



Deconstructing the Care Economy: Measurement, Gendered Outcomes, and Macroeconomic Policy

Deconstructing the Care Economy: *Measurement, Gendered Outcomes, and Macroeconomic Policy*¹

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KEY MESSAGES

1. Care work is not peripheral to the economy but a building block of a society. Women's unpaid care work constitutes an enormous, unrecognised subsidy to households, firms, and governments.
2. Statistical invisibility is a policy choice. Governments that do not measure care work cannot design, fund, or evaluate care policies. Time-use surveys and reformed labour force instruments are urgent priorities.
3. Women's labour underutilisation is systematically undercounted. Unpaid care responsibilities suppress workforce participation, job-search effort, and the willingness to work in ways that standard unemployment metrics fail to capture.
4. The gig economy and hybrid work are not neutral solutions. Platform and flexible work provide entry points but replicate care-based inequalities unless redesigned with gender-inclusive policies.
5. Unconditional cash transfers are a promising instrument for the recognition of unpaid work. To be genuinely transformative, they must be embedded in structural reforms that reduce and redistribute the care responsibilities.
6. Macroeconomic policy must be reoriented from growth as an end in itself to well-being as its organising goal — and care must sit at the centre of that reorientation.

1. Framing the Problem: Why Care Is a Macroeconomic Issue

Macroeconomic policy is too often evaluated by a single metric, GDP growth, that is structurally blind to gendered labour. Feminist macroeconomists have argued that the real question is not whether an economy grows, but: growth of what kind, for whom, and under what conditions? Growth that is precarious, informalising, and built on the invisible subsidy of women's unpaid labour is not a policy success. It is a failure dressed in aggregate statistics.

Feminist economists have long identified an inherent male bias in mainstream macroeconomics³. Labour is treated as a non-produced factor of production, and the model assumes an infinite, flexible supply of female

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²IWWAGE, an Initiative of LEAD at Krea University, India; Institute of Development Studies, United Kingdom; V.V. Giri National Labour Institute, India; King's College London, United Kingdom.

³Çağatay, N., Elson, D., & Grown, C. (1995). "Breaking the Silence." *World Development*, Special Issue 23(11).

labour that simply absorbs whatever macroeconomic adjustments are imposed upon it. Women, in this framing, function as economic shock absorbers — silently internalising the costs of austerity, informalisation, and the rollback of public services.

“Measures that increase efficiency in the formal economy do so, in part, by transferring costs to the unpaid economy and therefore to the women within it. This is not merely an equity or an efficiency problem. It is a systemic issue that reproduces and reinforces invisibility of ‘care’ in macroeconomic policies.”

— Deeptha Chopra, IDS Sussex

This invisibility is not neutral. It is reproduced and reinforced by the architecture of economic measurement itself. The paid economy and the care economy are not separate systems — they are interdependent. Unpaid care work produces and maintains the labour force; the domestic sphere is responsible for the socialisation, norms, and capabilities that workers bring to employment. Policy that refuses to see these linkages is operating blind.

41.7%	67.4%	5.0 hrs	2.3 hrs
Women's LFPR in India, 2023–24 (up from 23.2% in 2017–18)	Share of women in self-employment (PLFS 2023–24)	Daily time women spend on unpaid domestic services (India TUS 2024)	Daily time women spend on unpaid care-giving (India TUS 2024)

While female labour force participation in India has risen, this headline figure masks a troubling compositional shift. The increase is driven almost entirely by self-employment, often as unpaid helpers in family enterprises or in own-account enterprises with incredibly low turnovers. Women are entering the market economy, but not on equal or empowering terms.

2. The Gendered Architecture of Work: How Care Shapes Women's Economic Lives

Unequal distribution of unpaid care work does not merely constrain women at a single point in time — it shapes their economic trajectories across every stage of the life course. IWWAGE research also reiterates how care responsibilities produce cascading disadvantages that compound over time.

