Did Father know best? Families, markets, and the supply of caring labor

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Even economists, the most cold-blooded of all social scientists, are beginning to worry that our economy cannot rely entirely on the individual pursuit of self-interest. Altruism, trust, and solutions to coordination problems are now important topics of research. Why this rather surprising loss of confidence in rational economic man? Perhaps he is running into problems because his rational economic wife is no longer taking such good care of him. Women are now much less likely than they once were to devote themselves entirely to their families. Increases in women's independence are widely perceived as a threat to social integration. Many conservatives blame feminism, abortion, out-of-wedlock births, and affirmative action for our most serious social woes.

In this chapter, we agree that there is cause for concern about a possible decline in the quality of care services. But we reject the conservative argument that women are to blame and insist on the need for state policies that would promote norms, values, and preferences for caring among both men and women. The first section characterizes the motives underlying the provision of care services, offering several reasons why a shift toward more self-interested, pecuniary motives may have negative implications for social welfare. The second section explores the possibility that such a shift is taking place. We argue that the expansion of markets has contradictory effects, weakening patriarchal coercion, but also rewarding purely self-interested behavior.

Patriarchal forms of coercion had some positive indirect effects on the supply of caring services but were neither sustainable nor fair.

This chapter was prepared for presentation at the Conference on Economics, Values, and Organization, held at Yale University in New Haven, Connecticut, April 19-21, 1996. We are grateful to Paula England, Gil Skillman, Julie Nelson, Nancy Tuana, and conference participants for helpful discussions of the arguments developed in this chapter; Elissa Braunstein provided valuable research assistance.
Unfortunately, their legacy remains influential: Values, norms, and preferences continue to assign women more responsibility for caring than men. We should not long for the return of the old "Father knows best" family. Rather, we should devise ways of rewarding caring labor that promote affection and reciprocity among citizens while preserving the salutary effects of markets - respect for individual choice and challenges to traditional gender roles.

1 For love or money?

1.1 Caring labor

We generally think of a person who cares as one who is concerned about the welfare of other people and will act on the basis of that concern. One could, of course, care only about oneself, but a "caring person" is someone who is attentive and responsive to the needs and wants of others. Within the discourse of left political economy, caring is closely associated with solidarity. Within the discourse of neoclassical economics, it is closely associated with altruism. Whatever the theoretical context, the concept of care challenges the assumptions of methodological individualism because it suggests that the boundaries of the self cannot always be neatly defined (England and Kilbourne 1990).

When the term "care" is applied to work, it often describes the product of the work - the provision of care services - and not the attitude or the motives for doing the work. The most obvious examples of care services are infant care and nursing, but many other activities within the scope of the "helping professions," such as teaching and social work, include a high care services component. Care service labor involves the expenditure of time and energy in personal contact with persons being cared for. Such labor may be undertaken for a variety of motives, not specific to any particular institutional context; it may be given away, traded among family members or friends, or sold in the labor market.

We believe that the motives underlying the supply of care service labor have important implications for the quality of the services provided. In particular, we believe it is useful to distinguish motives reflecting a caring attitude from motives which do not. Therefore, we use the term "caring labor" to denote labor that is both objectively and subjectively caring, i.e., labor that is involved in the provision of care services and is motivated by caring attitudes. Specifically, we restrict the term "caring labor" to care service work performed out of a sense of affection or concern for others rather than out of narrow self-interest.

Did Father know best?

![Diagram](attachment:diagram1.png)

The affection or concern underlying caring labor may be contrasted with the motivation for work characteristic of *homo economicus* ("rational economic man"), who is conventionally presumed to face a labor/leisure trade-off and to compare the additional utility to be gained from extra income against the disutility of additional labor. Most self-interested labor undertaken in our society is market labor, with the reward to labor taking the form of monetary compensation. But narrowly self-interested labor can also take place outside the labor market, with nonmonetary rather than monetary rewards. And caring labor may sometimes be remunerated, even if it is provided for largely non-self-interested reasons. The distinction between caring motives and non-caring motives, in other words, is not the same as the distinction between nonmarket and market activities, though the two dichotomies are related.

Nor is caring labor the only way in which caring attitudes can be expressed. Out of affection or concern, one could make a gift in money or in kind to another person, or one could provide another with a continuing income or continuing access to some purchased service. One could express one's care by taking another person to a fabulous restaurant, as well as by cooking and serving that person a special dinner. Indeed, a dinner out may be more appreciated by the recipient - depending on his/her tastes as well as on the cooking abilities of the dinner provider. However, what we will call "caring provision" - the supplying of money or resources for the acquisition of care services from a third party - is rarely a perfect substitute for the actual performance of caring labor.

These conceptual distinctions are illustrated in Diagram 1. One circle
in the diagram describes all work activities involving the provision of care services, regardless of motivation. Another circle contains all activities motivated by affection or concern, whether or not they involve working to provide care services. The intersection of these two circles describes caring labor: the provision of care services by means of labor that is motivated by caring attitudes. The diagram suggests that a reduction in caring labor does not necessarily imply an overall reduction in caring, and that a decrease in the provision of care services does not necessarily imply a decrease in those that were genuinely motivated by care. However, it suggests the need to explore the substitutability between different forms of expressing care (purchasing things for people versus doing things for them) and between different motives for supplying care services (self-interest versus care).

1.2 Caring motives

What does it mean to perform a task out of a sense of "affection or concern for others, rather than out of narrow self-interest"? We can shed light on the nature of caring labor by distinguishing first a broad range of motives for care service labor ranging along a continuum from the most caring to the least caring. Of course any given care service work may be done for a combination of the following motives, but it is analytically useful to consider each separately.

1. Altruism. People are prepared to do a great deal of work in providing care services to those whom they love or for whom they feel affection. A genuine relationship of love or affection is completely voluntary, unburdened by any element of coercion. Examples include the love between two adults in a successful intimate relationship and the affection of most parents for their children. Altruism is the term most commonly used to describe satisfaction derived from enhancing the well-being of another person. In a formal neoclassical framework, altruism is modeled in terms of positively interdependent utilities.

Care service labor motivated by altruism does not necessarily require any reward or quid pro quo, other than evidence that the cared-for person benefits from it. It may even be undertaken completely independently of the response of the cared-for person (a case we think of as saintliness). But altruistic preferences may be somewhat endogenous, because if they remain entirely unappreciated they often dissipate over time. Parents take loving care of their children for many years, but after a certain point, they expect their care to be reciprocated to some extent. If this expectation is completely disappointed, their preferences may change. Similarly, a spouse or partner may provide one-sided care out of genuine affection. In the long run, however, lack of reciprocity often dampens the willingness to continue doing so.

2. A sense of responsibility. Most people recognize certain duties or obligations that they perform even though they derive no direct pleasure from them. One could argue, of course, that they derive pleasure from fulfilling their duty, but moral categories cannot always be reduced to a utilitarian calculus (Sen 1987). Therefore, it is important to consider the possibility that moral values central to a person's character and identity motivate caring labor. Examples include care of a senile or comatose relative or care of a delinquent child "with an attitude."

Care service labor undertaken out of a sense of responsibility does not require direct reciprocity between the care provider and the care receiver. However, responsibilities are socially constructed, and they are often based on some generalized reciprocity. If many people fail to conform to social norms of responsibility, the norms themselves tend to weaken. Thus, an individual's willingness to fulfill caring responsibilities may depend, to some extent, on his or her perception of how seriously others take such responsibilities.

