UNIVERSITY of TASMANIA

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Select Committee on Work and Care
PO Box 6100
Parliament House
Canberra ACT 2600
workandcare.sen@aph.gov.au

As researchers active in the field of the care economy, we welcome the opportunity to outline for Committee members our key observations about the Australian care workforce.

Our submission provides some contextual evidence to assist the Committee's deliberations in **Terms of Reference Part A.** Our findings show that the paid side of Australian care work is not only rapidly growing but further extending the long-term feminisation and ageing profile, with paid care work especially impacting regional workforces. With a workforce of over two and a half million, the care sector is larger than any other sector in the Australian economy. This feature is seldom acknowledged.

With an already high share of the care workforce, the employment of women increased from 73.1% in 2011 to 74.2% in 2016. In regions outside capital cities, women's share of the care workforce is significantly higher. For example, women comprise 81.9% of the health workforce in regions (SA4) where a majority of the population do not live in urban areas of more than 10,000 people.

The care workforce is significantly older than the overall workforce. In 2016, 34.8% of the care workforce was aged 50+, compared to 29.5% of the Australian workforce. Between 2011 and 2016, an increasing proportion of care workforces outside capital cities were aged 50 years or more.

With the imminent release of 2021 Census data, we expect these trends to continue. Nonetheless, the impact of the pandemic, and the ways in which it has been experienced in the different States and Territories we all may have to reconsider the profiles and why they may have changed. Of course, the long-term profiles may be affirmed and maybe not. Whatever emerges, the policy implications will be profound.

We also respond to **Terms of Reference Part D** by suggesting a change of narrative when considering the care work sector. We propose that a further degree of clarity about the value of care work will be achieved by incorporating Foundational Economy concepts in policy discussions and analysis. These concepts provide a highly policy-relevant approach to understanding how care work is making an increasingly major contribution to the Australian economy.

Our research and methodologies informing these outlines are available on request.

Kind regards

Professor Peter Fairbrother
Better Work and Wellbeing Research Group
Tasmanian School of Business and Economics
University of Tasmania, Australia
E Peter.fairbrother@utas.edu.au
T +61(0)4193956653

Dr Marcus Banks
Better Work and Wellbeing Research Group
Tasmanian School of Business and Economics
University of Tasmania, Australia
E Marcus.banks@utas.edu.au
T +61 (0)439208236

Terms of Reference Part A. The extent and nature of the combination of work and care across Australia and the impact of changes in demographic and labour force patterns on work-care arrangements in recent decades

The question

The COVID-19 pandemic has highlighted how paid and unpaid care work sustains, nurtures and replenishes the workforce, and that this is critical for the underlying performance of the economy. The essential role of workers in age care, mental health, disability services, childcare, schools and hospitals has been recognised and widely lauded. Yet, all recent studies of the care economy invariably point out that there is a hollow ring to such plaudits (Barry and Jennings, 2021; European Institute for Gender Equality, 2021; Cantillon and Teasdale, 2021; Waller and Wrenn, 2021; Folbre, 2021). A 2021 study commissioned by the European Parliament stresses the enduring problem that there is a deep 'contradiction at the heart of care work': while 'it makes possible much of the paid work that fundamentally drives the market economy', care work is based on a 'dominant pattern of non-payment or low payment' for women who overwhelmingly do this work (Barry and Jennings, 2021: 49). This contradiction must be disentangled, in both narrative terms and in the analysis of care work.

A complex range of political, socio-economic and demographic factors are increasing the proportion of care work via paid employment. These dynamics include women's increased labour force participation rates; an ageing population; higher societal expectations of state/market support for those living with a disability, mental illness or subject to domestic violence; and a weakening of informal care arrangements due to smaller families (Cisneros, 2022; Barry and Jennings, 2021b; European Institute for Gender Equality, 2021; Barry and Jennings, 2021; Cantillon and Teasdale, 2021).

In one response to these changes, government expenditures on health, education and social services have increased in OECD countries from an average of 17% of GDP in 1990 to 20% in 2019. This pattern includes Australia (13% to 17%), United Kingdom (15% to 21%) and the United States (13% to 19%) (OECD, 2020).

Definitional concepts and measurement

Care workforce analyses are based on the various conceptual and analytical views, often within robust debates. What constitutes care work? Who is a care worker? What is a care job? How should paid, unpaid, and voluntary care labour be understood?