2.1 Labour Force Participation and the Hidden Unemployment Problem

Standard unemployment definitions require active job search and availability for work. Women whose job-search efforts are affected immensely by care responsibilities, to the extent that they stop seeking work, are classified as 'outside the labour force' rather than unemployed. The definition invisibilises the aspect of 'care' and thus renders it statistically excluded.

The IWWAGE study revealed a further dimension that strengthens this argument. When women neither working nor seeking work are asked about their willingness to work, they initially express reluctance. But probing further reveals that access to quality care infrastructure would render the majority willing to enter employment. This

'latent labour supply', suppressed by the absence of care infrastructure rather than by preference, is systematically unrecorded in labour-force statistics and underweighted in employment policy.

“Care responsibilities affect not only workforce participation and job-search effort but also the expressed 'willingness to work'. Women's labour underutilisation remains systematically undercounted in labour force statistics and, by extension, underweighted in policy discourse regarding employment generation.”

— Sona Mitra and Bidisha Mondal, IWWAGE

2.2 Urban–Rural Divides in Care Work

The impact of the unequal distribution of unpaid care work on labour force participation is not uniform. An analysis of the Periodic Labour Force Survey (PLFS) data reveals that this unequal distribution disproportionately impacts urban women's participation relative to rural women, driven by two structural factors:

- The greater prevalence of nuclear families in urban areas reduces access to family-based care networks, intensifying individual care responsibilities and duties.
- Urban labour markets lack the agriculture-based flexible employment near the home that gives rural women a pathway to combine paid work with care responsibilities.

2.3 Platform Work and Hybrid Work: Entry Points That Replicate Inequalities

Platform work and hybrid working models are emerging as apparent solutions to the care-work dilemma, offering flexibility in when, where, and how much to work. IWWAGE studies conducted between 2020–2025 clearly articulated that while these models provided a critical entry point for women, they often reproduced and sometimes deepened care-based inequalities through specific structural features:

- **Sectoral segregation** — The high level of women's care responsibilities prevents participation in high-earning platform sectors (e.g. ride-sharing), channelling them instead into care, beauty, and domestic platform work that mirrors and extends their unpaid roles.
- **(Non) Flexible working hours** — Mandatory login-hour policies impose penalties on workers who cannot sustain continuous availability, disproportionately affecting women whose care schedules are fragmented.
- **Pros and cons of work from home** — Women report that 'work from home' days raise unpaid domestic demands due to gendered family expectations, and that employer scrutiny under flexible models penalises women's promotional prospects.

IMPLICATION FOR POLICY

Flexible work and platform employment should not be presented as a substitute for care infrastructure. Lack of structural reforms of platform design, workplace norms, and public care systems keeps women entrapped in low-earning, precarious work that compounds their time poverty, despite providing flexible timings in paid work.

3. Making Care Visible: Measurement, Statistics, and the Limits of Conventional Tools

If care work is to enter the policy agenda, it must first enter the data. Dr. Ellina Samantroy (V.V. Giri National Labour Institute) argues that statistical invisibility is not a technical accident but an artefact of measurement frameworks designed around a narrow, male-coded conception of work.

3.1 The Inadequacy of Conventional Labour Force Surveys

Standard labour force surveys are methodologically oriented to elicit binary responses: is a person working or not? They are methodologically ill-equipped to capture:

- Fragmented and simultaneous activities that characterise most care work.
- The labour intensity of domestic production performed in households rather than workplaces.
- Social desirability bias, whereby women underreport unpaid work because it is not socially recognised as 'real work'.
- Recall bias, arising from the interleaved, continuous nature of care tasks that are difficult to reconstruct retrospectively.

The result, as Greenwood (1999) observed, is that available statistics present a partial and distorted picture of a country's economy and human resources, perpetuating a vicious circle of inequality between men and women⁴.

3.2 Time-Use Surveys: The Essential Instrument

Time-use surveys (TUS) are the primary methodological tool for rendering care work visible. Unlike conventional labour force surveys, TUS capture multiple and simultaneous activities, reduce under-reporting bias through activity-level granularity, and provide the empirical foundation for SDG Target 5.4 monitoring.

