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It's not all about care

There has been a macroeconomic blindspot in feminist narratives of the pandemic. This unwittingly limits the scope of critique

The Covid-19 crisis catapulted women health and care workers to a new visibility. During the first general lockdown in March 2020, women workers were serenaded from European balconies for providing 'essential' economic services. In the health arena in particular, the gender imbalance has become acutely visible — globally, women account for about 70 per cent of doctors, nurses and care workers.

The euphoria of seeing women centre-stage soon however crashed with reality. The contradiction between serenading 'essential' women workers and subsequent silencing of their inclusion is particularly evident in the focus of the European Union's recovery package, 'Next Generation EU'. A gender impact assessment stresses that the economic stimuli envisaged are geared mainly to industries with high male employment — such as the digital, energy, agriculture, construction and transport sectors — while neglecting those with a high female ratio: care and health, education and social work, culture and recreation. Women make up 93 per cent of childcare workers and teachers' assistants, 86 per cent of personal care workers and health-service employees, and 95 per cent of domestic cleaners and helpers in the EU.

The battle to include gender objectives and targets in the Covid-19 recovery plans and task forces is not restricted to the EU. Judging from the many webinars organised since the outbreak by global, national and regional organisations, think-tanks and academic institutions, the silencing of the gender gaps in care, wages and position is a global phenomenon. It has been labelled a re-traditionalisation of women, setting them back in their career goals and their subsequent pension entitlements.

Reducing women to care

Yet, while this feminist engagement on behalf of the care economy is

laudable, the focus on the social consequences of the pandemic is blind in its neglect of how macroeconomics fundamentally influences the productive capacity of the economy. Much of the narrative of feminist economists and sociologists is located at the micro-level of the care economy — centring on how the decline of public goods has been associated with the shifting of the burden to female household members, contributing more unpaid labour or poorly-paid care work in public and private facilities.

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Framing the issue of care as women's work however reduces women to the care sector and makes it difficult to change the wider discourse. Presenting panels mainly of women for female audiences unwittingly consolidates the impression that care remains women's work.

On a broader canvas, attending only to the micro-level fails to link the everyday gender challenges of the care economy to the changing landscape of global macroeconomics. Yet this is essential to understand how the shift to a finance-dominated capitalism has created greater wealth inequalities, which tend to affect women more than men. Gender is not only a micro-level variable but an endogenous macroeconomic variable, with an impact on aggregate demand and economic stability.

The macro-level of the economy has both demand and supply components. High female participation rates mean women are integrated into the economy, have access to bank credits to purchase goods and services and thus contribute to economic growth. In contrast, gender inequality may contribute to a lack of demand for credit by women, leading to aggregate low saving rates, low investment rates and also lower aggregate demand. Similarly, if people do not have the required level of education or skills, companies may find that they are short of the human resources needed to manufacture the material and immaterial goods and services to attain desired outcomes. Gender relationships thus have an impact on the economy, and economic processes at the same time shape gender relations through feedback loops.

Men as the norm

That traditional macroeconomists neglect the care sector is nothing new. It starts with their prerogative to select data for statistical accounting, such as gross national product, in which the contribution of care work and household production is ignored or at best undervalued. If selection of data is unthinkingly based on the experience of men, as the norm or

default, gender-blind outcomes are the consequence. Such inadequate metrics have led to wrong policies and widened the gender gap.

Feminist research needs to deconstruct the 'black box' of global finance. This is essential to understand the transformation from 'boring banking' to a largely-privatised, finance-dominated capitalism which not only resulted in the financial crash of 2007 but also widened the wealth gap between and among nations, affecting different classes of women and men and ethnic minorities in dissimilar ways.

Since the financial turmoil, central banks have adopted unconventional monetary policy, intervening with large infusions of liquidity to ensure economic growth and financial stability. One of the 'bazookas' — itself a tellingly male metaphor — in their toolbox is 'quantitative easing'. QE is used when the interest rate is close to zero and the normal instruments of monetary policy are no longer effective. Buying government and commercial bonds on the secondary markets adds new money to the economy, providing banks with sufficient liquidity to lend to actors in the real economy.

These impacts of QE should be of concern not only to central banks but also to feminists.

An unintended side-effect of QE is a rise in asset prices, which have skyrocketed, and this may have contributed to higher wealth inequality. Given the uneven distribution of assets within and between private households and with higher-income households accumulating a disproportionate share of total assets, unconventional monetary policy also has distributional effects. If we assume that the rich own more assets than the poor, unconventional monetary policy benefits the wealthiest quintile, containing on average more men, at the expense of the poorer strata of society, with on average more women.

These impacts of QE should be of concern not only to central banks but also to feminists, since money is one of the most important transmission channels between monetary policy and household wealth.

Holistic and systemic

To resolve the shortcomings in traditional macroeconomics and feminist studies, academics with a more holistic and systemic view of the global economy — such as Mariana Mazzucato, Maja Göpel, Kate Raworth and Ann Pettifor — suggest analysing the care economy in the larger context

of financialisation and the monopolistic extraction of value at the expense of value creation in the real economy.

A feminist lens needs to be applied to the transmission channels which have a structural effect on the balance sheets of financial intermediaries and on the company and private household sector, via changes in the supply of and demand for credit finance and asset acquisition. At the same time, it is important to analyse other transmission channels of unconventional monetary policy, which may decrease the unemployment rate, thus increasing the labour income of the poorer social segments, or (taking into account low interest rates) make home-buying more affordable.

Feminists need to design a concrete but ambitious strategy for social and economic wellbeing and suggest how the large disparities which have emerged in the course of unconventional monetary policy can be reduced. Such a mission-oriented strategy could be linked to the Sustainable Development Goals and the ideal of a social-economy Europe, to bring real change via the post-pandemic recovery — rather than accepting a symbolic narrative of 'genderwashing'.

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