The most comprehensive and useful method of measurement has been undertaken by the International Labour Organisation. Most recent major studies on the care economy workforce (European Institute for Gender Equality, 2021; Cantillon and Teasdale, 2021; Joo, 2020; Folbre, Gautham and Smith, 2021; UN Women & ILO, 2021) base their empirical analyses on the method and findings of the ILO cross-country report *Care Work and Care Jobs for the Future of Decent Work* (ILO, 2018). Of note, these studies consider unpaid care work in the home as a basic dimension of the care economy, from which the employed care workforce assumes its structurally feminised and low-wage character.

The ILO identifies the following dimensions of care work (Figure 1). All its care workforce analyses are based on the central *'Employment'* column (dark grey).

Figure 1
Dimensions of care work

Intended destination of production	For own final use			For use by others					
Forms of work in the 19th ICLS Resolution I	Own-use production work			Employment			Unpaid trainee work	Other work activities	Volunteer work
	Of services		Of goods						in market and non-market units / in households producing: Goods / Services
ICATUS 2016	4. Unpaid caregiving services for household and family members	3. Unpaid domestic services for household and family members	2. Production of goods for own final use	1. Employment and related activities: 11. Employment in corporations, government and non-profit institutions	12. Employment in household enterprisesto produce goods	13. Employment in household and household enterprises to provide services	53. Unpaid trainee work and related activities	59. Other unpaid work activities[25]	5. Unpaid volunteer, trainee and other unpaid work: 51. Unpaid direct volunteering for other households; 52. Unpaid community- and organization-based volunteering
Type of work	Unpaid work			Work for pay or profit			Unpaid work		
Type of care work	**Unpaid care work** *(as a subset of Unpaid work, comprising care of persons and household work)*			**"Care employment" to provide care services in care occupations and/or care sectors** *(as a subset of Employment)*			**Unpaid trainee care work to provide care services in care occupations or care sectors** *(as a subset of Unpaid trainee work)*		**Volunteer care work** *(as a subset of Volunteer work)*: Unpaid community- and organization-based volunteering to provide care services in care occupations or care sectors; Unpaid direct volunteering for other households to provide care services akin to unpaid care work
Relation to SNA 2008	Activities within the SNA general production boundary		Activities within the SNA production boundary						

Source: (ILO, 2018: 9)

To comprehensively capture the scale of the care workforce, the ILO uses four categories 'worker' and three 'sector' categories:

1. Care workers employed in care sectors
2. Domestic workers (employed by households)
3. Care workers employed in non-care sectors
4. Non-care workers employed in care sectors

The ILO estimates of care workforces in each of these categories is derived from both occupational and industry classification systems (ILO, 2018: Appendix A.4: 412). Care sectors are defined broadly, including all health, social services and education industries.

A key problem with the ILO method is that voluntary work is not included in the care workforce. The ILO's dimensions of care work (Figure 1) designate voluntary work under the category 'unpaid work', which is not included in its workforce analysis. However, voluntary work has many elements of an 'employer-employee' relationship, compared to unpaid domestic work which does not. It is therefore, in our opinion, a significant

component of the care workforce (our upcoming discussion paper on care and care work debates expands on this).

The Australian Profile

We adapt the ILO approach to the Australian context, using ABS occupational and industry classification systems in an analysis of Census data.

1. The paid care workforce is a quarter of Australia's workforce

	Percentage of Australia's workforce
Health Services Sector	10.6%
Education Sector	9.3%
Social Services Sector	3.8%
Care occupations in Non care sectors	1.7%
Care workforce	**25.4%**

