

Forum for Macroeconomics and Macroeconomics Policies

Gendering Macroeconomics

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**Engendering Macroeconomic Policy:
Investing in Care, Creating Employment and
Sustaining Democracy**

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Engendering Macroeconomic Policy

A Feminist Macroeconomic Policy Agenda?

Macroeconomic structures, changes, policies → Gendered outcomes

Gendered economic structures, changes, policies → Macroeconomic outcomes
mediated through gender division of care work

TIME as a resource, distribution of Time beyond Income

CARE as a public good

Care deficits/policies → Macroeconomic outcomes

Fiscal Policy: Investing in Transformative Care Systems

Synergies/Complementarities with multiple policy agendas:

- Heterodox Macroeconomics (full employment and equitable growth)
- Ecological Economics - Green and Just Transition
- + *implications for the future of work in the age of AI and Digitalization*
- + *implications for Democratic Erosion vs. Resilience*

Transformative Care Systems

*A comprehensive system of coordinated services, regulations, programs and policies, ensuring access to quality care across the life cycle by restructuring how care is provided and valued; moving beyond basic services to make care more inclusive, affordable, sustainable, ensuring gender equality, supporting **both** care givers and care receivers. (UN 2024)*

- **Universal access to quality care services**
 - Time-saving physical infrastructure
 - Labor market regulation for
 - work-life balance
 - **decent jobs for care workers**
 - Co-ordination and integration across macro, sectoral, labor policies, development plans, legislative frameworks
- ECEC, Education, Healthcare, Social Services, LTC; domestic and personal services (Esquivel 2016; ILO 2018)**

Ilkkaracan&Kim 2019: Required public investment in care sectors in 45 middle- and high-income countries up to 2030:

- Status quo scenario: 14.9% GDP
- High-road scenario: 18.4% GDP
- 3.5% GDP additional spending required for universal coverage

Policy advocacy for Public Investments in Care Sectors

Resistance by policy makers:

- *LIMITED FISCAL SPACE (not a priority)*
- Slack labor markets
- Conservative politics on “gender roles”
- (Low productivity, limited potential as a source of sustained growth)

How to advocate with macroeconomic policy makers?

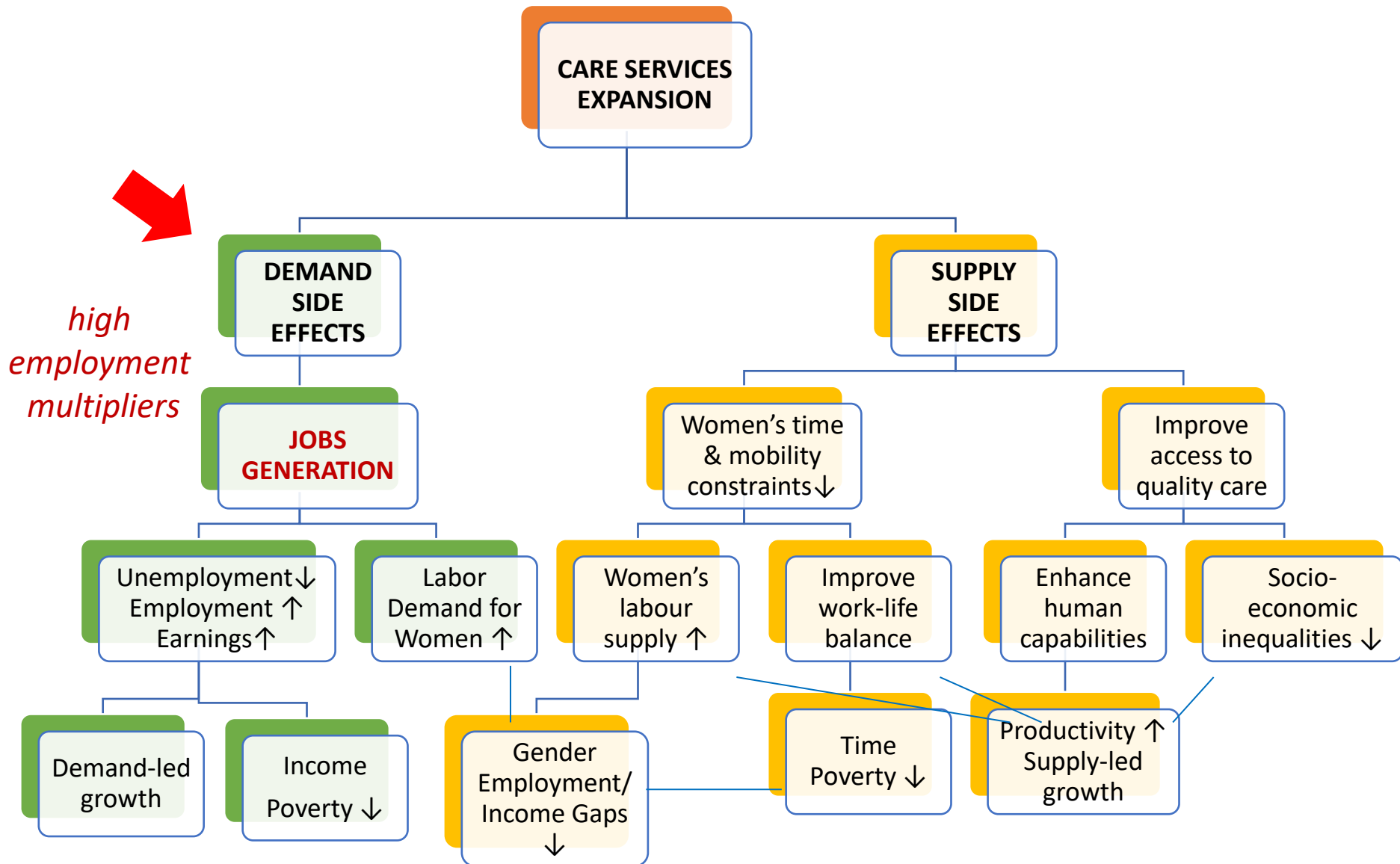
A fiscal rationale?

