

# Study: US takes 'low road' to growth with adverse impact on wellbeing, future prosperity

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Countries that have high quality and affordable childcare and policies that encourage men to share in parenting duties have higher wellbeing and better prospects for future economic growth, according to a study published in the *Cambridge Journal of Economics*. Credit: Sally McCay

The U.S. economy may be expanding, but it's taking the low road to growth that undermines wellbeing and may cause economic challenges in the future, according a new study published online in the *Cambridge Journal of Economics* that centers on the way different countries have responded to the growth of women in the labor force.

Stephanie Seguino, professor of Economics at the University of Vermont and co-author of the paper—with Elissa Braunstein of Colorado State University and Rachid Bouhia of the United Nations Conference on Trade and Development—says that, while women's increasing [labor force](#) participation has contributed to worldwide economic growth, there are important qualifiers to that success.

At the heart of the new study is an economic concept called "[social reproduction](#)," the unpaid and sometimes paid human care work—which often takes the form of parenting—that is required to produce and sustain a vibrant, well socialized [labor](#) force.

In the past economists have focused solely on education and training as the key elements of creating productive human capital. But the new paper, building on past work by the authors, cites social reproduction as being equally important to the creation of productive future workers.

Women provide the bulk of labor needed for social reproduction, so their entry into the labor force, while having a positive effect in aggregate, can have potentially [negative impacts](#), the authors say. If governments do not work to redistribute and reduce child- and other care labor, it can mean either a time squeeze for women, who attempt to both work and care for their children and other family members, or a decline in human development, if care work is neglected.

"As women move into labor markets, attention must be paid to supporting and redistributing the burden of social reproduction.

Countries that fail to do so pay a price—both in a decline in human welfare and in the slower economic growth that is a consequence of an unproductive, poorly socialized labor force," Seguino said.

## **The high road not taken**

The paper uses a series of metrics—including the [gender wage gap](#), the extent and quality of private market care, the public availability of quality child care and men's contribution to child care—to score countries on their overall commitment to social reproduction.

Fellow travelers with the U.S. on the low road, 12 in all, are Croatia, New Zealand, Israel, and Switzerland. The authors define the low road as one where rising wages and [labor force participation](#) for women may stimulate economic growth, but inadequate or expensive substitutes for caring labor for children undermine social reproduction, over-burdening women and compromising their contributions to the economy.

"The shorthand for these countries is 'time squeeze,'" Braunstein said. "Women have no choice but to 'do it all,' which often means they are overworked, or investments in care decline. The result is a huge negative impact on overall welfare."

In the high road countries—which include Norway, Denmark, Finland and France, eight in all—the opposite trends prevail. Women are paid well, there is high quality childcare provided by private entities and the government, and flexible family leave policies allow men to share in the care of children.

"We call these countries, 'gender egalitarian,'" Seguino said, "because women engage in paid work and are paid well, there are quality private and public options for childcare, so they aren't asked to do double duty, and family leave policies allow men to share equally in unpaid labor in

the home."

There is some correlation between countries taking the low or high road and their rate of growth. In a working paper, Braunstein, Seguino and Altinger find that the more gender equal the distribution of social reproduction, the faster a country's economic growth.

## **Economic repercussions**

Investing in social reproduction can have clear positive economic consequences, as well as those related to wellbeing. Underinvesting in social reproduction across a society can dramatically impact the quality of the future workforce and curtail economic growth as a result.

"If we're going to take the positive step of moving [women](#) to the paid labor force, which is good for them and for the larger economy, we have to do it in such a way that it addresses the inadvertent outcome of the loss of caring labor," Braunstein said.

Provided by University of Vermont

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