3. Intrinsic enjoyment. People may take care of others simply because they enjoy it; caring can be its own reward. A good example would be a parent's helping a child learn to talk or to walk. Participating in this process can be a satisfying and enjoyable experience. The capacity to derive such intrinsic enjoyment is a preference of the kind posited as exogenous by neoclassical economics. That women are generally considered to exhibit this preference to a greater extent than men suggests that it is not randomly distributed, and that it is influenced by cultural norms as well as perhaps by biological factors (Fuchs 1988).

Whatever its source, intrinsic enjoyment usually entails at least some affection for the person being cared for and often requires some show of reciprocity from the cared-for person.

4. Expectation of an informal quid pro quo. Care service labor is sometimes done in the expectation that the care recipient will return the favor, sooner or later, by giving care (or something else of value) to the caregiver. For instance, two people who live together may take turns preparing meals for one another, or two friends may take turns...
caring for one another during illnesses. The quid pro quo need not itself involve care services; for example, one person in a family may stay home and nurture the family while the other earns a wage and provides the financial resources for the household.

Clearly this motive for care service labor is highly contingent on reciprocity; if the care recipient does not ultimately reciprocate in some way, the caregiver will cease to do the work. The caregiver, however, has no guarantee of a quid pro quo, and no recourse to adjudication if it is not forthcoming. Moreover, it is often difficult to spell out the precise terms of the exchange or to determine whether or not a given exchange is in some sense fair. Such calculations are indeed irrelevant, because what is called for is much more of a gift exchange than a market trade (Akerlof 1982).

People's willingness to provide care service labor in exchange for some future quid pro quo, in spite of the noncontractual and nonenforceable nature of the exchange, suggests that there is more at work here than a narrowly self-interested calculus. Certainly there is a significant element of self-interest: I am willing to do something for you because I expect that, as a result, you will do something for me. But I am more likely to enter into this kind of imprecise and unenforceable exchange if (1) I can live with the possibility that you will not reciprocate soon or (2) I can trust you ultimately to reciprocate.

The first condition would hold if I derive some satisfaction from doing the care service labor for you, whether or not you reciprocate; this means that I am probably supplying some caring labor. The second condition would hold if I believe that you are trustworthy enough to reciprocate in the future - even if at that time it is no longer in your narrow self-interest to do so. This latter case does not directly imply that I care for you, but, in having confidence in your trustworthiness, I am showing respect for you, which is likely at least to be correlated with care for you. In entering into an exchange with you based on an informal quid pro quo, rather than an enforceable contract, I am therefore expressing some mixture of care and respect for you, rather than treating you simply as instrumental to the achievement of a personal goal.

The self-interested element of reciprocity can be modeled in terms of a prisoner's dilemma (PD) supergame. The caregiver and the care receiver repeatedly play a PD game in which the giver has the choice of providing care (cooperating) or not (defecting), and the receiver has the choice of meeting the giver's expectations of a quid pro quo (cooperating) or not (defecting). As has been well analyzed, self-interested persons in this situation will find it optimal to follow a tit-for-tat strategy in which they cooperate as long as the other party is observed to do the same (Taylor 1987). But, to the extent that the reciprocity is not narrowly self-interested, continuation of the reciprocal exchanges (cooperation) may be possible in spite of lapses from full reciprocity (defection).

5. A well-defined and contracted-for reward. Much of the care service labor undertaken in our society is done not in the general expectation of some informal quid pro quo, but in the virtual certainty of a precisely defined reward. This is clearly the case with care service labor supplied in the labor market in exchange for an agreed upon wage (whose payment is subject to judicial enforcement). It is also the case when the labor is supplied in exchange for some kind of nonmonetary compensation instead of a wage payment; what matters is that there is an explicit, contracted-for reward for care service work done. Here the element of self-interest clearly looms large.

At first blush it would appear that most care service labor in modern societies is motivated by contractual reward, for we know that there are legions of hospital workers, schoolteachers, social workers, day care workers, and others, providing care services in exchange for a wage or salary. For many of these workers, however, other motives come into play: Some are altruistic or feel responsible for those for whom they are caring, derive intrinsic enjoyment from it, or expect informal reciprocity. The extent to which care service labor is motivated by contractual reward is therefore overstated by the ratio of the number of care service workers who receive such a reward to the number who do not, for many of the former are likely to have multiple motives.

The range of possible motives has important implications for the care service labor market. First, the more that care service workers are motivated by motives 1-4 in our taxonomy, ceteris paribus, the less will they demand in contractual reward for doing care service labor - i.e., the lower will be their reservation wage for doing the work. Second, the level of the actual wage (or the actual contractual reward) of care service workers will tend to be lower, ceteris paribus, the greater the relative importance of such nonpecuniary motives. These implications are analyzed in more detail in Appendix A.

6. Coercion. A final possible motive for care service labor is that people may be forced or obliged to do it. What this really means is that, instead of being offered a positive reward for doing the work, a person

\[1\] In private correspondence, Paula England has pointed out that a modified tit-for-tat strategy, involving "loose accounting" in which people give one another the benefit of the doubt even after an isolated defection, can and often does sustain more cooperative outcomes than would be predicted from more strictly self-interested behavior in PD supergames.
Table 1. Typology of motives for care service labor

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<th>Motives</th>
<th>Consequences of (a) doing and (b) not doing the work</th>
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| 1. Altruism                   | (a) I gain the satisfaction of helping someone I care about.  
                                 | (b) I forgo the satisfaction of helping someone I care about. |
| 2. A sense of responsibility  | (a) I feel good about having helped someone in a way that I expect decent people to do.  
                                 | (b) I feel guilty about having let someone down by failing to do what I expect decent people to do. |
| 3. Intrinsic enjoyment        | (a) I gain enjoyment while helping someone.  
                                 | (b) I forgo a chance to gain enjoyment while helping someone. |
| 4. Expectation of an informal quid pro quo | (a) I am likely to get something back from another person.  
                                              | (b) I risk not getting something back from another person.|
| 5. A well-defined and contracted-for reward | (a) I get paid, or otherwise compensated.  
                                                   | (b) I miss an opportunity to earn money, or some other reward. |
| 6. Coercion                    | (a) I avoid a penalty or punishment.  
                                 | (b) I incur a penalty or punishment. |

faces a negative sanction for failing to do it. In the most extreme case the sanction could involve physical harm, injury or death. More commonly it involves some lesser deprivation. For example, the wife in a traditional patriarchal family may do housework, raise children, and provide other services to her husband because failing to do so would expose her to the likelihood of ridicule and possibly social ostracism from the community, even if she were not threatened with physical harm by her husband.

We use the term “coercion” to describe this motive for care service labor, because the labor is being provided under duress. As in the case of the reward motive, the coercion motive involves a situation in which it is in a person’s self-interest to do the care service work rather than not, so the choice to do it is in that limited sense “voluntary.” But in the case of coercion the terms of the choice are much less favorable to the chooser.

Our taxonomy of motives for care service labor is summarized in Table 1, where each motive is listed together with a brief indication of the corresponding consequences of doing or not doing the work. Which of these motives are associated with caring labor? In other words, which of them involve care service labor provided out of a sense of “affection or concern for others, rather than out of narrow self-interest”?