- Care Services as *social infrastructure*
- *Care Expenditures as investment spending*
- Care Sectors as a *generator of decent jobs*



*“ECONOMIC RETURNS” TO
INVESTING CARE SERVICES SECTORS*

Economic Returns to Investing in Care Sectors



Policy Simulations on Economic Returns to Investing in the Care Sectors

- **Macro-Micro Simulations** (*employment, growth, distribution, earnings, income and time poverty*)

South Africa – Antonopoulos and Kim (2010)

U.S.A. – Antonopolulos, Kim, Masterson, Zacharias (2011)

Türkiye – Ilkcaracan, Kim, Kaya (2015; 2019); Ilkcaracan, Kim, Masterson, Memis, Zacharias (2023)

Ghana, Tanzania – Kim, Masterson, Zacharias (2020)

Jordan – Ilkcaracan, Bayar, Masterson, Nassif Pires, Zacharias (2022)

- **Macro IO Simulations** (*employment, growth, gender distribution*)

5 high-income, 6 middle- and low-income economies – De Henau, Himmelweit, Perons (2016; 2017)

45 high- and middle-income economies – Ilkcaracan and Kim (2019) for ILO Report on Care Work and Care Jobs for the Future of Work

Cote d'Ivoire, Nigeria, Rwanda, Senegal; Kyrgyzstan, Macedonia; Uruguay; U.K. amongst others

- **Post-Keynesian Structuralist Feminist Macro Simulations** (*employment, productivity, growth*)

S. Korea and U.K. – Onaran and Oyvat (2019, 2022)

8 developing economies – Onaran and Oyvat (2022)