Source: 2016 Census

2. The voluntary care workforce comprises over half a million people

Total care workforce	
Paid	2,537,161
Voluntary	564,743
Total	**3,101,904**

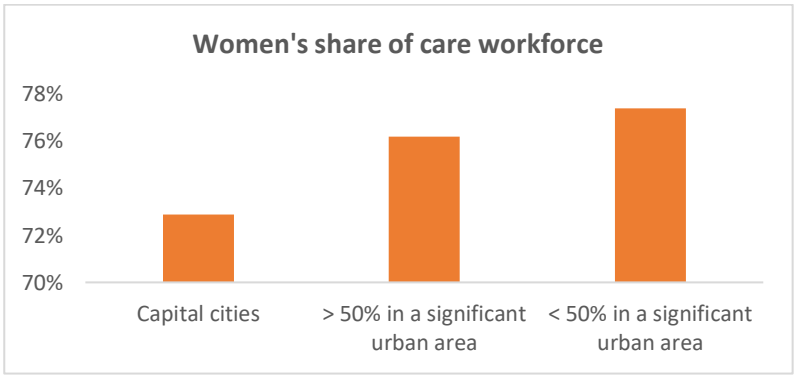
Source: 2016 Census

3. The care workforce is becoming increasingly feminised

	Women's share of care workforce
2006	73.1%
2011	73.9%
2016	74.2%

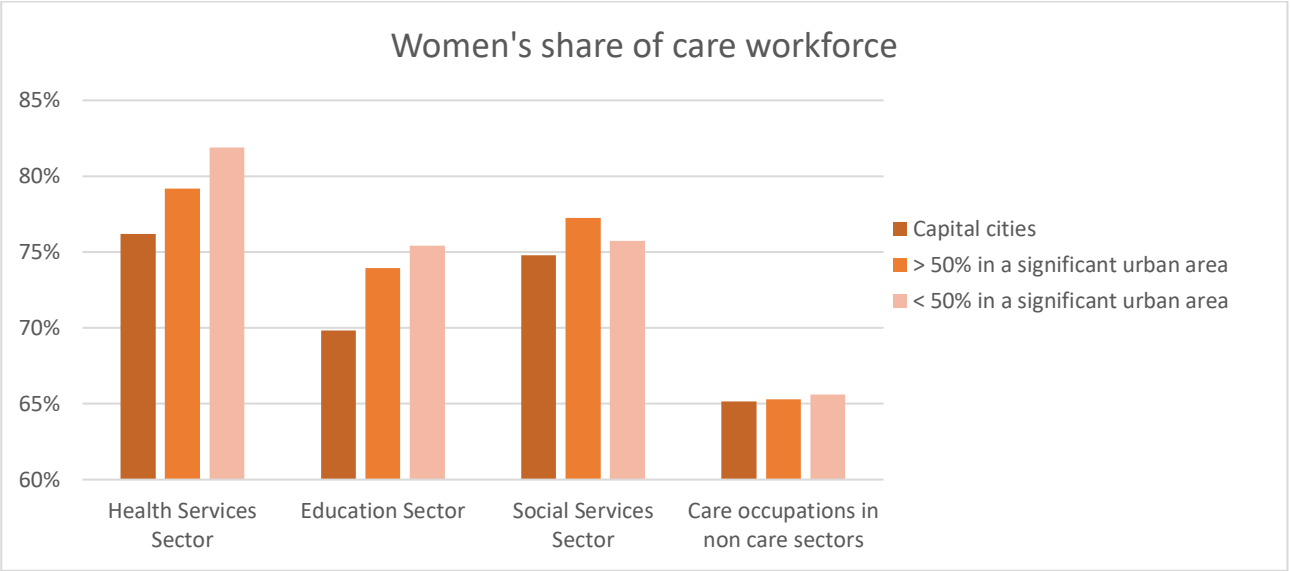
Source: 2006, 2011 and 2016 Census

4. Women's share of the care workforce is greater outside capital cities. It is highest areas (at SA4 level) where a majority of the population do not in an urban area (over 10,000 people).



