



“Summary of article by Nancy Folbre: Holding Hands at Midnight: The Paradox of Caring Labor” in Frontier Issues in Economic Thought, Volume 4: The Changing Nature of Work. Island Press: Washington DC, 1998. pp. 341-345

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The title is from a jazz standard that claims that love is a better motive for work than money or fame, defending “personal values against the dictates of the marketplace.”[74] But work based on personal values -- caring work-- “poses something of a paradox for economists. If caring is its own reward, it need not command an economic return. But if caring labor receives no economic return at all, will it persist?”[74] Since caring labor is generally performed by women, who generally earn less than men, it poses a dilemma for feminists as well. Do the rewards of caring labor transcend monetary valuation, or is women’s work undervalued by the marketplace?

THE CONCEPT OF CARING LABOR

This paper focuses on motivations, defining caring labor as “*labor undertaken out of affection or a sense of responsibility for other people, with no expectation of immediate pecuniary reward.*”[75] As well as dependent or family care, it can include activity like toxic waste clean-up if the motive is to help others. It includes those who work for wages if they don’t work for money alone. A recipient may not welcome an expression of care, or an emotionally attached caregiver might be less competent than a dispassionate provider, nevertheless, there is an expected correlation between caring and quality, especially “when part of the task is to make someone feel cared for, rather than simply to change the bedpan or apply a theory.”[75]

Neoclassical economics considers non-pecuniary motives to be exogenously given preferences. Caring is a form of *altruism*, exogenous and probably biologically determined. However, other social sciences consider several motives for caring. These motives are related and difficult to distinguish empirically, but preferences (individual desires), norms (behavior patterns of a particular culture), and values (universal, transcendent principles) can be distinguished analytically. Each category comes to the fore in a different field of knowledge.

Altruism, a psychological concept, involves interdependent preferences through which one receives pleasure, or utility, from the well-being of others. *Reciprocity* is an anthropological concept based on loose implicit contracts that may, unlike the explicit contracts of market exchange, be fostered by affection or by a sense of responsibility. Reciprocity might break down if the probability of eventual payoff declines, but social norms can also influence the supply of caring. *Responsibility*, the fulfillment of obligations, is a moral category based on philosophical concepts of right and wrong. “The triad offers three related escape routes from the individualistic, selfish, and essentially amoral reasoning of rational economic man.”[78]

THE VALUE OF CARING LABOR

Feminists have suggested that women are penalized for specializing in caring work, or as one put it, “care is devalued and the people who do caring work are devalued.”[78] Empirical research bears out this undervaluation. One study of compensable factors in occupations found a net negative return to nurturing and a positive return to the exercise of authority. Economists are more interested in how outcomes differ under different institutions than in the ethical dimensions of these outcomes, but feminists face unavoidable personal and intellectual choices.

Neoclassical economics presents a set of assumptions (that utility functions are exogenous and markets are perfect) under which the undervaluation of caring labor disappears. A utility-maximizing individual would forgo possible income to do unpaid (or underpaid) work only if he or she enjoyed greater utility by doing so. “Their actions reveal their preferences.”[78] Women earn less than men because of voluntary choices to spend more time doing housework. Women receive more utility from children than men do, and “we are left with the comforting thought that mothers must, after all, be just as happy as the fathers who fail to contribute to their children’s support or care, even if they are living in poverty.”[79]

Neoclassical theory does admit that markets in the real world are not perfect, and that women’s work may well be undervalued. One variation holds that men collude to exclude women from well-paid, high skill jobs, so women crowd into poorly paid jobs and the oversupply further lowers the wage to a level below equilibrium. The remedy is simple: eliminate male collusion. But this still does not explain why women crowd into caring work.

Neoclassical economics also accommodates explanations based on externalities. Caring workers may receive “psychic income” from certain kinds of work, creating an oversupply of labor. This oversupply lowers the wage for these jobs, penalizing non-caring workers in them. Externalities can also involve third party effects and information problems. For instance, children are public goods: they grow up to benefit all taxpayers, not just those adults who nurtured them. However, nurturing is difficult to monitor and its specific impact is difficult to define, so daycare workers do not recoup their value to society, but experience low pay and high turnover. Nursing is another example. Nurses are hired for certain competencies, but patients receive positive externalities from nurses who are also caring individuals. This affinity for caring work is difficult to find and compensate fairly because both the work and the product are difficult to evaluate.

Institutionalist economics provides an alternative to the neoclassical focus on individualism and contractual exchange. It considers norms, preferences, and values to be partially endogenous and socially constructed, often in opposition to the interests of women. Unlike neoclassicists, institutionalists would claim that the nurturing preference is imposed on women by a sexual caste system with norms and relationships that distort women’s decisions. In turn, these decisions internalize and reinforce the sexual division of labor. The nurturing and mediating skills required for women’s work encourage identification with the interests of others. Girls, who are raised largely by a parent of the same sex, grow up with a less bounded, oppositional

sense of self. For institutionalists, caring labor could be a trick to get women to provide low cost services, or a necessary activity, disproportionately assigned to women.

There is no scientific compass for choosing among preferences, norms or values and economists sidestep such choices. For feminists these questions, packaged as the equality vs. difference debate, are unavoidable: “Should we recreate ourselves in a more masculine image? Or should we seek, instead, to eliminate the economic penalty imposed on distinctively feminine norms, values, and preferences?”[83] Most feminists favor equality, regarding caring as a quality that handicaps women economically. Women should learn to compete in male-dominated occupations rather than romanticize feminine behavior and differences from men. Changing the rate of return on masculine behavior would involve tampering with a market process and would require collective effort with free rider problems and high transaction costs.

Some feminists are willing to undertake this challenge and to modify or undermine the dynamics of the market. One argument holds that the market economy requires the underlying support of caring work. Some socialist feminists feel that the economy should be organized like housekeeping, giving priority to basic needs, rather than on “masculinist” competitive principles. Differences among feminists do not hinge on the boundary between neoclassical and institutionalist thought. Either economic framework can be interpreted to support either side of the difference\equality debate. If caring work is correctly valued by the market, those who do it will be those who genuinely prefer it; if the choice of caring work is the result of subordination, a reduction in the supply of caring labor may be desirable. On the other hand, if caring labor provides positive externalities, or if it is necessary but disproportionately assigned to women, a reduction in supply would have adverse social consequence, and policies to address market inadequacies and institutional gaps would be appropriate.

PUBLIC POLICIES AND CARING LABOR

Policy hinges on values - in this case how much we value caring labor - and also presents paradoxes. A law demanding that everyone do a certain amount of caretaking work would not necessarily increase the supply of real caring labor. On the other hand, providing positive rewards, such as public remuneration, could reinforce the sexual division of labor.

Pro-market and non-market arguments also run through debates on family policy and the valuation of household work. Many U.S. feminists support proposals to require studies the inclusion of household work in national statistics. Some oppose this as romanticizing the sexual division of labor, and favor the “industrialization” of housework and child care. Others feel that quantifying “labors of love” demeans them and privileges market-based work. A similar Catch-22 obstructs agreement on public support for parental labor, such as family allowances or paid leave.

Options should be discussed that fall between the extremes of letting the market establish the value of caring labor and rejecting any monetary valuation at all. Parents “should be entitled to some minimum level of decent support for a form of non-market caring labor that benefits society as a whole.”[87] Feminism presents an important challenge to the patriarchal family. It would be ironic to neutralize progress in favor of extreme individualism and self-interest.