The first and second motives for care service labor, altruism and a sense of responsibility, most clearly qualify as caring, according to our definition. The third and fourth motives, enjoyment and informal quid pro quo, are likely to contain some elements of caring. The remaining two motives, contractual reward and coercion, do not involve caring labor as we have defined it. A person performing care service labor only for these motives is doing so out of regard for her or his own welfare, in a way that is analytically separable from the welfare of the recipient.

As we have noted in discussing them, the first four motives all reflect preferences that may be partially endogenous, and they tend to be difficult to sustain in the long run without some degree of reciprocity. Therefore, we would expect the supply of caring labor to be affected by values and norms which help to overcome the kind of coordination problems that can undermine long-run reciprocity.

In practice, care service labor is likely to be motivated by a combination of several of the motives described. In particular, a person may perform care service labor out of a mixture of caring and narrowly self-interested motives. For instance, workers may not be able to meet the costs of their own subsistence through the provision of purely caring labor and may therefore choose a paying job that also affords them an opportunity to express care. In doing this they may have to forgo higher pay and absorb a negative compensating differential for the opportunity to express care. The extent to which people take relatively low-paid caring jobs, as well as the extent to which people devote unpaid labor to social and family needs, will clearly depend on the strength of caring motives.

1.3 Caring changes

What if the supply of caring labor is declining faster than the demand for it? The demand for caring labor is likely to be affected by the demographic structure of the population. Since children consume a great deal of caring labor, a decline in the number of children relative to the number of adults probably entails a decline in demand. This decline may be counterbalanced, however, by an increase in the number of dependent

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elderly. A decline in the supply of caring labor per dependent person could be cause for concern.

A decline in caring labor need not imply a decline in overall care service provision, since that can be provided by self-interested labor. Humans probably have an intrinsic need to be cared for by others, but a decline in caring labor need not imply a decline in overall caring, for it can instead take the form of caring provision (e.g., buying things for people rather than performing care services for them). The question for economists is whether a decline in caring labor is likely to be accompanied by an increase in other ways of providing the same benefits at no greater cost. We explore several reasons why it may not be.

First of all, caring labor satisfies an apparent basic human need to be and to feel valued by others in a way that cannot be satisfied by the receipt of care services from self-interested labor. Caring labor differs from self-interested labor not only in the motivation of the caregiver, but also in one of its “joint products”: confirmation to the care recipients that someone cares about them. They may wonder whether the caregiver is motivated by altruism, responsibility, enjoyment, or an informal quid pro quo, but they can be confident that the care they receive is not contingent upon narrow self-interest. Being cared for in this way surely contributes to one’s sense of self-worth and thereby to one’s well-being.

The purchase of goods or services for other people through what we have called caring provision may also provide a sense of security and self-worth. But there are limits to the extent to which purchases can substitute for the actual expenditure of a person’s time and energy. Without the latter, something essential is missing. Providing an intangible service via one’s own labor conveys a degree and kind of care that cannot be reduced to monetary terms.

Caring labor is necessarily provided in close personal contact with the recipient. It encompasses not just activities such as preparing meals or changing a bedpan, but services that require person-specific knowledge and skills, such as the informal counseling involved in talking things over. Caring labor is particularly crucial to what the philosopher Ann Ferguson calls “sex-affective” production, meeting another person’s sexual and emotional needs (Ferguson 1989). Exchanging valuable rings is a sign of affection, but one that has little credibility unless combined with a more profound commitment to spend time directly meeting one another’s needs.

The importance of motivation and the fact that caring labor generates a joint product of “caring” along with the service itself suggest that the substitution of self-interested care service labor (CSL) for caring CSL could have several adverse consequences. A standard welfare analysis detailed in Appendix A shows that the sum of consumer and producer surplus in the CSL market is reduced if the values or circumstances of CSL suppliers change so as to lead them to offer more self-interested CSL and less caring CSL. Moreover, there is a further loss in social welfare sustained by those who were previously uncoerced and uncompensated for their supply of CSL and who now require some compensation. They lose what we call the “warm glow,” the positive satisfaction they had derived from performing caring labor.

The caring that is the joint product of caring labor has intrinsic value. When it accompanies care service, the recipient is better off than when there is no caring. Thus the substitution of self-interested CSL for caring CSL has a direct adverse effect on social welfare by reducing the extent of caring. A relative reduction in caring motives can also indirectly impose some costs by exacerbating the informational asymmetry and agency problems that arise when quality is difficult to measure, as is often the case with care services (Titsmuss 1970). Thus, the cost of monitoring self-interested labor can be quite high, particularly when the care service provider is engaged by a third party rather than by the care service recipient.

We conclude that a relative decline in the supply of caring labor in a society would indeed constitute a significant social problem. Moreover, this problem would not be solved automatically by market forces. Increasing the wage offered for care service provision could have several positive effects, eliciting higher levels of skill, reducing levels of worker turnover, and enhancing opportunities for workers to develop a genuine caring relationship with clients. On the other hand, higher wages increase the opportunity cost of work that is not motivated by pecuniary concerns. A higher price cannot, by definition, elicit a greater supply of labor motivated by altruism, responsibility, enjoyment, or an informal quid pro quo. Indeed, a higher price may even have a crowding out effect by eroding the kind of values which underlie the motivation for caring labor (Frey, this volume; Stark 1995).

2 The supply of caring labor

Both conservative concerns about the decline of the family and liberal concerns about the deterioration of community imply fears of a possible reduction in the supply of caring labor. Any tendency to romanticize the good old days, however, must face the feminist criticism that traditional families and communities often subordinated women. The implications of this subordination can be explained in terms of the analysis outlined previously. Patriarchal control over women imposes direct coercion on
the supply of caring services, which reduces their quality. It also imposes indirect coercion: Values and norms assign women more responsibility for care and encourage them to develop more altruistic preferences than men. The expansion of labor markets tends to undermine direct and indirect patriarchal coercion. As women enter wage employment, they often gain a new economic independence that allows them to escape forced responsibilities for providing caring services, with positive implications for the quality of care. Women also begin to challenge the indirect coercion of traditional gender-biased values, norms, and preferences, with more ambiguous consequences. It proves much easier for women to reduce their own supply of caring labor than to persuade men to offer more.

2.1 Patriarchal coercion

The notion that the traditional patriarchal family was a reliable source of caring labor is implicit in much liberal as well as conservative discourse. A television comedy series produced in the United States in the 1950s, "Father Knows Best," provided a particularly disarming cultural expression of this point of view. It seems, however, that at least some of the happiness and stability of the traditional family rested on coercive practices that limited women's potential for individual autonomy and enforced cultural values and norms that associated femininity with altruism and masculinity with self-interest (Folbre and Hartmann 1988). The direct effects of these coercive practices can be interpreted in terms of the economic concept of property rights. Analysis of the indirect effects requires consideration of the ways that groups based on gender (and other aspects of social identity) may seek to influence the formation of values, norms, and preferences.

Traditional patriarchal societies stipulate property rights that seriously constrain women's choices to specialize in anything but the provision of care services to family members. Women are denied access to the acquisition of non-home-related skills and limited to the least remunerative forms of work. Until the mid-twentieth century, men in most countries had the legal right to prevent their wives from working outside the home. They retain that right in some countries today. Explicit rules can give men control over women's caring services. A late nineteenth-century Prussian law gave husbands the legal right to specify how long their wives should breastfeed (Bebel 1971). Even today, most legal traditions define the marriage contract in terms that are disadvantageous to wives, mothers, and children. Contrary to the concept of partnership, they are denied any specific claim to the income of a husband or father and are legally owed nothing more than subsistence support. Wives often lack any explicit protection from physical abuse or rape within marriage.

