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COVID-19 in Women's Lives:

Care as an Investment



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COVID-19 in the Lives of Women: Care as an Investment.

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Inter-American Commission of Women (CIM)

cim@oas.org

<http://www.oas.org/cim>

 /ComisionInteramericanaDeMujeres

 @CIMOEA

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COVID-19 in Women's Lives:

Care as Investment

From day one, the CIM has highlighted that the emergency brought on by COVID-19 has specific impacts on the lives of women, not only by deepening existing gender inequalities, but also because it may entail unacceptable setbacks in terms of the rights already won. In the publication, *The Global Care Emergency*,¹ we exposed the reality of women's lives following the collapse of different caregiving services, in particular in terms of their participation in the labour market and their economic empowerment.

The pandemic has highlighted the caregiving crisis and broadened public debate on this issue beyond the women's movement. There was, however, already a crisis in caregiving before COVID-19 and it was one of the main obstacles to women's equal participation in the economy, and to the achievement of gender equality within families and in society. Without specific and dedicated actions to position care as a collective, public issue, and one of prime importance for economic and social development, the pandemic will end up aggravating inequality between men and women within households and in the economy without resolving the historical question of the distribution of productive and reproductive work. There is already a broad base of evidence on how to promote social co-responsibility for caregiving and its derived benefits, and now is the time to expand the debate on this issue to a political level, among strategic actors, to encourage timely decision-making.

The specific benefits of these decisions undoubtedly translate into an investment, which, in addition to representing a substantial advance in gender equality, enhances the human capital of 50% of the population, and contributes to economies that are stronger and more resilient. Likewise, in a direct way, investment in caregiving and the promotion of co-responsibility generates economic activity, provides quality professional jobs and puts them on a formal footing, increases the participation of men in families beyond their traditional role as breadwinners and strengthens families by distributing caregiving in a more equitable way. It also enables the formulation and application of standards and regulations in caregiving to provide security, and promotes a collective vision and responsibility for economic development and social cohesion.

The figures show that one in four women in high-level positions, more than two million of them, is now thinking about reducing their job responsibilities, taking leave or leaving the

1 <http://www.oas.org/en/cim/docs/CareCOVID19-EN.pdf>

workforce altogether.² The main reason for this is their caregiving responsibilities, including the overload of unpaid housework. However, these “decisions,” which seem to be family-based, have an impact that goes beyond women’s empowerment and autonomy. They also have implications for the economic growth of countries and their recovery after the pandemic.

At a global level, the cost and benefits of women’s early return to the labour market have been estimated in contrast to their departure from the labour force. If **immediate measures are taken to promote gender equality in employment and the labour market, US\$13 trillion would be added to global GDP by 2030.**³ In an intermediate scenario, taking measures only after the crisis is over, that potential would be reduced by US\$5 trillion.⁴ If measures are not taken to counteract the negative effects of the pandemic on women’s participation in the economy, and specific actions are not taken to promote gender equality in the world of work and employment, it is estimated that global GDP growth could be US\$1 trillion lower in 2030.

IDB Invest also states that “gender equality in the workplace has the potential to generate sustainable and inclusive growth, and the region also has great potential to benefit from that growth”.⁵

The figures show us that, with the active and equal participation of women in economic life and in formal jobs, the economic growth of countries is greater. With the implementation of equality measures in the productive world, the region wins out with the generation of greater wealth.

“What is good for gender equality is good for the economy and society as well. The COVID-19 pandemic puts that truth into stark relief and raises critically important choices.”
- McKinsey

One of these critically important choices facing governments in the region is: whether to conceive of care as a secondary and lateral issue in the context of economic reactivation, to be resolved privately, by the family; or to consider it part of recovery policy and place it in the mainstream of short, medium and long-term solutions as an investment in the development of countries, thus obtaining the economic returns associated with these policy interventions.