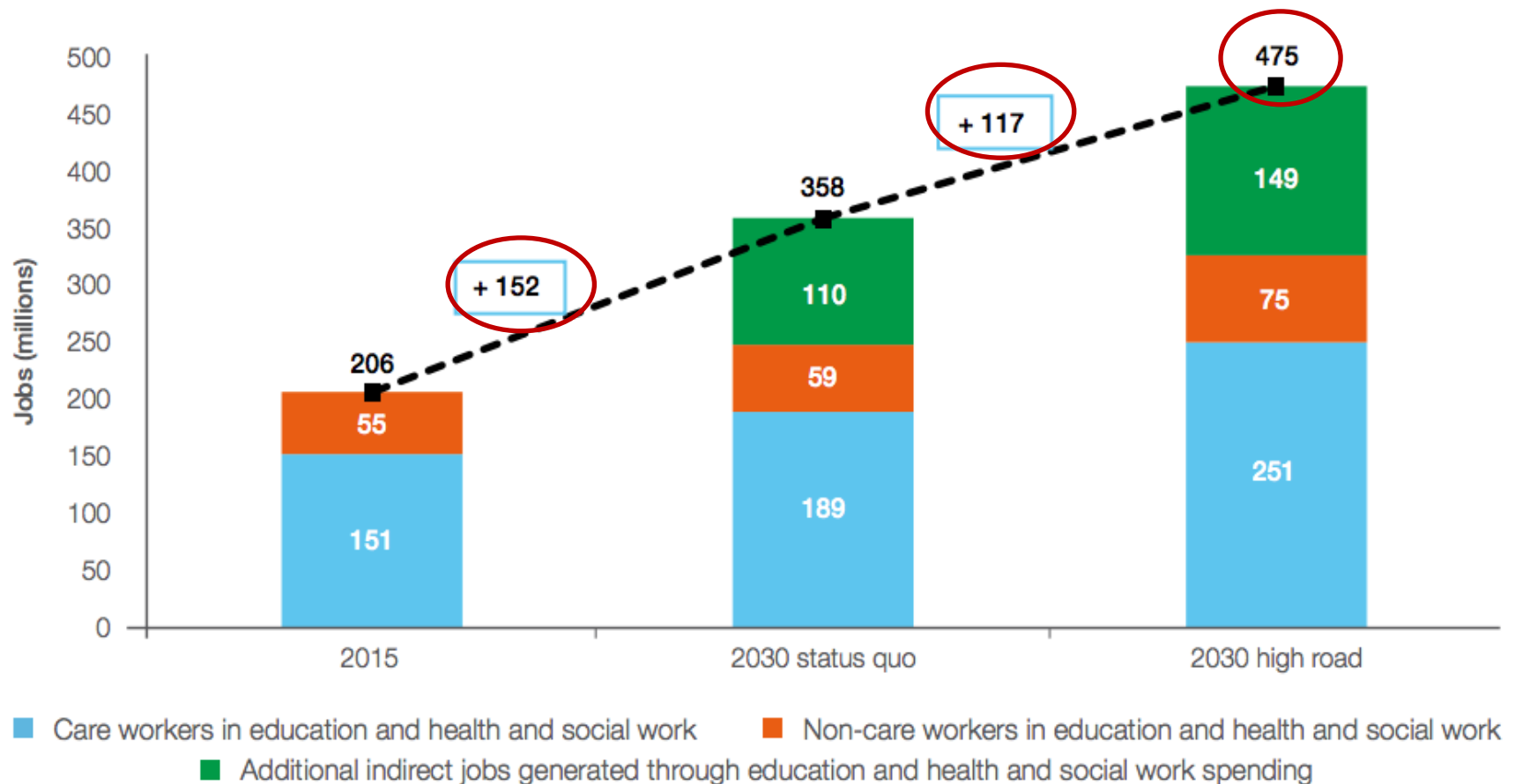
UN Women and ILO (2021) Public Investments in Care Policy Tool
ILO Care Policy Simulator (2023)

Findings: Returns to Investing in Care Sectors

- Investing in care sectors is **a substantial generator of new jobs** (direct and indirect), given sectors' high employment multipliers.
 - e.g. *Türkiye: the same magnitude of public expenditures generates 2.5 times more jobs when spent on ECEC services expansion versus on construction & physical infrastructure*
- **More jobs** translate into **higher labor earnings** with more impact on **income poverty alleviation** compared to other sectoral spending.
- New jobs are created both for women and men, but more for women, hence **decreasing gender and intersectional inequalities in access to jobs and earnings**.
- + Strong impact on **time poverty alleviation** → potential to improve women's lfp
- Public spending on care sectors generate **higher tax revenues** through more jobs and labor earnings, hence with a stronger **self-financing potential** compared to other sectors.

Investing in Care Sectors in 45 Countries – Employment Creation

Figure 5.11. Total care and related employment – 2015 vs. 2030 status quo and high road scenarios



ILO 2018

Note: For 2015, ILO calculations based on labour force and household survey microdata.

Source: Ilkkaracan and Kim, forthcoming.