Why did such gender-biased property rights evolve? Their historical importance challenges the conservative assumption that women's specialization in the provision of care services reflects nothing more than biological instincts, God-given duty, or comparative advantage. If women had voluntarily agreed to such extreme specialization, it would have been unnecessary to establish such coercive gender-biased rules. Evidence suggests that men have engaged in rent-seeking behavior designed to lower the costs of caring services. It is not difficult to find examples of male collective action designed to exclude women from participation in the specification of property rights. Nor is it difficult to find examples of female collective action designed to combat this exclusion (Folbre 1994).

Patriarchal coercion is by no means limited to property rights. It may also take the more indirect form of gender-biased values and norms that influence preferences. Most institutional economists describe values and norms simply as solutions to coordination problems (Schotter 1981). But groups often seek to enforce social values they find beneficial, and men have much to gain by enforcing values, norms, and preferences of caring in women. Of course, the opposite is also true: Women have much to gain by enforcing values, norms, and preferences of caring in men. But our cultural constructs of appropriate behavior for men and women were largely developed at a time when strong patriarchal coercion was in effect, therefore increasing the likelihood that they serve men's interests better than women's.

Economists are just beginning to explore the possibility that women are more altruistic than men (Eckel and Grossman 1996a, 1996b; Seguino et al. 1996). Certainly, women are more likely to assume responsibility for children and other dependents, a factor that significantly lowers both their income and their leisure time (Fuchs 1988). Some portion of this difference between men and women may be rooted in biological mechanisms. Some portion, however, may be the result of what might be termed coercive socialization. The feminist theorist Joan Tronto points out that robbing individuals of opportunities to pursue their own self-interest effectively may encourage them to live through others, using caring as a substitute for more selfish gratification (1987, pp. 647, 650). Amartya Sen hints at a similar problem: Women may not realize they are exploited when they lack a cultural conception of themselves as individuals with interests separate from those of their family members (1990). While neoclassical economists tend to avoid the gender issue, they suggest that parents may inculcate caring preferences in their
children in order to ensure that they are cared for in old age (Becker 1992; Stark 1995). Men may try to inculcate caring preferences in women for similar reasons.

Coercive socialization might be interpreted, using Robert Frank’s terminology (see his essay, this volume), as a “positional arms control agreement” in which relative power, as well as overall efficiency, is at stake. The imposition of limits helps prevent destructive, inefficient forms of competition. Frank describes agreements between two parties of roughly equivalent power (e.g., the United States and the Soviet Union during the Cold War). But such agreements have also been imposed by large powerful nations on less-developed countries trying to develop their own weapons systems. Similarly men may try to avert the escalation of self-interest behavior by imposing particularly strict limits on its expression by women. The costs of developing and enforcing such an agreement could be quite high; certainly such costs would likely increase as women gained more social and economic power (as we will argue in the next section).

The endogenous character of caring preferences, however, may create a circular process that greatly lowers enforcement costs. Caring may be addictive. Adults who spend time providing caring services to dependents often come to feel more affection for them than those who do not. A small initial difference in preferences may be augmented by experience. Most economic models of endogenous preferences focus on addictions with negative consequences for both the consumer and society, such as addiction to cigarettes or drugs. An addiction to caring has positive consequences for society as a whole but may have negative consequences for the individual (or group of individuals) who provide care. If addiction reflects a rational, utility maximizing choice based on full information, the addict feels no regret (Becker, Grossman, and Murphy 1991). But a combination of imperfect information and uncertain outcomes can explain why individuals sometimes conclude they made the wrong choice (Orphanides and Zeroos 1995). Sometimes, people wish they could stop caring, but find they cannot.

The implications of an increase in direct coercion at the expense of other motives for the supply of caring services are fairly obvious – a probable reduction in the quality of those services, for the reasons outlined in section 1. The implications of an increase in indirect coercion, however, are ambiguous. Values, norms, and preferences that pressure women to behave in more altruistic and responsible ways than men may

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1 Many women consider abortion rights crucial precisely because they know that mothering preferences are endogenous. If they carry a child to term, they may then be unable to relinquish it.

2.2 The contradictory effects of markets

Some economists (including the editors of this volume) suggest that the growth of markets encourages the competitive pursuit of self-interest rather than the kinds of values, norms, and preferences associated with caring labor. We agree only in part: The expansion of labor markets may have a contradictory effect, undermining patriarchal forms of coercion in ways that partially counteract the negative impact on caring motives. We would therefore expect markets to have a more positive overall effect on caring labor when and where patriarchal institutions are strong, and a more negative overall effect when and where patriarchal institutions are weak. Over time, the expansion of markets probably has a nonlinear impact on the supply of caring labor, with the shape of the curve determined by the interactions among markets, families, and the state.

The possible negative and positive effects of markets on the relative supply of caring vs. self-interested labor can be explained in terms of the list of motives developed in section 1. To the extent that markets encourage transactions motivated by contracted-for rewards (motive 5) at the expense of altruism, responsibility, enjoyment, or informal quid pro quo (motive 1–4), they decrease the relative supply of caring labor. To the extent that they enable people to avoid directly coerced care service labor (motive 6), they increase the relative supply of caring labor. By opening up avenues for exit, market institutions provide greater bargaining power and hence greater standing to those people (mainly women) who would otherwise be obliged to do care service labor for other people (mainly men) who wield more power within nonmarket institutions like the patriarchal family. The relative size of the two opposing effects of markets on caring labor depends on the extent to which both markets and coercion indirectly affect values, norms, and preferences relevant to the supply of caring labor.

The growth of wage employment destabilizes patriarchal coercion partly because it modifies the economics of family life. Changes in
relative prices, including increases in the cost of raising children, make traditional patriarchal forms of control over women less advantageous to men. A traditional housewife may have less bargaining power than a well-educated professional woman, but she also contributes less income to the family. Men eventually gain from increases in their wives' labor force participation, and a more egalitarian family begins to emerge, based on ideals of quid pro quo and reciprocity rather than coercion or internalized norms of maternal responsibility. Both men and women enjoy more freedom of entry and exit into families; the percentage of individuals living together out of wedlock tends to rise, along with divorce rates.

The benefits to women, however, are uneven. Single women benefit more than mothers, whose bargaining power is limited by their tendency to take primary responsibility for children. A more egalitarian family is almost inevitably a less stable one. It is easier for women to obtain rights over their own earnings than to enforce claims on men's income. Children suffer as a result. In the United States, poor enforcement of paternal child support responsibilities, inadequate child care provision, and decreasing levels of public assistance have contributed to increased rates of poverty among all individuals under eighteen.

The impact of wage employment on women's empowerment is blunted by the fact that they tend to specialize in jobs that have a large caring component. Employers prefer to hire them for such jobs, and, as a result of the socialization processes described in the preceding section, women themselves may prefer them. To the extent that care service labor is supplied for caring motives rather than for compensation, the supply curve of labor to care service jobs such as teaching, providing day care, and nursing will be lower, as will therefore the wages paid to those who are compensated for such labor. Thus, many workers in care service jobs are exploited in the sense that they are being paid less than they would be in a world entirely lacking in altruism, responsibility, or intrinsic enjoyment of helping others. Indeed, as the sociologist Paula England has shown, the more “nurturing” a job requires, all else equal, the lower the wages paid (1992).