India's National Time Use Survey 2024 provides a sobering snapshot:

- Women spend 5.0 hours per day on unpaid domestic services and a further 2.3 hours on unpaid care-giving activities.
- Women's engagement in unpaid care-giving has risen to 41 percent of surveyed women, up from 32.8 percent in the previous 2019 survey, over five years.
- This data captures multiple, simultaneous care activities that directly limit women's availability for regular paid employment and can be used to inform policy on unpaid and care work towards improving female labour force participation and addressing larger questions of women's well-being.

"Time use surveys provide a detailed account of time spent in various activities including paid and unpaid activities. These surveys have the potential to capture multiple and simultaneous activities which are intensive and often overlap with each other, thereby limiting women's choices in participating in regular employment."

— Ellina Samantroy, VVGNI

⁴Greenwood, A. M. (1999). Gender Issues in Labour Statistics. International Labour Review, Vol. 138, No. 3, pp. 273–286.

3.3 ICATUS Adaptation and Questionnaire Innovation

The International Classification of Activities for Time-use Statistics (ICATUS) provides a global framework, but its application to countries like India requires deliberate adaptation. Culturally specific, locally distinct care activities — including forms of care embedded in ritual, agricultural, or community life — may be missed by standard classifications designed for high-income country contexts.

Beyond classification, questionnaire design itself requires innovation:

- Activity-specific probing questions are needed to surface care activities that respondents do not initially identify as 'work'.
- Diary-based or hybrid methods (versus recall-based instruments) yield more accurate accounts of fragmented, interleaved care tasks.
- Deliberate probing for social desirability bias — asking follow-up questions that allow women to describe what they actually do rather than what they believe they should say — is essential for comprehensive measurement.

Time-use analysis also has a deeper potential: extending labour process analysis from the workplace into the household. Socio-cultural norms that shape women's 'preferences' for low-paid, flexible work are not natural — they are learned. Young girls internalise care responsibilities through socialisation, and TUS data can trace how these norms translate into lifelong labour market disadvantage.

4. Care as Macroeconomic Investment: The Case for a Structural Reorientation

The argument for integrating care into economic policy is not only a matter of equity — it is an argument about economic rationality. Many feminist economists make this case explicitly: investment in care is macroeconomic investment, and should be evaluated and funded accordingly.

4.1 The Economic Returns to Care Investment

The evidence on care as productive public investment is compelling:

- Jerome De Henau's research demonstrates that investment in social infrastructure generates millions of high-quality jobs that remain comparable in scale to physical infrastructure investment.
- Care investment improves economy-wide productivity through increasing women's labour force experience and building the capabilities of the next generation of workers.
- Critically, investment in care services is 30 percent less carbon-intensive than equivalent investment in the construction sector, making care infrastructure a climate-compatible growth strategy.
- The World Bank has estimated that closing gender gaps in schooling in Sub-Saharan Africa, South Asia, and MENA could accelerate economic growth by up to 0.9 percentage points per year. The costs of ignoring gender are indeed measurable.

“Spending on care services is investment in social infrastructure, on par with investment in physical infrastructure. Both generate benefits that extend beyond the individual recipient to wider society, now and into the future. Care investment is, therefore, also climate-compatible investment.”

— Deeptha Chopra, IDS Sussex

4.2 Labour Markets as Gendered Institutions

Labour markets do not operate on gender-neutral terms. They function at the intersections of the productive and reproductive economies, and their architecture reflects and reinforces that intersection. Vertical segregation (the glass ceiling) and horizontal segregation (the concentration of women in lower-paid occupational categories) persist across economies at all income levels.