Investing in Care Sectors

@intersection of 2 lines of Policy Agendas

Feminist Macroeconomics:

Gender Equitable Growth

balance gender distribution of unpaid care work



*narrow gender economic gaps
provide quality care for all*

*Unpaid Care Work
as a time-constraint
on labor supply;
Care as public good*

Paid Care Work

as a booster of labor demand

Heterodox Macroeconomics:

Full Employment and Equitable Growth

Magnitude and composition of fiscal spending matters



jobs generation and distributional outcomes

Synergy of Feminist Macroeconomic Policy Agenda with Macroeconomics of Full Employment

Stiglitz (2016)

- **Markets won't create full employment on their own**—particularly in the context of weak demand in most individual economies and the global economy as a whole;
- **Proactive industrial and fiscal policies can promote employment (targeting labor intensive industries such as education and health)**, reduce inequality, promote stabilityfor long-term sustainable growth.

Rodrik (2019)

- **Building a Good Jobs Economy:** the decline of good, secure jobs is a major threat to social and political stability, contributing to inequality and the rise of populism.

UNCTAD Trade and Development Report 2017

- “.... **the type of public spending matters**, not only for its welfare implications **but also for its macroeconomic impact.**
- Government **spending on social services, in particular in care activities** that are typically underprovided by the State in most countries, generates **much higher multiplier effects on employment.**”
- “Given **the employment challenges associated with structural and technological change**, and women's primary responsibility for both paid and unpaid care work, **transforming care activities into decent work** should become an integral part of strategies aimed at **building more inclusive economies.**”

Synergy of Feminist Macroeconomic Policy Agenda with Macroeconomics of Full Employment

UN Secretary General's Report (2021): OUR COMMON AGENDA

Investing in Care appears under two commitments:

- Facilitate women's economic inclusion, including investment in the care economy
- ***Investment in sectors with the greatest potential for creating more and better jobs, such as the green, care and digital economies,*** *is key and can be brought about through major public investment, along with incentive structures for long-term business investments consistent with human development and well-being.*

Synergy of Feminist Macroeconomic Policy Agenda with Green Economy Policy Agenda

- **Purple Jobs** are **Green Jobs**
 - *Care jobs local service jobs with low emissions and waste (Ilkkaracan 2013, 2025; de Henau/UK WBG 2024)*
- **Call for a Shorter (market) Working Week: an overlapping demand** (Onaran/Jump 2022; Ilkkaracan 2025)
 - *for equitable distribution of unpaid care work and for lower emissions (Ilkkaracan and Memis 2022)*
- **A Policy Response to Crises**
 - Green Policy agenda - response to the Ecological Crisis
 - Purple Policy agenda - response to a Crisis of Care (Himmelweit 2007; Floro 2016; UNDP 2015)
 - Simultaneously a response to Economic Crisis and Joblessness: Green and Purple Jobs for the Future of Work
- **Purple** and **Green** Economy Policy Agendas: Beyond GDP framework for macro indicators
 - for **caring** and sustainable growth (de-growth)

Caring Economy (U.K. WBG 2021)

Care Society (UN ECLAC 2023)

Purple Economy (Ilkkaracan 2013)

Caring Democracy (Tronto 2013)