Over time, however, women become increasingly aware of the penalties imposed on care. Gender differences in preferences mattered less when women spent only a portion of their working life in paid employment. In most industrialized countries today, however, labor market participation rates of men and women are converging. Higher levels of education and productivity increase the opportunity cost of most activities motivated by care. As women anticipate greater dependence on their own earnings and observe the increasingly high cost of commitments to children and other dependents, they may become less altruistic. Even if they are unable to change their own preferences, they may be more likely to challenge traditional gender norms and to encourage the younger generation of women to become more oriented toward paid employment. An obvious example is the “Take Your Daughter to Work” day, organized by feminist groups in the United States.

In general, movement toward gender equality has taken the form of a shift in which women's behavior has come to resemble men's more closely. Femininity has been somewhat masculinized. There is no reason, in principle, why gender equality could not be achieved from the other direction. Masculinity could be somewhat feminized. Rather than women's increasing participation in market work, men could increase their participation in caring activities. Fathers could organize “Show Your Son How To Babysit” day. Unfortunately, it is easier for women to pursue their own self-interest than to persuade men to become more altruistic. The inertial effect of patriarchal privileges is reinforced by market processes that increase the opportunity cost of caring labor.

2.3 Nice guys (and gals) finish last

Either act like a man or be penalized for the pursuit of feminine values – this uncomfortable choice can be described in game-theoretic terms. The supply of caring labor poses a coordination problem that involves the endogeneity of norms and preferences. Without some coordination in the form of enforcement from nonmarket institutions (of which patriarchal coercion is only one example), the values, norms, and preferences that motivate caring labor may become less attractive to groups and to individuals. This problem does not conform exactly to the standard model of the prisoner's dilemma, because individuals are not making strategic decisions about how to act; they are being penalized or rewarded as a result of values, norms, and preferences over which they exercise only a small amount of control. But, insofar as they have the power to alter these in the next round of the game, their decisions are likely to be affected by their perception of what alterations other people will make.

Empirical evidence suggests that women have been much more successful at improving their access to paid employment than in persuading men to assume more responsibility for family responsibilities. Household studies show that even women who earn considerably more than their husbands seldom persuade them to depart from traditional male sex roles (Hochschild 1989). The values, norms, and preferences governing such roles have been in place for hundreds of years, and men have good
reasons to resist changing them. But another difficulty lies in the crucial role of motives in the provision of caring labor. Individuals cannot be forced to care.

Consider the game called chicken. Rather than imagining two teenage men racing toward one another in their hot-rods, each hoping that the other will swerve, imagine two parents lying in bed in the middle of the night listening to their child screaming. Both care about the child but care also about their own comfort. The best outcome for the father would be if the mother would tend to the child; the best outcome for the mother would be the opposite. The worst outcome for both is if neither tends to the child. Who will go? If the mother cares more, she is likely to get up far more often (for an illustration of payoffs in a game of chicken with asymmetric preferences, see Appendix B). If caring preferences are addictive, she will begin to care even more and lose even more sleep relative to the father.

This game is a metaphor for a larger process of bargaining over the distribution of caring responsibilities. Some women may collectively decide to challenge asymmetric values, norms, and preferences, but they face the same catch-22 as any individual woman. They do not want to encourage women to start caring less unless they are sure that they can persuade men to start caring more. Given a choice between a society in which women perform most caring labor and one in which no one performs it, they may choose the former, even though they would prefer a more equal distribution of responsibilities.

A simple solution to this problem would be to adopt an egalitarian rule: Both parents take turns providing caring labor, and men and women share the larger responsibilities of providing care services to all dependents. However, women are likely to have a hard time enforcing this rule, not only for the reasons described, but also because of the impact of markets and current state policy. It may be impossible to develop gender-neutral values, norms, and preferences of caring without some form of collective intervention. Another catch-22 looms: Such intervention will, almost inevitably, be coercive.

2.4 Sharing caring

We need to develop a new social contract that generates a sense of responsibility for caring labor in all members of society. Such a social contract cannot simply be imposed from above, nor can it be fulfilled simply by transferring money or paying taxes. It cannot be defined purely in political terms, because it requires a larger cultural and economic transformation. It may be intrinsically more difficult to design, develop, and enforce than a patriarchal social contract that assigns women primary responsibility for care services. But it could equitably balance the goals of individual self-realization and social responsibility. Moreover, it appears far more likely to assure a continuing and sufficient supply of caring labor than any feasible alternative – such as an effort to strengthen patriarchal authority or to rely on a purely voluntary supply of caring labor. Indeed, it may also be the only kind of social contract that will in the long run allow market economies to prosper in a democratic environment.

In emphasizing the need for a new social contract, we are not arguing against the payment of higher wages for care service work. Higher pay could encourage and facilitate the development of caring relationships within wage employment. Higher pay alone, however, will not solve the problem that we point to: the erosion of norms and preferences by a competitive process in which those who provide care gradually realize that others are free riding on their altruism.

Consider the competitive economy – in a time-honored metaphor – as a footrace. The principles of equal opportunity suggest that all members of a society should have a fair chance to participate in a competition that rewards effort and ability, though opinions differ as to how a fair chance should be defined. Stepping back from this problem, however, consider the incentives created by a race based on speed. As the prizes increase, and more and more individuals begin to compete, it becomes apparent that offering caring labor only slows people down. Any competitor who carries a baby, or stops to assist an elderly person, or cares for someone who is sick loses valuable time. A similar disadvantage accrues to teams, or even nations, running in this metaphorical race. As a result, the competition undermines norms, values, and preferences that might otherwise help supply caring labor. Yet even the most vigorous competitors will find that at some point they need to be cared for; so the decline in caring labor will ultimately impoverish everyone.

One solution to the problem of assuring sufficient caring labor is to exclude women from the race and assign them primary responsibility for caring. Another solution is to impose a new rule: Everyone can race, but everyone must also carry a fair share of the weight of caring labor. Each of these solutions involves an element of coercion, in that caring roles are assigned from above rather than voluntarily assumed. The first solution has the merit of capturing gains from specialization, but it is inequitable. The second solution has the merit of equity, but it forgoes gains from specialization. Because of its obvious inequity, the first solution is likely to require grounding in a belief system and/or a structure of authority which distinguishes sharply between those deemed to be competitors.
and those deemed to be carers. By contrast, the second approach suggests that everyone should have an equal opportunity to develop innate capabilities for both competing and caring; the greater equity of this solution makes it more likely to emerge from a genuinely democratic process of decision making.

In comparing the two solutions, we have thus far failed to confront a major dilemma: How can genuine caring be assured by any kind of assignment of responsibility? It is possible to assign responsibility for care services, but if this responsibility is fulfilled only because it has been assigned (i.e., because one would face unpleasant sanctions if one did not carry it out), then it does not qualify as caring. Indeed, it results from coercion in the sense of the sixth of the motives we distinguished at the beginning of this chapter. To assure caring means to encourage action based on the first four motives. We must ask, therefore, which solution is more likely to promote and sustain motivations of altruism, responsibility, enjoyment, and informal quid pro quo in the provision of care.

