area in need of improvement for the purpose of studying how policies impact the division of labour within households and for calculating the value of unpaid labour.

### **Maximising flexibility and affordability for families**

Today, in the majority of families with children, both parents in the household work, and an increasing number of parents work evening, overnight or weekend hours. Even for parents working “traditional” hours, child care centres, preschools and elementary and middle schools often do not cover the hours needed, or account for commuting needs. For these adults working non-traditional shifts, the challenges are even greater. Thus, policy that prioritizes the flexibility parents need to have child care available when and where they need it is important to alleviating these challenges. Other possible solution includes ensuring that no family needs to pay more than 10 percent of their pay for care. Subsidies could be based on a sliding scale that takes into account income, geography, the age of children, family size, type of care and the number of children in care. Families living at or below the poverty level would be fully subsidized.

States should equally consider providing enhanced support to child care programs to deliver the care that families need to meet their specific employment or educational needs, including infant and toddler care, non-standard hour care, and licensed drop in centres for child care emergencies. Investing in federal-state partnerships to provide public preschool for all children regardless of income is important. Early childhood is a crucial time for shaping children’s future academic success, health, and even their future employment success. Investing in high-quality early learning makes sense for children’s health and development and for supporting their parents’ economic stability.

### **Policies Valuing Caregivers**

Overall, society deeply undervalues the important work of providing care, and this plays out in both the labour market practices, division of unpaid childcare work at home, and lack of progressive policies on these issues. Valuing caregivers is an important step to making visible unpaid care work and necessary for policy development on paid childcare workers’ wages, working conditions, provision of quality care and affordability. Some the ways in which caregivers could be valued is through connecting investments in high quality care to opportunities for education, training and professional development with financial assistance and reasonable time to meet new standards. Enabling opportunities for workers providing care to join professional organizations that advocate for high worker standards and other quality improvements and link workers to professional development and other benefits.

There is a lot of evidence now that shows that children's brains grow the most quickly in the first years of life. But without investments in high quality child care and early learning, too often children fall behind. To succeed in school and beyond, children need childcare arrangements and preschools that are safe, stable, and developmentally and culturally appropriate, where they are cared for by adults who have relevant training and education. For older children, high quality after school and summer care improves academic outcomes while keeping kids healthy and safe. These are all rationales for valuing caregivers.

## **CONCLUSIONS**

Hilary Clinton in her book (*It Takes a Village*, 1996) argued that to create a strong and thriving nation, communities must be fully committed to children in every sense. Moreover, families need support resources to grow strong children who are contributing members of the society. Unpaid care is a universal issue and it affects women across the globe, regardless of their levels of education and income or the level of development of their countries. While some countries have made strides to recognise, reduce and redistribute unpaid care work, the largest share of the burden continues to fall on women.

Tools and research to measure unpaid care are critical to help implement public policies that improve the lives of women. However, measurements should be context-specific to recognise the multiple circumstances behind women's unpaid care work. Also, data comparability across countries is essential. Recognising unpaid care work at the national policy level is very important. States have a role to encourage a more equal distribution of unpaid care work at the family level. Flexible work schedules and shared parental leave are two possibilities for companies to encourage more equal distribution of unpaid care work at the family level and help women find a better work/life balance. Strategies to address unpaid care work at the community level are needed to promote effective change in attitudes towards unpaid care work.

Tools such as input-output valuations are also important. Input valuation gives a monetary value to the time devoted to unpaid care work using as cost of time either the market wage of the person who performed unpaid work (opportunity cost) or the market wage of a domestic worker if the family hired an external person (replacement cost). Output valuation gives a market-equivalent value to the public good produced (having a clean house, a well-educated child, etc.). Applied to the issue of childcare, the contention is that childcare must be made available and financed so that children are not left unsupervised and are not subjected to sub-standard child care venues. Thus, as a part of societal offerings and commitment, child care needs to be widely available, of high quality and affordable. Work-family balance is more than just a slogan for employed mothers. It should also be a goal for social planners.

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