2 McKinsey. COVID-19 and gender equality: Countering the regressive effects. <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects>

3 McKinsey. COVID-19 and gender equality: Countering the regressive effects.

4 McKinsey. COVID-19 and gender equality: Countering the regressive effects.

5 <https://www.idbinvest.org/en/download/publication/532/attachment/10719>

In the document *The Global Care Emergency*, we located care along the value chain, and showed that the links that make up this value chain are only possible due to the crosscutting presence, along the entire chain, of caregiving, whether paid or unpaid. This is why paid or unpaid caregiving work is an essential part of the value chain and a precondition for carrying out productive activities and economic reactivation.

Approached from this perspective, **it is clear that all public or private social investment in caregiving is an investment in fiscal health, economic growth and the productivity of economies and companies, through the retention of human capital that includes the presence of women in the labour market.**

In this sense, it is important to point out that caregiving is also an investment in early childhood, for the next generation, since it is related to recognizing the right of access to care and quality education. PAHO/WHO, UNICEF and the OECD raise the importance of early childhood development efforts, indicating that for every dollar spent on improving child development, the average return can be 4 to 5 times greater than the investment.⁶ Likewise, investment in early childhood leads to better performance in school, and thus to helping the next generation of adults into more skilled jobs, with higher incomes, and with a lower degree of dependence on social security and welfare systems.⁷

The OECD is also promoting the idea of child care and well-being as an investment, and details how one of the challenges for OECD countries is to ensure sufficient public funds for early childhood, with a substantial investment by governments. The OECD highlights the issue of offering services for children under three years of age as part of the challenges to be addressed, including policies for paid and protected parental leave as measures that can help promote gender equality and reconcile family responsibilities with work.⁸

Positioning care as a social investment and as part of the crosscutting and structural response to the crisis is a commitment to present and future economic growth, as well as to a more egalitarian, more inclusive, and more prosperous society.

6 <https://www.unicef.org/lac/media/8501/file/Preface.pdf>

7 <https://www.unicef.org/lac/media/8501/file/Preface.pdf>

8 <http://www.oecd.org/education/school/1944197.pdf>

Practices and Recommendations to Address the Global Caregiving Emergency as an Investment

In recognizing the global caregiving emergency, we propose a series of non-exhaustive recommendations that promote comprehensive solutions, with social co-responsibility, and as a social and economic investment.

In this scenario:

- We recognize caregiving as a social and economic investment (and not as an expense), and for every euro/dollar dedicated to addressing the caregiving emergency, we count the monetary amount recouped as a return on that investment.
- We seek to address caregiving as a collective issue, which concerns the whole of society and provides global solutions for the challenges of reducing poverty, reducing inequality and resuming economic growth.
- We define care actions as social infrastructure, as a necessary condition for society's production, distribution and consumption.
- We simultaneously address caregiving measures from a strategic perspective relating to the productive sphere and the labour market.

1. Recognizing caregiving as a comprehensive and inherent part of any response or public policy



✓ Recognizing the caregiving emergency and placing care at the centre of short, medium and long-term responses with a comprehensive view. A view that includes social cohesion, which integrates care as a public and private matter that belongs to men and women, in the management of the pandemic.

✓ Make care visible in States' planning and responses.

Spain is an example of a country in which caregiving was integrated from the beginning in the responses to the crisis, through a set of measures based on the right to care and to be cared for (Royal Decree-Law 8/2020).⁹

⁹ Royal Decree-Law 8/2020, of 17 March, on extraordinary urgent measures to face the economic and social impact of COVID-19, Official State Gazette, in the update of 30 September 2020: <https://www.boe.es/buscar/act.php?id=BOE-A-2020-3824>

2. Inter-sectoral coordination

✓ As a strategy, inter-sectoral coordination that addresses the caregiving emergency in a comprehensive manner; looking for synergies, alliances and opportunities to link efforts between macroeconomic, productive, labour and social measures.

In the context of the pandemic, **Argentina** promoted greater coordination of the State response within the framework of the “Inter-governmental Round Table on Care.” This round table brings together 13 bodies from the national executive branch to debate and plan policies that contribute to a fairer social organization of care, with a view to achieving a better redistribution of family and social care.

3. Recognizing that unpaid work, is work

✓ Recognizing that both paid and unpaid work constitute work and that they are generators of wealth and distribute skills and opportunities.

✓ It is necessary that unpaid work ceases to be invisible, because that work, despite not being paid, has an economic value, and it maintains the paid workforce.