We have noted in analyzing patriarchal constraints that women who are coercively assigned the role of providing care service may come to internalize this as a responsibility willingly assumed. In other words, what originates as coercion (motive 6) is transmuted into responsibility (motive 3), thereby generating caring labor. By the same token, responsibilities for care assigned to all members of society involve a form of coercion, but one which may well transmute into a responsibility willingly accepted by individuals. Indeed, this process of transmutation appears far more likely to occur if the coercion involves an equitable assignment of responsibilities and results from a democratic decision-making process than if it involves an inequitable assignment based on a belief system linked to traditional authority. (This conclusion is only strengthened if such authority is weakening, as in the case of patriarchal authority in the modern world.)

The process of reaching a democratic agreement to define and share caring responsibilities will not be an easy one. While the social safety net policies of the type currently in effect in much of northwestern Europe may be necessary, they would certainly not be sufficient, because they define social responsibility almost exclusively in monetary terms—the payment of taxes to help provide care services that are paid for by the state. Indeed, this emphasis on money transfers may help explain waning support for redistributive policies. Taxpayers have little personal contact with those they are nominally helping to provide for.

Public policies could, following the Scandinavian example, support and reward family commitments without reinforcing traditional gender roles. But the project of encouraging caring labor should not be limited to families. Citizens could be given tax credits for contributing care services that develop long-term relationships between individuals. Many young adults benefit from public support for higher education. They could repay their fellow citizens by engaging in a period of mandatory national service that would include taking some responsibility for children and other dependents in their community. The care services they could provide would be at least as valuable as the non-care services currently emphasized by the military, and they could develop important skills, as well as reinforcing the value of care.

Policies designed to foster a greater supply of caring labor appear "unproductive" or "costly" only to those who define economic efficiency in terms of misleadingly narrow measures such as contribution to gross domestic product. The erosion of family and community solidarity imposes enormous costs that are reflected in inefficient and unsuccessful educational efforts, high crime rates, and a social atmosphere of anxiety and resentment. The care and nurturance of human capital have always been difficult and expensive. In the past, a sexual division of labor based upon the subordination of women helped minimize both the difficulties and the expense. Today, however, the costs of providing caring labor should be explicitly confronted and fairly distributed.

Appendix A: A welfare analysis of care service labor

Our discussion of care service labor (CSL) in section 1 of this chapter suggests that there are two important respects in which CSL differs from most of the labor supplied in a market economy.

The first important difference involves the motivation for supplying the labor. Suppliers of labor in general expect to be compensated with a well-defined and contracted-for reward (motive 5 in our taxonomy); most often this is in the form of a wage payment. In contrast, a reward is not the major element in compensation for a substantial proportion of suppliers of care service labor. Some supply CSL voluntarily without expecting any wage (having only motives 1-4), and some supply CSL without receiving a wage because they are obliged or coerced to do so by the terms of their family arrangement (motive 6). Yet others are willing to supply CSL for less compensation than they could receive in other pursuits, because they are motivated in part by motives 1-4; in effect, they derive a form of psychic satisfaction, as well as compensation, from providing care service labor.

The second important respect in which care service labor differs from labor in general is that the quality of the labor supplied is functionally
related to the motivation for supplying it. For most kinds of labor in a market economy there is no such relationship. In the case of care service labor, however, the motivation for supplying CSL makes a great deal of difference. To the extent that CSL is supplied for motives 1–4, it conveys to care recipients the sense that someone really cares about them; it confirms that they are loved and/or respected. In this case the care recipient receives not just the care service but also a joint product that we will call “caring,” which enhances in an important respect the quality of the care service provided.\(^{5}\)

The amount of caring which accompanies care service labor will vary, depending on which of the motives 1–4 is at issue; it seems likely to be considerably more substantial in the case of altruism (motive 1) than in the case of an informal quid pro quo (motive 4). For the purpose of our analysis here, however, we can safely ignore these differences and simply group together all the motives for CSL which involve some degree of caring — i.e., the motives 1–4, which we will call “caring motives.” The element of caring is lacking when CSL is delivered solely for a wage (motive 5) or under coercion (motive 6).

A.1 The care service labor market in the context of mixed rewards\(^{6}\)

Consider now the supply of care service labor. Assuming initially that CSL is homogeneous and measurable in terms of hours of labor, we can draw a supply curve for CSL with quantity supplied \(h\) for hours on the horizontal axis and the wage \(w\) in dollars per hour on the vertical axis. Some people will be coerced into supplying CSL, and some people will supply CSL solely out of caring motives; the combined CSL supply from these sources is represented by the horizontal line running from the origin to the point \(h^*\) on the \(x\)-axis of the diagram. All other suppliers of CSL require some wage compensation in order to supply CSL. In the absence of any nonwage reward, their supply would be represented by the curve \(S\) in Figure 1. Representing the reservation wage at which people will supply CSL, it begins at some positive wage level (directly above \(h^*\)) and then slopes upward to the right. The upward slope in \(S\) reflects the fact that potential suppliers of CSL are likely to have different alternative opportunities in the labor market — either because they

\(^{5}\) We use the term “caring” rather than “care” to distinguish the caring joint product from the care service itself. The tenderness in “tender loving care” is one form of caring, but caring may involve other forms of affection or simply respect for the care recipient.

\(^{6}\) In order to simplify our exposition, we will henceforth describe a well-defined and contracted-for reward (motive 5) in terms of wage compensation alone.

have different kinds and amounts of marketable skills or because they have different degrees of access to alternative job opportunities.

Those who require a wage for supplying CSL may well also, however, derive varying degrees of psychic satisfaction from supplying CSL. As we have seen, there are various kinds of noncontractual rewards which may be associated with the supply of CSL; moreover, some people may find the provision of care service distasteful and thus incur a loss of psychic satisfaction when supplying it. Taking these possibilities into account, we need to modify the curve \(S\), by subtracting for each hour of CSL supplied the value of psychic satisfaction from the initial reservation wage reflecting only the wage reward. The arrows departing from \(S\) in Figure 1 depict the psychic satisfaction component of the CSL supply curve. These arrows point predominantly downward (since positive psychic satisfaction will be much more common than negative psychic satisfaction), and their length varies more or less randomly along the \(h\)-axis (since there is no reason to posit any correlation across individuals between their alternative wage possibilities and the extent to which they derive psychic satisfaction from care service labor).

To draw a proper CSL supply curve, reflecting both psychic and wage rewards, we need to include the horizontal line from the origin to \(h^*\) and
then to reorder the points at the end of the arrows in Figure 1 so that they are sequential in the value of the wage \( w \). The result will be a new supply curve – depicted by \( S \) in Figure 1 (we are assuming that in no case does psychic satisfaction exceed the wage). The upward-sloping segment of \( S \) begins at a lower \( w \) than does \( S_s \) (because some people with poor alternative opportunities will have high psychic reward), and it rises to the right to a point near to, if not above, \( S_s \) (because some people with very good alternatives will have zero or negative psychic reward). Thus the rising segment of \( S \) is steeper than \( S_s \).

