
For Love or For money – or Both?

Nancy Folbre and Julie A. Nelson¹

A Summary

by **George N Njenga**

1.1 Introduction

Nancy Folbre and Julie Nelson study the shift from non-market to market labour in the contemporary society, of the United States of America (US). The consequences are far reaching with regard to social care, economics and the link between the consequences of women shifting from family and social relationship building to paid labour in the market. The authors see this as a change in the “social contract”. The move of women, previously responsible for the “emotional” dimension of society (child care, social relationships, homemakers), from their traditional roles to paid jobs in the market is the underlying issue and they describe it in a trite and dynamic phrase – “For Love or For Money”.

1.2 Shift from Family to Market

1.2.1 The Dependency Burden

Demographic change has transformed the relationship between the family and the economy, and vice versa. Traditional family rearing responsibilities (for love) have been

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replaced with caring service (for money). The authors feel this is a great opportunity to do more research. The cause is mainly that there has been a shift home making by women to paid caring as more fashionable. Education and a desire for more freedom have in turn resulted in low birthrates and high dependency rates. This has reduced the aggregate burden of child-raising, while increasing the burden of elder care. Traditionally, the responsibility of families rearing children could be combined with farm labour and cottage industry.

In the 150 years between 1860 and 2000, the total fertility rates in the US fell from 5.2 children per couple to 2 children. Life expectancy increased from 47 to 77 years thanks to advances in medicine and technology and standard of living. The dependency ration has also changed – the dependency ratio is the sum of the population below 18 years and the above 65 years. It has been inverted by the decline in those under 18 years of age and the increase in those above 65 years. Comparing 1860 to the situation that expected in the year 2050 the ratio between those under 18 and those above 65 will change from 10:1 to 1:1. This will mean a change in the costs of Medicare and pension schemes. Between 2000 and 2050 the dependency of those above 65 years will grow from 1.6% to 4.6% of the population.

1.2.2 Labour Force Categories

Historically women have devoted as much time in ‘home-making’ as men have in paid work. In fact in times when young children were present women seem to have devoted much more time in comparison to men. Based on data on the total labour force in the US society results show that the labour force has declined while at the same time there has been a relative increases in the relative importance of paid employment among women, with the biggest change coming between 1960 and 1990. By 2000, homemaking had declined substantially, but still involved over 16 percent of all workers, and about 30 percent of all women workers.

Taking up paid work is a “fashion”, especially that of paid care; women feel that they are doing what is more respectable in society (Blau, 1998; Reskin and Roos, 1990). Besides,

it seems this is the main paid work force for women as they constitute more than 30% of all the labour force and between 76%-81% of all women in the labour force, depending on the care services sector. The results show that thanks to this there has been a segregation effect in the labour industry. Professional care services include hospitals, health services except hospitals and social services. Between 1900 and 1998 the labour force in this sector moved from 4% to 20% almost the same level of work force as factories and construction sites.

1.2.3 Time Use Studies

Data on this is scarce and inaccurate. However, with the little data there is, the authors have observed that, families tend to purchase more home-care services, spend less time in home chores thanks to technology (mothers spend 30 hrs less today than they spent in 1900), and find more time to personal development and emotional dimensions. However, less time spent in home making is also a result of a lower fertility level and expansion of education services. There is also more time spent shopping as a result of time available from freedom from house chores. A combination of non-market and market responsibilities leads to stress for mothers since there is no substitution in home making from the men. Obviously single parents find life more stressing as they have to share singularly home-making and paid work.

1.2.4 Measurement of Economic Growth

Historically, non-market work or home-making was not recognized as part of economic output. Surprisingly, the US the total value of non-market work contributes 40-60% of the total value of all U.S. output (Eisner, 1989). This figure may be even lower than the reality given the mitigating effects of “worthiness” of home making and discriminatory perceptions. Based on this perspective Folbre and Nelson query the methodology normally used to compute economic growth. For one it does not include non-market output and secondly, it is inaccurate with regard to the macroeconomic estimation of the non-market output. Besides, economic growth has to be computed based on economic growth in both economic sectors; market and non-market. A question arises

about the “substitutability” of home based products with that of commodities in the market. It is contentious issue according to the authors.

If it is true that homemakers do about the same type of work as the market care services do, then there is no problem. However, is there absolute “substitutability”? The authors do not think so because the care services that substitute the homemaker’s services do not substitute for the identity of the care provider and the continuity of the care relationship, and this matters. One could also ask whether the effort and care of a home maker is exactly equivalent to market services that have substituted them. The authors say, there is good reason to believe that the personal and emotional content of home life is becoming more and more concentrated in a relatively small number of activities, such as sharing meals or telling bedtime stories, for which substitutes cannot be purchased. Past a certain point—which our society has yet to define or negotiate—family time cannot be reduced without adverse consequences for all family members. Hence, the greater the role that personal and emotional care play in nonmarket work, the greater the downward bias in market-based estimates of its value. Economists have to think of new concepts that have not featured before in their vocabulary.