Gender-Macro Interactions and Political Implications

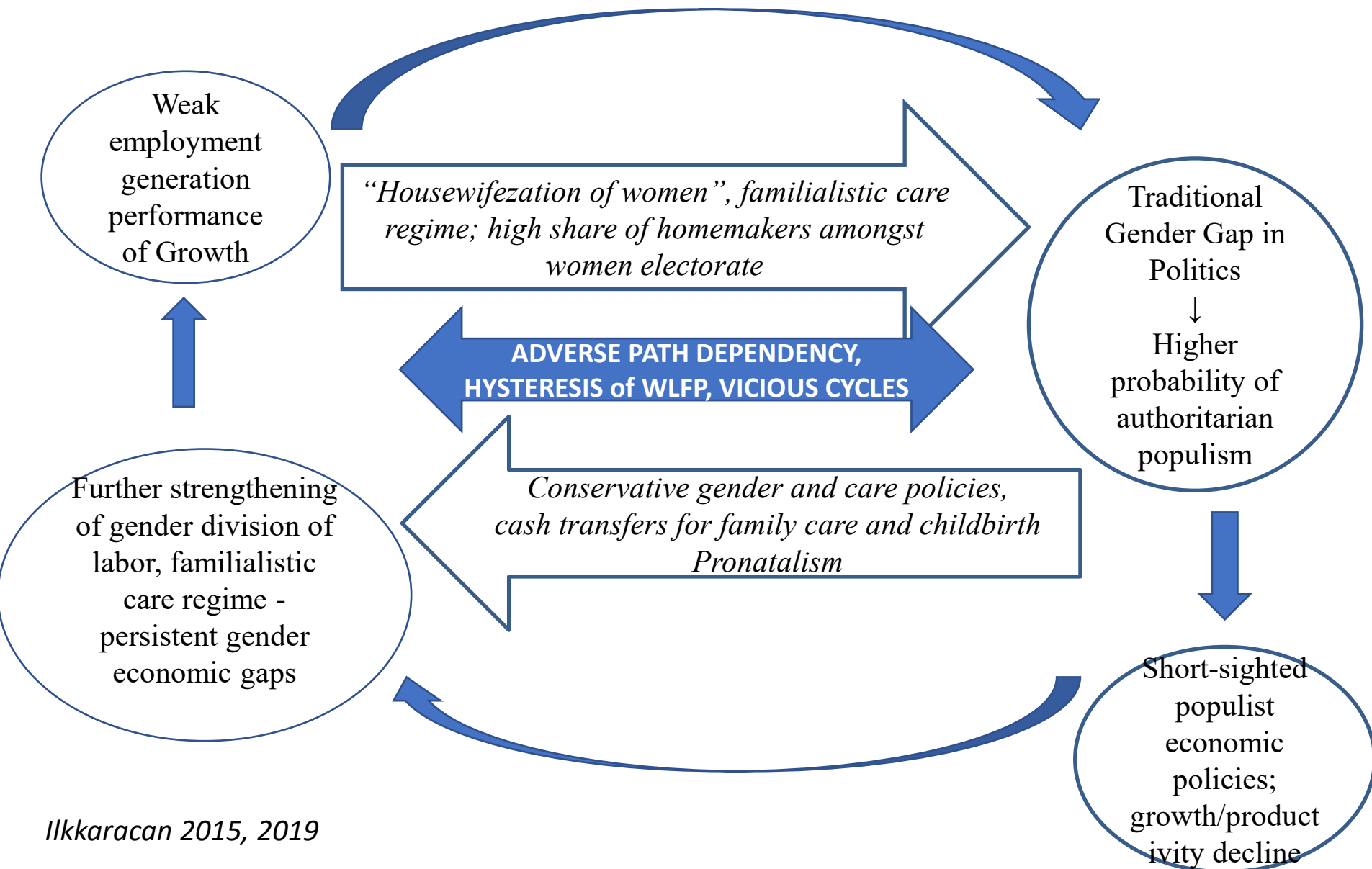
- *Political gender gaps* in *advanced economies* transform from *traditional* to *modern gender gaps* under economic transformation over the 20th century (Inglehart/Norris 2001)
- Italy and Türkiye persistent *traditional gender political gap*
 - determined by large share of women homemakers amongst the women electoral base supporting authoritarian populist leaders (*Barisione 2016; Ilkkaracan 2015; 2019*)
 - in response to a conservative gender discourse celebrating women's roles as mothers and wives (recognizing and supporting their unpaid carer roles)
 - in return for economic and social policies supporting homemakers (cash transfers for care; pensions for homemakers)

Macroeconomic connections?