Among CSL suppliers demanding some wage compensation, ceteris paribus, those who derive substantial positive psychic reward from care service labor will tend disproportionately to be concentrated around the lower end of the rising segment of the \( S \) curve, while those who derive little or negative psychic reward will be disproportionately clustered around the upper end. To be sure, the lower part will also include some people with poor alternatives and little or no psychic reward from supplying CSL, and the upper part will also include some people with excellent alternatives and a high degree of psychic reward. But the amount of psychic reward associated with an hour of CSL supplied will decline on average as one moves up the CSL supply curve \( S \).

Consider now the demand side of the care service labor market. For familiar reasons the demand curve for CSL will be downward-sloping; Figure 2 shows both such a demand curve \( D \) and the supply curve \( S \) from Figure 1. Typically we would expect that the \( D \) curve intersects the \( S \) curve somewhere on its upward-sloping segment (otherwise we would observe a wage of zero for care service labor). Thus we depict equilibrium in the CSL market in Figure 2 at the point \( E_0 \), where \( h = h_0 \) and \( w = w_o \).

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7 We are assuming that the distribution of positive and negative intrinsic rewards to CSL suppliers is distributed randomly, i.e., independently of their reservation wage before taking into account the effect of any positive or negative psychic rewards. It follows that when one takes those psychic rewards into account, one will find a disproportionately large number of people with positive psychic rewards among individuals with lower reservation wages. Indeed, in the whole range of the sloping segment of the \( S \) curve which lies at a lower level than the starting point of the sloping segment of the \( S_s \) curve there must be only individuals with positive psychic rewards, because otherwise their reservation wage taking these into account could not possibly be lower than it was when those rewards were not taken into account.

8 The equilibrium wage for SCL depends of course on the location of both the demand and the supply curve. The stronger is the demand for CSL, the higher will be the equilibrium wage, and the less likely it is that care service workers who derive positive psychic satisfaction from their labor will actually confront a negative compensating differential in the CSL market. We thank Julie Nelson for reminding us of this point.

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We can now use a comparative static analysis to study the effects of changes in the amount of caring labor supplied to the care service labor market. A decrease in the supply of caring labor can take the form of a decrease in the extent to which wage-paid CSL suppliers derive psychic satisfaction from their care service activities, or a decrease in the amount of CSL that is supplied without any compensation at all. We explore each of these changes in turn.

The effect of a decrease in the extent to which wage-paid CSL suppliers receive psychic satisfaction from care service labor is illustrated in Figure 3 by means of an upward shift in the sloping segment of the supply curve; the higher supply curve \( S_1 \) implies a new equilibrium point \( E_1 \), where \( h = h_1 < h_0 \) and \( w = w_1 > w_o \). Thus, less psychic reward for CSL (by those who also demand a wage) results, ceteris paribus, in a lower supply of CSL and a higher wage paid. The overall change in consumer and producer surplus is represented by the change in area under the demand curve and above the supply curve in Figure 3; in this case it is clearly negative, since the new supply curve \( S_1 \) is everywhere above the old supply curve \( S \).
The effect of a decrease in the uncompensated supply of care service labor (relative to the compensated supply) is illustrated in Figure 4 by means of a new and lower value \( h^{**} \) instead of the original \( h^* \). The "newly compensated" hours of CSL (between \( h^{**} \) and \( h^* \)) must now be accounted for in the rising portion of the supply curve. Depending on the distribution of the reservation wages now associated with these hours, the slope of the new supply curve \( S_4 \) will differ from that of the original curve \( S \), but when all of those hours are accounted for (at a high enough wage to elicit their supply), the \( S_4 \) curve will join the \( S \) curve. The overall effect of the change is thus to shift the supply curve left, by an amount that decreases as \( w \) rises, and the new supply curve \( S_4 \) implies a new equilibrium point \( E_4 \), where \( h = h_3 < h_0 \) and \( w = w_3 > w_0 \). It follows that the greater the extent to which CSL is supplied for a wage, the lower the total amount of CSL supplied and the higher the wage paid for those CSL hours that are actually compensated. The overall change in producer and consumer surplus is again clearly negative, since there is now a smaller area under the demand curve and above the supply curve.

In both of the two cases there is clearly a decrease in consumers' surplus, for in equilibrium less CSL is supplied at higher cost. What happens to producers' surplus is not so obvious, but it can be shown that—except under highly unusual conditions—producers' surplus decreases in the first case and increases in the second case. Thus an increase in the compensated supply of care service labor pits supplier against consumer interests, benefitting suppliers while penalizing consumers. This last conclusion, however, abstracts from any gain or loss for CSL suppliers associated with the transition between uncompensated and compensated labor. To remedy this inadequacy, we must analyze the welfare implications of such transitions. To do this we need to return to the distinction between caring motives and coercion. Suppose first that changes in the supply of compensated CSL are due to changes in the extent to which potential suppliers of CSL are coerced into supplying care service labor. Then any movement toward more compensated CSL involves an additional welfare gain for the suppliers involved; we will label this additional welfare gain the "freedom gain." The existence of freedom gains (or losses, when movement is toward more
uncompensated labor) strengthens the opposition of consumer and producer interests with respect to changes in the supply of compensated CSL and shows that a transition to more compensated labor could lead to an overall welfare gain.

What if changes in the supply of uncompensated care service labor are due to changes in the number of CSL hours supplied by people for whom caring motives are the only consideration? (The people in question are not coerced into supplying CSL, nor do they believe that compensation is warranted for supplying it.) Any movement toward more (or less) compensated CSL does not involve the additional freedom gain (or loss) experienced by CSL suppliers who are being subjected to less (or more) coercion. We appear to be back in the world analyzed just before, where a leftward shift of the CSL supply curve from \( S_1 \) to \( S_2 \) results in a gain of producer welfare but a loss of consumer and overall welfare.

Yet a stronger conclusion may be warranted. To this point we have treated the supply of uncoerced, uncompensated care service labor as producing substantial consumer benefits (equal to the area under the demand curve), but no supplier benefits (under the presumption that the actual wage of zero is exactly offset by the implicit reservation wage of zero where the supply curve hugs the x-axis). Our analysis of the overall welfare loss associated with a leftward (and upward) shift of the CSL supply curve from \( S_1 \) to \( S_2 \) in Figure 4 is parallel to our analysis of the overall welfare loss associated with the upward shift of the CSL supply curve from \( S_1 \) to \( S_2 \) in Figure 3. But we must come to grips with the fact that suppliers of uncoerced, uncompensated CSL are deriving psychic satisfaction from it; though their reward is incommensurate with wage compensation, it certainly has a positive value.

It follows that something of value is lost by CSL suppliers (and by society at large) when the suppliers choose voluntarily to offer less uncoerced and uncompensated care service labor. We will label this the "warm glow" loss. There is of course a corresponding warm glow gain associated with an increase in the amount of CSL supplied voluntarily for no compensation. Taking into account warm glow considerations, a leftward shift of the CSL supply curve of the kind analyzed in Figure 4 will not only reduce consumer welfare (as measured by the consumer surplus); it may also reduce supplier welfare, if the loss of warm glow associated with a drop in uncoerced uncompensated CSL supply is significant enough to offset the gain in producer surplus analyzed earlier.

A.2 The supply of caring in the care service labor market

We now address the second important respect in which care service labor differs from labor in general. In effect, a supplier of CSL motivated by caring motives produces a joint product—not only the basic care service that would be provided over the same period by a differently motivated CSL supplier, but also a certain amount of "caring" for the care service recipient. Caring as a joint product cannot be bought or sold in any market; so the total amount of caring provided in any society depends not on the demand for it but on the extent to which people with caring motives supply CSL.