The embedded assumption in labour market design is that the unequal distribution of care responsibilities on women and girls remains a household issue and not a structural feature that requires policy response and integration. The consequences lead to motherhood penalties, lower lifetime earnings, interrupted careers, absence of professional aspirations and upward mobility, and reduced pension, insurance and other post-retirement entitlements. Research from the IDS-led GROW project (funded by the IDRC) found that paid work did not reliably improve women's overall well-being because care responsibilities remained unchanged and the conditions of much women's paid employment were gruelling and exhausting⁵.

4.3 Mechanisms for Integrating Care into Macroeconomic Frameworks

The discussions highlighted concrete mechanisms through which governments can operationalise care in macroeconomic policy:

- **Gender-disaggregated beneficiary assessments** — Systematically identifying who uses public services, who needs them, and whose voice is heard in service design.
- **Gender-responsive budgeting** — Ensuring public resource allocation actively advances equality, and that the gendered consequences of spending cuts — particularly the transfer of service delivery to unpaid household labour — are made visible and costed.
- **Gender-disaggregated taxation and public expenditure analysis** — Identifying implicit gender biases in existing taxation policies, including the regressive effects of user fees that reduce women's access to health and education services, and examining the combined impact of expenditure and taxation across different population groups on care-sensitive spending.
- **Providing essential service infrastructure** — Housing, roads and transport, water, and electricity provision that reduces the time and effort intensity of domestic work and enables women's mobility.

⁵Chopra, D., & Zambelli, E. (2017). No time to rest: Women's lived experiences of balancing paid work and unpaid care work. Institute of Development Studies.

5. Unconditional Cash Transfers, Recognition, and the SDG 5.4 Agenda

In line with the above, the recent introduction of Unconditional Cash Transfers (UCTs) implemented by several Indian states currently represents a significant policy instrument for recognising and partially compensating women's unpaid domestic and care work. Prof. Prabha Kotiswaran, in her deliberation (King's College London), presented these schemes through a rights-based framing that underlined the importance of such transfers.

While feminist researchers and economists have been deeply sceptical of UCTs, expressing concerns that they disincentivise women's education and entry into paid employment even while reinforcing the gendered division of labour, Kotiswaran argued that UCTs visibilise and partially remunerate work that is economically substantial but remains socially unacknowledged, and signal a shift towards an expansion of India's welfare regime, giving expression to the constitutional mandate of achieving gender equality.

5.1 The Counter-Arguments and the Rights-Based Response

A persistent objection to cash transfers as 'wages for housework' has been that they stereotype women as primary caregivers and reduce incentives to enter paid employment. The rights-based counter-argument holds that this objection:

- Conflates recognition with endorsement — compensating work that is already being done does not necessarily indicate who should do it.
- Penalises women for a structural condition they did not choose and that the state has failed to address through adequate care infrastructure.

The opposition ignores the transformative conditions of a well-designed UCT embedded within a broader rights-based framework, committed to reduced care burdens and more equal intra-household divisions of labour that support, rather than undermine, women's labour market participation.

5.2 Evidence from Primary Survey

- The empirical evidence from Kotiswaran's studies reviewing the UCTs finds no evidence that these transfers disincentivise women's education or paid employment, or reinforce the gendered division of labour.
- The findings also suggest that UCTs have not produced a dramatic shift in the recognition, reduction, or redistribution of unpaid domestic and care work. Their significance therefore lies in creating an institutional and political entry point for a broader care agenda, consistent with SDG Target 5.4.

5.3 Conditions for Gender-Transformative Cash Transfers

For UCTs to be genuinely gender-transformative rather than compensatory, they must be embedded in a broader policy architecture:

- **Simultaneous investment in public care infrastructure:** crèches, elder care facilities, disability support, and community care services that reduce the total volume of care requiring unpaid household provision.
- **Intra-household redistribution policies:** public education campaigns that promote more equal care divisions between men and women.

- **Social protection integration:** UCTs nested within comprehensive social protection systems (rather than deployed as standalone instruments), alongside meaningful periodic assessment involving beneficiaries themselves and gender experts, with a view to enhancing empowerment effects.
- **Rights-based design:** framing transfers as recognition of economic contribution and the right to welfare, preserving the dignity and agency of recipients, alongside protecting the rights of paid care workers and initiating matrimonial property legislation for the recognition of women's unpaid work.

