

# Economic cost of devaluing 'women's work'

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As much as half of the world's work is unpaid. And most of it is done by women.

This imbalance not only robs women of economic opportunities. It is also costly to society in the form of lower productivity and forgone economic growth. It follows that a fairer allocation of unpaid work would not only benefit women, but would also lead to more efficient work forces and stronger economies.

For these reasons, reducing gender imbalances in unpaid work is part of the United Nations Sustainable Development Goals.

Examples of unpaid work include cooking, cleaning, fetching food or water, and caring for children and the elderly. These tasks are not counted as part of economic activity because they are difficult to measure based on values in the marketplace. Yet their economic value is substantial, with estimates ranging from 10 to 60 percent of GDP.

In our new study, we find that unpaid work declines as economic development increases particularly because there is less time spent on domestic chores. Social institutions and values can constrain the redistribution of unpaid work by preventing men from sharing the burden at home.

Overworked and underpaid It's no secret that women disproportionately shoulder the burden of unpaid work. Less well understood is just how many more unpaid hours women put in than men

on a given day. Women do 4.4 hours of unpaid work on average around the world and men only 1.7 hours.

There are large differences across countries.

In Norway, the gap is small, with women doing 3.7 hours of unpaid work, while men contribute 3. On the other extreme, in Egypt, women do 5.4 hours per day of unpaid work and men only 35 minutes. In the US, women do 3.8 hours of unpaid work and men do 2.4 hours.

By not fully engaging women, the economy is misallocating resources, having women do low-productivity tasks at home instead of taking advantage of their full potential in the marketplace. It also misses exploiting the complementarity between women and men in the workplace. The result is lower productivity and economic growth. This gender gap in unpaid work is not just unfair. It is clearly inefficient.

Certainly, some unpaid work is done entirely by choice and the value to society of raising children for societies cannot be disputed. But more than 80 percent of unpaid work hours are devoted to domestic chores aside from child and elder care.

Too often women end up shouldering those domestic chores because of constraints imposed by cultural norms, lack of public services and infrastructure, or absence of family-friendly policies.

Women may also choose to stay at home or work only part-time if the wage in the market is too low and does not represent equal pay for equal work.

Engines of liberation Policies can help reduce and redistribute unpaid work. In



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Unpaid tasks like cooking are not counted as part of economic activities because they are difficult to measure based on values in the marketplace.

developing economies, measures to improve water supply, sanitation, electricity, and transportation are critical to free women from low-productivity tasks.

UNICEF estimates that women spend 200 million hours per day worldwide simply fetching water. In India, women spend more than an

hour every day collecting firewood. Better access to electricity and water and less expensive appliances helped boost female labor force participation in Mexico and Brazil. Expanding internet access to the entire population can help women take advantage of the gig economy and flexible work arrangements.

Governments need to ensure access to education and health care for women. Without proper human capital, women's possibilities in the labor market are very limited. According to UNESCO, 130 million school-age girls are not in school. It is not only a matter of providing the services, but also guaranteeing their use.

Many families in Pakistan choose not to send girls to school because of security concerns. Enshrining women's rights in law could help to reshape social institutions and values that prevent access to education and healthcare.

Efficient and flexible labor markets help redistribute unpaid work. Active labor market policies, like those in Switzerland, can facilitate job matching. We find that flexible work arrangements are associated with less female unpaid work and make for a better work-life balance.

All in the family Family-friendly policies also help. Many Nordic countries invest heavily in early childhood education and care, which allows for high enrollment and fosters women's ability to return to work after giving birth.

Greater parity in maternal and parental leave policies can raise female labor force participation by smoothing women's return to work and engaging fathers in care activities early on. Iceland's parental leave policy is a good example: it sets the length of leave at nine months and earmarks three for each parent.

Reducing and redistributing unpaid work is an economic imperative. Governments must take decisive actions, and the private sector must join in to seize on the large potential gains.

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## Slowing Indian bank lending overshadows economic rebound hopes

REUTERS, Mumbai

CREDIT growth at Indian banks has dropped to its lowest level in nearly two years, the latest Reserve Bank of India (RBI) data shows, as slowing domestic consumption weighs on demand.

This adds to the challenges facing Narendra Modi as he begins his second term as prime minister with India's economy at its weakest levels in six years.

"The slowdown in credit growth this time is a result of both reduced demand and supply," Madan Sabnavis, chief economist at CARE ratings, said.

Lending growth by banks had nearly halved to 8.8 percent at the end-September from the start of the year.

The RBI data includes all banks in India, which is dominated by state-run lenders Bank of Baroda, Punjab National Bank and Union Bank of India as well as private



REUTERS/FILE

A policeman stands guard at the entrance of the Reserve Bank of India headquarters in Mumbai.

ones such as HDFC Bank and ICICI Bank.

While retail lending has driven growth, banks are taking a more cautious approach on some consumer loans.

"In certain retail loans we're seeing customers delaying the payments by a few days over the due date," said the head of consumer banking segment of a private bank, adding that this does not bode well when corporate lending has plunged.

A report last month by India Ratings predicts "further moderation" retail lending in 2020 "given the consumption slowdown across segments including housing and auto".

"Even the unsecured loans, which include credit cards, education loans and other personal loans have seen a moderation in growth," the report said.

## Two-thirds of economists see BOJ easing in October: poll

REUTERS, Tokyo

THE Bank of Japan is laying the groundwork for deepening negative interest rates, analysts polled by Reuters said, with two-thirds of respondents expecting the central bank to loosen monetary policy this month.