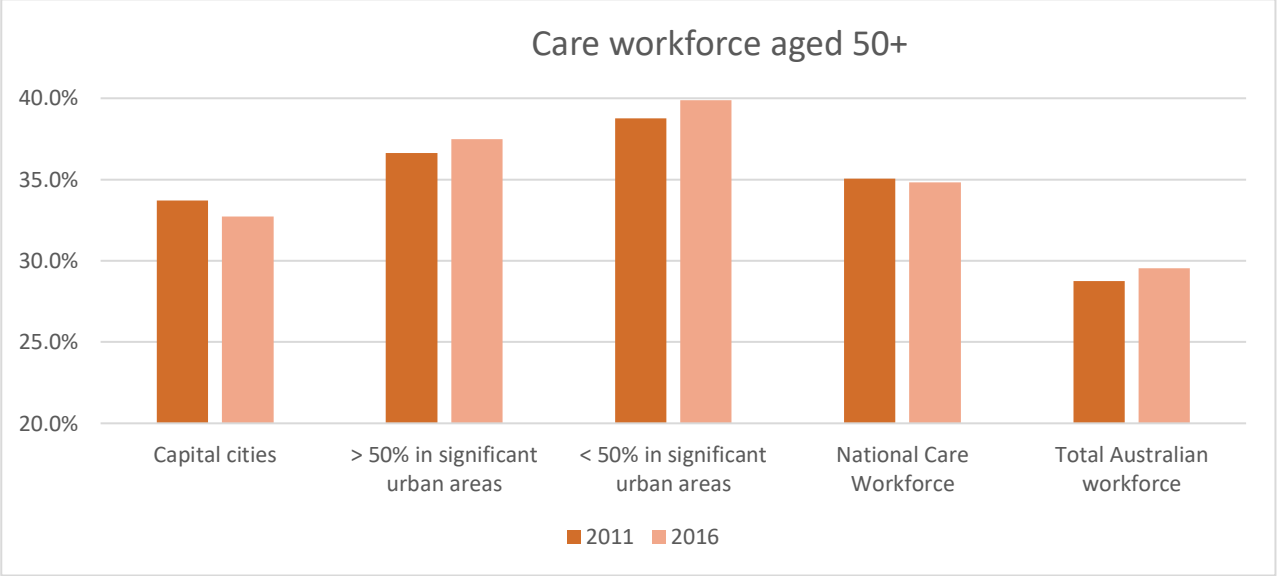
Source: 2016 Census

5. Women had a higher share of the care workforce outside capital cities in all sectors.



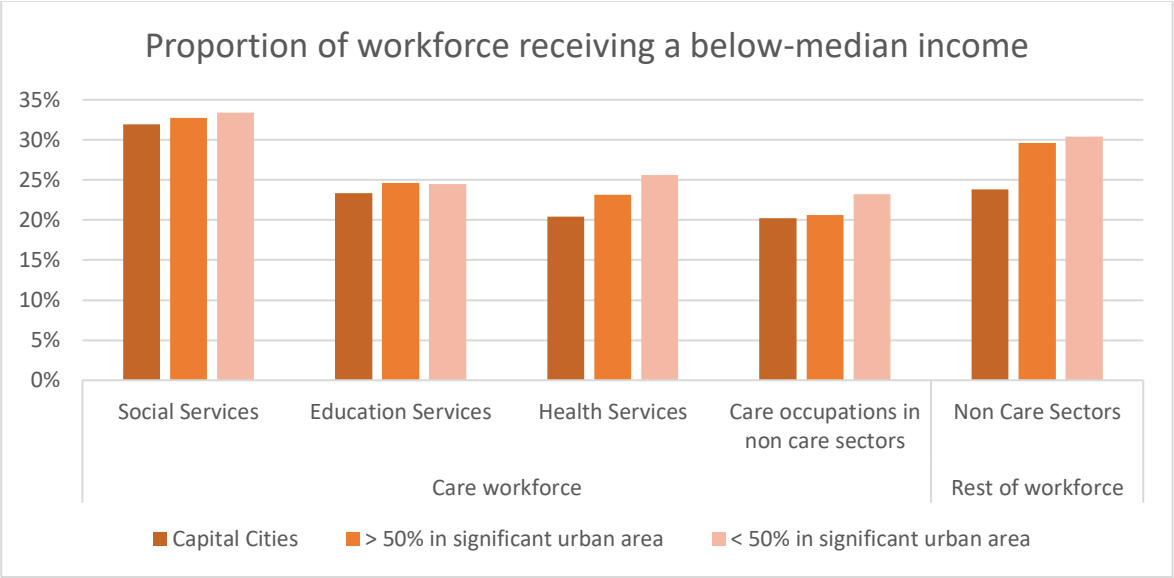
Source: 2016 Census

6. The care workforce is significantly older than the overall workforce. In 2016, 34.8% of the care workforce was aged 50+, compared to 29.5% of the Australian workforce. Between 2011 and 2016, an increasing proportion of care workforces outside capital cities were aged 50 years or more.



Source: Census 2011 and 2016

7. Both the care workforce and the rest of the Australian workforce were more likely to receive below-median incomes ($662 per week) if they worked outside capital cities[1]. Only the social services sector had a higher proportion of its workforce receiving below-median incomes than the rest of the Australian workforce.



Source 2016 Census

[1] Negative and nil income are included by the ABS in deriving median personal weekly income. Also, this includes the adult population from 15 years to over 85 years, and those who are unemployed or retired.

Terms of Reference Part D. the adequacy of current work and care supports, systems, legislation and other relevant policies across Australian workplaces and society

The Problem

Care work is making an increasingly major contribution to the Australian economy. This claim leads to a consideration of who are the care workers and why do they matter? Of note, there is no universal agreement on the types of labour that should be included in the definition of care work (Duffy and Armenia, 2019). One that has been accepted by the International Labour Organisation is:

> *Care work constitutes a subset of service work, characterized by interpersonal relations and face-to-face services that contribute to the development of the human capabilities of the care recipient ("nurturance") (*Esquivel, 2014: see also ILO 2018)

What is meant by 'human capabilities' in a care context has had broad and narrow interpretations. One persuasive interpretation is that by Mignon Duffy and colleagues who define a care sector as comprising:

> 1. The activity [of the industry] contributes to physical, mental, social, and/ or emotional well-being;
>
> 2. The primary labor process [in the industry] involves face-to-face relationship with those cared for;
>
> 3. Those receiving care are members of groups that by normal social standards cannot provide for all of their own care because of age, illness, or disability; and
>
> 4. Care work builds and maintains human infrastructure that cannot be adequately produced through unpaid work or unsubsidized markets, necessitating public investment (Duffy, et al., 2013, p. 147).