✓ Having adequate measurement instruments (such as time use surveys and satellite accounts), which are periodic and integrated into the mainstream of decision-making in public policy.

- All the countries in the region have conducted surveys or applied modules or questions to measure the use of time with respect to gross domestic product (GDP)¹⁰. This has made the contribution of women evident in the generation of value through unpaid work.

- Satellite accounts make the relationship between the care economy and the rest of the economy visible.

- As an example, **Colombia**, through its National Administrative Statistics Department, has measured the economic value of unpaid caregiving and domestic work, reporting in 2017 that this sector’s share was 20% of GDP.¹¹

10 Information taken from ECLAC: https://oig.cepal.org/sites/default/files/2019-10_repository_use_of_time_en.pdf

11 <https://www.dane.gov.co/index.php/statistics-by-subject/national-accounts/satellite-accounts/care-economy-satellite-account>; <https://www.cepal.org/sites/default/files/presentations/colombia-dane-colombia-csec-care-economy-satellite-account.pdf>

4. Caregiving as an integral part of value chains



- ✓ In the labour market, integrating caregiving into value chains with specific measures to extend the chain's responsibility for caregiving, such as transfers in response to caregiving demands, and offering services compatible with working hours.
- ✓ Addressing income gaps, through labour regulation, to obtain the same remuneration for work of equal value.

- In the framework of the pandemic, the region's governments approved actions aimed at guaranteeing that caregiving was sourced outside the family environment by keeping childcare services and residences for older persons open, so that workers with dependent persons could stay in the job market.
- **México** defined a monetary transfer to support the welfare of children of working people. Specifically, it consisted of a two-month deposit of transfers to mothers or fathers in single-parent families to facilitate employment by resolving the care of their children.
- In **Costa Rica**, the services of the National Care Network continued to operate in order to guarantee that user families could continue working.
- In **Chile**, Deloitte conducted a survey during the quarantine that sought information about the care needs of its own personnel, as well as using this information to implement measures that allow the reconciliation of family and work life. The application of similar efforts in companies throughout the region could lead to making caregiving visible as part of value chains.
- In the **United States** and **Canada**, a study conducted on "Women in the Workplace"¹² found that 46% of the companies surveyed for the study had initiated or expanded parenting and home-schooling support and that 37% had changed the way they review staff performance.
- The consulting firm Mckinsey published a global report on best practices implemented by companies to facilitate reopening and highlighted joint efforts by companies and local governments that have offered subsidies or reimbursements to workers for virtual childcare services, in which professionals entertain children with activities while their parents work.
- **Italy** placed high emphasis on transfers to ensure care at home, both through a licence for people with caregiving needs and who could not telework, and through vouchers for contracting home care for people who did not take leave or who had essential jobs - later extended to summer camps.

5. Caregiving as a social and economic investment

✓ Understanding that economic and fiscal investment in caregiving services allows and contributes to productive, work and social life.

✓ Considering the economic return on investment in early childhood care, both through the possibility of labour participation by women and men, and the return for the next generation.

● In 2015, **Uruguay** approved the Care Act setting up the creation of the National Comprehensive Care System, recognizing the right of all dependent people to be cared for with quality and equality. This law decreed the universality of care for people in dependent situations, expanding coverage and social services to cover dependent people. Through this law, people in dependent situations are recognized as having universal access to the services and benefits of the care system.¹³

● In **Costa Rica**, a Law was approved in 2014 to create the National Child Care and Development Network, in order to establish a public access caregiving system, which is universal and enjoys solidarity-based funding that coordinates the different modes of public and private service provision in child care and development. Through this programme, the right of all children from 0 to 6 years of age to participate in caregiving programmes is guaranteed. This National Network also seeks to ensure that child care and development services enable fathers and mothers to join the labour market and to further their education.¹⁴

13 <https://www.impo.com.uy/bases/leyes/19353-2015>

14 <http://www.sipi.siteal.iipe.unesco.org/normativas/1331/ley-no-92202014-red-nacional-de-cuido-y-desarrolloinfantil;>
<https://redcuidoinfantil.go.cr/>



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spcim@oas.org

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