Risks to the global economy have risen from a protracted Sino-US trade war and Brexit, among other factors, and Japan's central bank is not alone in having to consider launching more stimulus to avert a sharp slowdown.

At its rate review last month, the BOJ said it would take a more thorough look at whether heightening overseas risks could derail Japan's fragile economic recovery.

BOJ Governor Haruhiko Kuroda has said the central bank is edging closer to expanding stimulus as the trade war and slowing global demand cloud Japan's economic outlook.

In a Reuters poll conducted between Oct. 2-14, 35 of 41 economists said the central bank's next move would be to ease policy, while six predicted it would cut back on monetary support. Most

economists responded to the survey before US President Donald Trump outlined the first phase of an agreement to end a trade war with China last week.

Of those who projected monetary easing, 21 said it would happen at its Oct. 30-31 meeting, five predicted action in December and another six said next year or later. The remainder did not give a time frame for when the BOJ would ease.

"Judging from the governor's comments, the BOJ appears to be considering the option of cutting short-term interest rates while preventing the yield curve from flattening too much," said Harumi Taguchi, principal economist at IHS Markit.

Under a policy dubbed yield curve control (YCC), the BOJ pledges to guide short-term rates at -0.1 percent and the 10-year government bond yield around 0 percent. It also buys government bonds and risky assets to flood the economy with cash.

Critics say cutting the -0.1 percent short-term rate target further would do more harm than good to the economy as it would strain financial institutions' already narrowing profit margins and discourage them from boosting lending.

## Apec expresses 'moderate' hope over US-China trade deal

AFP, Santiago

APEC finance ministers expressed "moderate optimism" on Tuesday that the United States and China will end their trade war and sign an agreement during the forum's summit in Santiago next month.

For the last 18 months the world's two largest economies have been embroiled in a trade spat that saw tariffs placed on hundreds of billions of dollars' worth of goods.

US President Donald Trump announced a partial deal last week.

Treasury Secretary Steven Mnuchin added on Monday that US and Chinese officials would hold phone

talks over the next two weeks to finalize the "phase one" trade deal.

Finance ministers and representatives of the Asia-Pacific Economic Cooperation (Apec) forum met in Santiago on Tuesday and discussed the possibility of a full trade deal being signed next month.

Chile's finance minister, Felipe Larrain, said such an agreement would be "highly significant."

While he was somewhat optimistic, he also warned that "planning and good intentions and the idea to sign it are one thing. Actually signing it is another."

"Hence, in some there's this natural dose of scepticism."

Few specifics of the deal are known except that it covers intellectual property, financial services and currencies. Washington has also scrapped tariff increases planned for this week and could do so with others scheduled for December.

New Zealand's finance minister Grant Robertson warned against getting carried away, though.

"We also have to acknowledge that there is some way to go before this is fully resolved, but it is important for the whole world that this trade war is ended," he said.

The finance ministers are due to issue a joint statement backing free trade at the end of their meeting.

## Large US banks report mixed earnings

AFP, New York

LARGE US banks reported mixed quarterly results on Tuesday, challenged by a shifting interest rate landscape and uncertainty about global trade but bolstered in some cases by strong consumer activity.

The biggest US bank by assets, JPMorgan Chase, scored higher profits due to robust consumer lending even as Chief Executive Jamie Dimon offered a subdued outlook on the US economy, due in part to lingering worries about an economic slowdown due to the trade war.

Earnings also rose at Citigroup but profits fell sharply at Goldman Sachs amid a drop in key advisory services and at Wells Fargo, which was hit by higher legal costs as it continues to try to pivot from a series of scandals and regulatory issues.

Executives said the United States continues to enjoy a strong employment picture but that some clients are holding back investments in light of uncertainty over trade.

Other big international wildcards include the grinding Brexit negotiations and ongoing civil unrest in Hong Kong.

"There's a fair amount of uncertainty on trade and a host of other issues," said Citigroup Chief Financial Officer Mark Mason.

Mason said last week's partial trade deal between the United States and China was "an important step" but that the two sides need to keep negotiating "so that the cautious



sentiment can ease a bit." JPMorgan reported profits of \$9.1 billion, up 8.4 percent from the year-ago period. Revenues were \$29.3 billion, up 7.3 percent.

The increase in profits comes as large banks manage a shift in monetary policy by the US Federal Reserve that has dampened the industry's profit outlook somewhat.

Lower interest rates typically weigh on earnings at banks, which earn profits from the margin between their loans and deposits.

On the upside, JPMorgan scored higher revenues in home lending as mortgage costs for consumers eased. The company also reported another increase in credit cards and auto lending.

US economic growth has "slowed slightly," Dimon said.

"The consumer remains healthy, with growth in wages and spending

combined with strong balance sheets and low unemployment levels," Dimon added.

"This is being offset by weakening business sentiment and capital expenditures mostly driven by increasingly complex geopolitical risks, including tensions in global trade."

At Goldman Sachs, third-quarter profits were \$1.8 billion, down 26.9 percent from the year-ago period.

Revenues were \$8.3 billion, down 5.6 percent.

The investment bank suffered a drop in financial advisory and equity and debt underwriting revenues but won an increase in trading businesses that have been a headwind in recent quarters.

Analysts pressed Goldman executives for evidence the company's investments in its consumer lending business will pay off.



REUTERS/FILE

Ministers gather for a group photo after the Apec Ministerial Meeting in Vietnam.