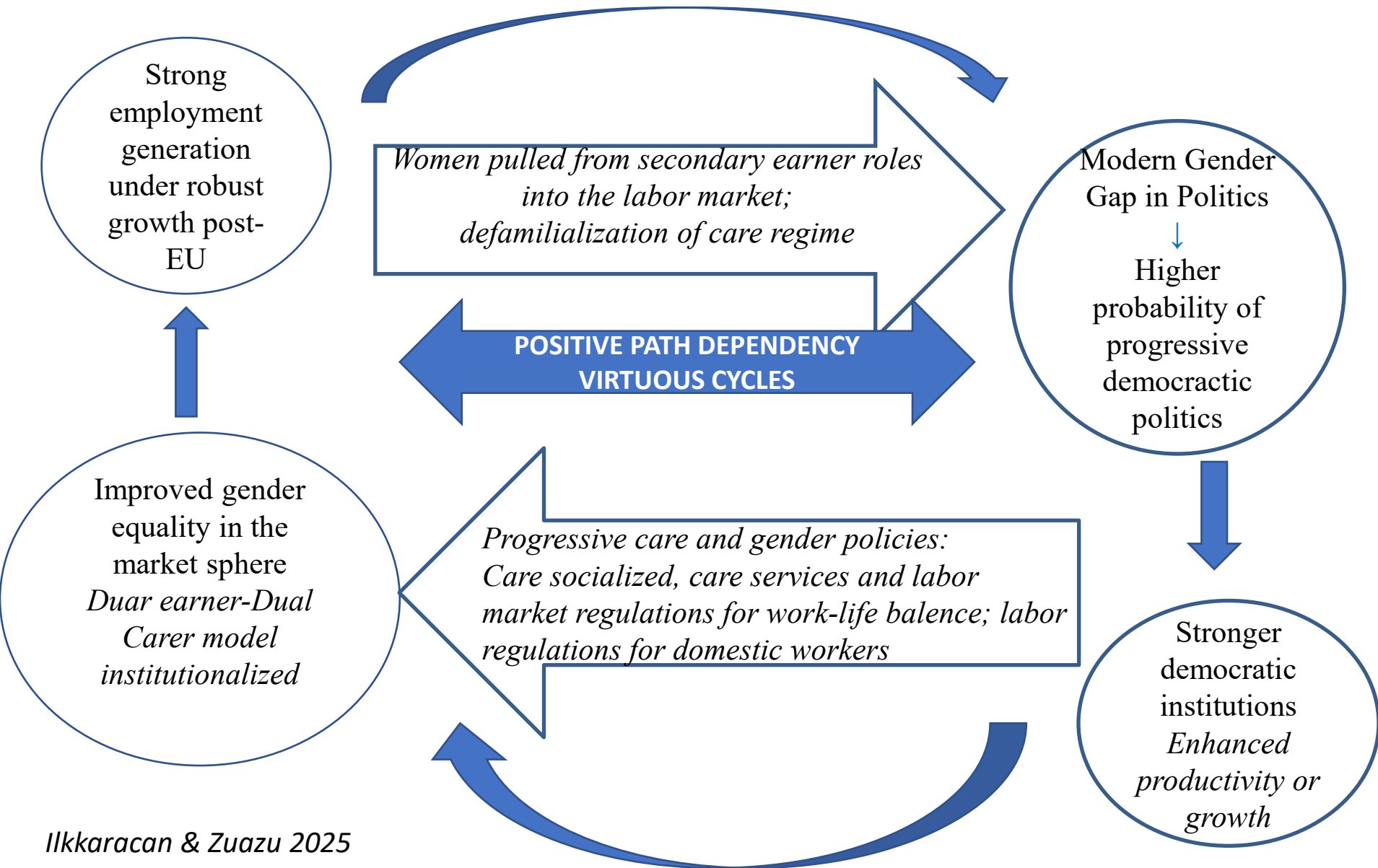
- Feminist theory: Patriarchy and Capitalism as parallel systems
 - Capitalist growth erodes patriarchy where/when need for women's labor supply
 - Capitalism accommodates patriarchy where/when no such need (*jobless growth, slack labor demand, natural resource economies*)

Growth, Employment, Gender & Care Regimes → Political Outcomes

Türkiye, Vicious Cycles and Adverse Path Dependency



Growth, Employment, Gender & Care Regimes → Political Outcomes, *Spain*, Virtuous Cycles and Positive Path Dependency



A FEMINIST MACROECONOMIC POLICY AGENDA

- Fiscal and monetary policies, coordinated with sectoral, labor, technology, trade policies, taking into account beyond GDP objectives:
 - Gender equality
 - Caring economy
 - Ecological and Social Sustainability
- Decent Employment Creation as an explicit objective of macroeconomic policy
- Fiscal prioritization of public investments in ‘transformative’ care systems
- Sectoral Policies in Care Services for skills upgrading of care jobs, innovation of care services/platforms/systems, incorporating AI and digital technologies augmenting care work from human-centered approach to care provisioning
- Using the full potential of quality care sectors and skilled care jobs for the future of work

Background Papers

Investing in care and demand-side economic returns

- Ilkkaracan, Kim, Kaya (2015; 2019)
- Ilkkaracan and Kim (2019)
- Ilkkaracan, Kim, Masterson, Memis, Zacharias (2021)
- Ilkkaracan, Bayar, Masterson, Nassif Pires, Zacharias (2022)

Purple Economy complementing the Green

- Ilkkaracan (2013; 2016; 2024; 2025)

Gender&Work Status as a determinant of Gender Gaps in Politics

- Ilkkaracan (2015; 2019); Ilkkaracan and Zuazu (2024)

Shorter (market) working week for equitable division of unpaid work

- Ilkkaracan and Memiş (2022)