This definition includes both nurturant and non-nurturant occupations. This distinction allows a comprehensive picture of the care worker in modern society. On the one hand, there are those who are employed directly as care workers, in relation to the jobs and tasks they undertake. In other words, there is a direct (nurturant) relationship between the worker and the recipient of the care services provided. On the other hand, there may be an indirect (non-nurturant) relationship between care workers and recipients. Such jobs include: 'cleaners in institutions, such as schools, administrative support workers in community services, and cooking staff in hospitals or aged care homes (Munro, 2022, p. 6). As stated, the inclusion of indirect workers means:

> *that we think of the paid care sector as "human infrastructure," a formulation that highlights its social value and also suggests a significant role for the state in supporting such activity* (Munro, 2022, p. 7).

So, it can be argued that care work is a critical element of a modern economy. But we need to take the analysis further and define how and in what way care work matters in a modern economy. We thus propose a shift in the understanding of the economy overall and distinguish it in terms of the foundational part of the economy, that which is necessary for market relations and the productive sectors to flourish. Of note the foundation economy approach aims to broaden mainstream economic policy from 'merely' developing competitive industries to encompass the 'part of the economy that creates and distributes goods and services consumed by all (regardless of income and status) because they support everyday life' (Bentham, 2013: 7). At a regional level, this redefinition suggests that increasing 'welfare-critical goods and

services' as such foundational economic infrastructure is a precondition for active social and economic participation.

The foundational economy

Our proposition is that the economy should be distinguished in terms of a foundational economy and a productive one. Proponents of recognition of a foundational economy note two basic points:

- **The social consumption of essential goods and services in the foundational economy is critical for the well-being of citizens in current and future generations. The implication is that well-being depends less on individual consumption.**
- **Public policy thus should therefore be to secure the supply of basic goods and services for all citizens in a socially responsible way. The implication is that boosting private consumption to deliver economic growth is unlikely to secure the delivery of such services to all** (adapted from Foundational Economy, 2022; for elaboration, see FEC, 2018).

Care work thus is central to the foundational economy, a critical dimension of a national economy. Health and care are regarded as providential services; they are part of the ways in which citizens are kept safe and living in a supportive and engaged society. One implication of these considerations and redefinition is that those who work in the sector should receive decent wages and be employed in supportive and appropriate conditions of work. With the pandemic these matters become even more important (see Foundational Economy, 2022).

Why

We suggest that these distinctions are necessary. They allow policy makers, as well as care workers and recipients of care to identify a critical if not basic part of the economy that has been overlooked and thus possibly supported in inappropriate ways. The outcome is a sector that is low paid and aged, with obscure patterns of training and skills support. This neglect is to the detriment of a society that aspires to the aspiration of a decent, sustainable and progressive country.

Notes

2016 Census.

SA4s with less than 50% of population living in a significant urban area	SA4s with more than 50% of population living in a significant urban area
Capital Region	Central Coast
Far West and Orana	Central West (NSW)
New England and North West	Coffs Harbour - Grafton
Riverina	Hunter Valley exc Newcastle
Hume	Illawarra
Latrobe - Gippsland	Mid North Coast
North West (Vic)	Murray
Shepparton	Newcastle and Lake Macquarie
Warrnambool and South West	Richmond - Tweed
Darling Downs - Maranoa	Southern Highlands and Shoalhaven
Mackay - Isaac - Whitsunday	Ballarat
Queensland - Outback	Bendigo
Barossa - Yorke - Mid North	Geelong
South Australia - South East	Mornington Peninsula
Western Australia - Wheat Belt	Cairns
Western Australia - Outback (North)	Central Queensland
South East (Tas)	Gold Coast
Northern Territory - Outback	Ipswich
	Logan - Beaudesert
	Moreton Bay - North
	Moreton Bay - South
	Sunshine Coast
	Toowoomba
	Townsville
	Wide Bay (QLD)
	South Australia - Outback
	Bunbury
	Mandurah
	Western Australia - Outback (South)
	Launceston and North East
	West and North West (Tas)

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