1.3 Thinking about Care and Commodities

"Care" has a dual meaning, caring activities, like changing diapers or providing a listening ear, and caring feelings, like those of concern or affection on the part of a caregiver. There is a sharp division of views about whether markets, caring feelings, and caring activities are at odds with each other. Some like Gary Baker believe that the movement of caring work into markets may be merely a rearrangement of activities in response to income and relative price changes. Such a view recognizes no special category of distinctly personal, intimate human feelings and interactions, and may encourage a Candid-like, best-of-all-possible-worlds complacency in the face of the marketization of care. Others see the worlds of commodities and of care as being at odds, and fear that marketization of care might tend to "crowd out" caring feelings. The concern here is that motivation by money may lead to caring activities being performed

to minimum standards, mechanically and impersonally, unaccompanied by the personal love and attention that we believe that children need to grow; sick people need to heal, and so on.

1.3.1 Money Moves in Various Ways

Child care markets can be examples of "rich" markets in which the movement of money is only one dimension in a complex relationship of child, caregivers, and parents including elements of (when it is going well) trust, affection, and appreciation. Other markets for caring services often have similar dimensions.

1.3.2 Motivations

What are the motivations of paid caregivers? In some discussions it seems as if a dichotomy is posed: one works either for love or for money—that is, out of spiritual values, affection, and altruism, or out of crass materialism, self-interest, and greed. Being motivated to take a job in large part "for the money" need not imply that one is a materialistic and selfish person. One could, of course, let self-interest overtake altruistic concerns and do the work in a cold-hearted way, but this is not implied a priori. One could, in fact, be exceptionally non-materialistic and generous. If the movement of money is understood as an acknowledgment and appreciation of the worker's own intrinsic motivations, it can strengthen such motivations.

1.3.3 Do Markets Inevitably "Commodity"?

If we consider the market place as an environment where everyone who enters becomes self-interested then there seems to be an overhanging issue with women care services entering the market. Research into this issue is still to be carried out.

1.3.4 Implications for Well-Being and Policy

To deepen our understanding of the value of care giving we have to do more research on the structures of care giving and the level of support care-giving receives.

1.3.5 Advantages of the Family-to-Market Move

It brings about freedom for women and the estrangement of the issues often related to home making such as coercion. The authors here see historical marriage structures as an economic proposition to the woman. Labor market barriers historically have denied women an alternative means of self-support. This may be advantageous to those who receive their care. The recent reduction in the labor market barriers facing women, and the greater availability of alternative provision of care for the young, sick, and feeble elderly, can mean that care activities, when done in private, may increasingly be done more as a matter of choice and less as a matter of necessity. In taking the burden of care off particular women, who had been assigned to it by status considerations, the marketization of care could contribute to the costs of care being more widely and equitably distributed, the provision of care could in some ways be accomplished more effectively, and education capabilities more available to all families. Further they propose that some senior citizens would rather be cared for by a paid "outsider" than a family member, for example, because this enhances their feeling of independence. Greater attention to care issues, and the skill requirements of care, may aid in the economic analysis of work and well-being, as we recognize the **value** of caring work (like empathetic listening) in workplaces in general and, conversely, the value of knowledge and skill in the locations where care is provided.

On the other hand, there are many disadvantages such as, will market competition in these areas will produce high-quality care; would the dependents know what is good for them or not; poor consumer capability; expensive to monitor quality. 40% of the US home care centers do not pass the hygiene and quality tests, that more than 25% harm their dependents and 100% turnover of staff within 3 months. Child care centers are still far below standard according to some researches, and only 10% were accredited. Some child care centers are in informal family centers that cannot be managed. Even working age adults find it difficult to monitor care quality. The number of factors that come into play in choosing the best health maintenance organization, for example, is mind-boggling. Yet increased competition among health care providers creates incentives to

cut costs by minimizing hospital stays and nursing care. A growing body of research on social capital shows that an atmosphere of trust and care contributes not only to the development of human capital, but also to economic efficiency (Coleman, 1988; Putnam, 1993, 1995). This is what is lacking in all these disadvantages.

1.4 Conclusion

To care for love or for money is a new research area that requires more work while trying to put aside historical assumptions that have dissuaded research. There could be a possibility that the dualisms of self-interest vs. altruism or money vs. love are overcome! The shift of caring activity from family to markets represents an enormous social change. Families have become smaller and less time is given to family care in favour of market labour and personal and emotional time.