UCTs AND THE SDG 5.4 FRAMEWORK

Target 5.4 of the Sustainable Development Goals calls for recognition and valuation of unpaid care and domestic work through the provision of public services, infrastructure, and social protection policies, and the promotion of shared responsibility within the household and the family. UCTs directly address the recognition and valuation dimension. Achieving the reduction and redistribution dimensions requires the complementary investments described above.

— Prabha Kotiswaran, Dickson Poon School of Law, King's College London

6. Policy Recommendations

The panel's research converges on eight priority recommendations, directed at governments, statistical agencies, employers, and international bodies.

- **Reorient Macroeconomic Policy Around Well-Being, Not Growth Alone**
Governments should adopt feminist macroeconomic frameworks that evaluate policy outcomes not by GDP growth alone but by well-being indicators that capture distributional effects, unpaid labour, and gender equality. National development plans should include explicit care economy targets.
- **Institutionalise Regular, Disaggregated Time-Use Surveys**
National statistical offices should conduct time-use surveys on a regular cycle (at minimum every five years), with ICATUS adapted to national and cultural contexts. TUS data should be disaggregated by sex, household type, urban/rural status, and socioeconomic group to enable targeted policy analysis.
- **Reform Labour Force Survey Instruments to Capture Latent Labour Supply**
Labour force surveys should incorporate activity-specific probing questions, care-infrastructure hypotheticals ('would you work if care were available?'), and diary-based supplementary modules. These innovations will render women's care-suppressed labour underutilisation visible and properly weighted in employment policy.
- **Develop Care Satellite Accounts in National Statistics**
Finance and planning ministries should commission household production satellite accounts that quantify care work in GDP-equivalent terms, enabling care investment to be evaluated against conventional infrastructure spending on comparable terms.

- **Invest in Public Care Infrastructure as Productive Social Investment**
Universal early childhood services, elder care, disability support, and community care facilities should be funded and evaluated as productive public investment — not as welfare expenditure. Cost-benefit analyses should account for employment generation, productivity spillovers, and climate co-benefits.
- **Make Platform and Hybrid Work Genuinely Gender-Inclusive**
Regulatory frameworks governing platform work should prohibit policies that structurally disadvantage women with care responsibilities: mandatory continuous login requirements, threshold-linked incentives based on fixed time windows, and opaque rating systems that penalise care-related availability constraints. Hybrid work policies must include monitoring mechanisms for unpaid overtime and differential employer scrutiny.
- **Design UCTs as Components of a Gender-Transformative Care Architecture**
Unconditional cash transfers should be framed as rights-based recognition of economic contribution and embedded within a broader policy package that includes public care investment, intra-household redistribution mechanisms, and social protection integration. With these structural accompaniments, UCTs can achieve gender transformation.
- **Operationalise the ILO's 5R Framework Across All Relevant Policies**
Governments, employers, and international bodies should apply the 5R framework — Recognize, Reduce, Redistribute, Reward, Represent — as an evaluative checklist across all labour market, fiscal, and social protection policies. No policy affecting women's employment should be adopted without an explicit 5R assessment.

Conclusion

The care economy is not an appendage to economic policy. It needs to be the foundation. Women's unpaid care work constitutes an enormous, unrecognised subsidy to households, firms, and states — a subsidy whose withdrawal would make the formal economy impossible to sustain. Rendering this work visible through rigorous measurement, recognising its value through compensation and infrastructure, and redistributing its burden through equitable policy design are not merely matters of gender justice: they are preconditions for sustainable, inclusive growth.

The deliberations of the panel provide the theoretical frameworks, the existing evidence, and the policy roadmap. The panel concluded that the goal of well-being for all cannot be achieved until care — which makes all economic activity possible — is finally, fully recognised and integrated within economic policy itself, and women and care-providers are genuinely represented in the institutions that govern their lives.

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