Caring can contribute both directly and indirectly to overall welfare. It does so directly because it constitutes something valuable received by the care service recipient, and indirectly to the extent that it helps to resolve information and incentive problems associated with the provision of difficult-to-monitor care services. Those who wish to see good care service provided must consider not only whether the provider has the ability to supply the needed services but also whether the provider has a good incentive to do so.

A service provider motivated by caring motives will be attentive to the recipient's needs. A service provider lacking these motives will be most concerned with meeting the expectations of whoever is compensating or coercing the care service. If the latter is not the care service recipient, but instead some third party responsible for the recipient, then the information and incentive problems arise. (These problems can also arise even if the compensating or coercing party is the care service recipient, to the extent that he/she is not able to discern the quality of the care service). Because of the difficulty of measuring the quality of care services, any third party would have to invest some time and/or resources in order to determine how good a job the care service provider was doing. Indeed, the more difficult it is to assess the quality of the care service, the more a third party responsible for the provision of care service will have an incentive to engage someone who really cares for the care recipient. It follows that caring not only adds a valuable element of affection and respect to care service; it also reduces monitoring costs.

We can gain some initial insight into the determinants of the amount of caring forthcoming with care service labor in a given situation by referring to Figure 1. We will continue to assume, for the time being, that CSL is measurable in terms of hours of labor and that it is homogeneous in terms of the basic care service provided (apart from any caring that may accompany it). Of the total CSL hours supplied for no compensation, each of those which are not coerced is motivated by psychic reward and provides what we will identify as a full hour of caring. CSL hours supplied beyond \( h^* \) are supplied for compensation but also provide varying amounts of psychic satisfaction (positive in the relatively frequent cases in which the arrows in Figure 1 point downward, but negative in some
cases where the arrows point upward). It is reasonable to suggest that even those compensated CSL suppliers who derive the greatest psychic reward will not derive as much — nor convey as much caring — as do the uncoerced uncompensated CSL suppliers. Thus an hour of compensated CSL cannot provide as much as a full hour of caring.

As we noted earlier, CSL suppliers who derive substantial psychic reward from care service labor will tend to be concentrated around the lower end of the rising segment of the operative supply curve S. More generally, the average amount of psychic satisfaction associated with a marginal hour of compensated CSL will decline as one moves upward along the supply curve. Correspondingly, the amount of caring conveyed by an additional hour of CSL will tend to decline (from an initial level of less than a full hour) as the hours supplied increase from \( h^* \).

Consider now the implications for the supply of caring of the changes in supply conditions in the care service labor market analyzed earlier.

A decrease in the extent to which wage-paid CSL suppliers receive psychic satisfaction, illustrated in Figure 3, will reduce the supply of caring; the reduction will be substantial, unless both the old and new equilibrium levels of hours \( h_0 \) and \( h_3 \) are close to \( h^* \) and most of the caring is originally supplied with uncompensated labor.

A decrease in the uncompensated supply of care service labor, illustrated in Figure 4, will reduce the supply of caring; the reduction will be very substantial, unless the lost uncompensated hours of CSL were primarily coerced.

A.3 Skills and the care service labor market

Our analysis to this point has been simplified by the unrealistic assumption that the actual care service resulting from an hour of care service labor is homogeneous (apart from any accompanying caring). A more realistic analysis would recognize that an hour of care service labor can be provided with widely differing degrees of skill, and hence with widely differing levels of productivity measured in terms of the amount of actual care service delivered per hour of CSL.

The incorporation of skilled labor into our graphical analysis of the care service labor market calls for a distinction to be made between hours of CSL supplied and units of actual care service delivered; furthermore, the productivity of skilled care labor, as well as the opportunity cost of its supply, must be carefully modeled. We have carried out such an analysis, but its additional complexity precludes our presenting it in the space available here. We will therefore limit ourselves to a discussion of the most important conclusion.

Did Father know best?

In equilibrium, ceteris paribus, the more skilled the care service labor force, the fewer will be the number of hours of care service labor supplied. This has an important implication with respect to the supply of caring. The amount of caring accompanying the provision of care service labor is clearly a function not of the number of units of actual care service delivered but of the number of hours expended in supplying care service labor. A person conveys love, affection, and respect for another person in the course of spending time with that person; whether the care service provided during any given hour is more or less skilled would seem to be quite unrelated to the amount of caring involved.

It follows that there is a diminution of caring per unit of care service delivered as the amount of skill embodied in an hour of CSL increases. The greater the extent to which care service skills substitute for care service hours, the less caring will accompany the care services which are provided. Even when an increase in care service skills allows more care service to be delivered at a lower cost per unit of such service, the gain in welfare represented by a larger total consumer plus producer surplus must be weighed against a loss in welfare associated with a decline in the amount of caring conveyed.

A.4 The overall advantages of caring labor over compensated labor

Intuitively one can sense that a society benefits to the extent that care services are provided out of caring motives rather than in exchange for compensation. Our analysis to this point permits us to identify more precisely what are the social benefits of CSL provided out of caring motives rather than for compensation.

To identify these social benefits, let us first compare situation A in which CSL is motivated solely by compensation to situation B in which the same amount of care service is provided by people, some of whom are willing (without coercion) to provide uncompensated CSL and some of whom derive positive psychic satisfaction from the compensated CSL they provide. The demand curve for CSL in the two situations is the same. The supply curve of CSL will be lower in situation B than in situation A: To the extent that compensated CSL suppliers derive positive psychic reward from their labor, the applicable portion of the supply curve will shift down (as from \( S_c \) to \( S \) in Figure 3); to the extent that there are suppliers of uncompensated CSL, the supply curve will shift to the right (as from \( S_u \) to \( S \) in Figure 4, if \( h^{**} \) is at the origin). Consequently, the total consumer and producer surplus will be greater in situation B than in situation A, reflecting a higher overall level of social welfare.
Indeed, this initial comparison understates the improvement in social welfare from situation A to situation B. It takes account of the gain in welfare associated with a higher level of psychic satisfaction accruing to compensated CSL suppliers; this is what shifts the supply curve downward in the range of compensated CSL supply. And it takes account of the gain in consumer plus producer surplus associated with the drop in the supply curve to the x-axis in the range of uncompensated CSL supply. It does not, however, take into account the warm glow gain associated with an increase in the amount of CSL supplied voluntarily for no compensation. Nor does it take into account the overall social gain associated (directly and indirectly) with a larger supply of caring. Although these latter gains are (with the exception of savings in monitoring costs) essentially incommensurate with the gains of consumer and producer surplus, they represent additional important sources of higher social benefits in situation B as compared to situation A.

Appendix B: Child care as a chicken game

The issue of who takes care of the kids is nicely modeled as a game of chicken with asymmetrical preferences. The standard symmetrical chicken game can be described by the following payoff matrix:

<table>
<thead>
<tr>
<th>Row player</th>
<th>Cooperate</th>
<th>Defect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperate</td>
<td>(2, 2)</td>
<td>(1, 3)</td>
</tr>
<tr>
<td>Defect</td>
<td>(3, 1)</td>
<td>(0, 0)</td>
</tr>
</tbody>
</table>

where the cell pairs show the row player’s payoff first. For each player it is best to do the opposite of what the other player does, and there is no obviously dominant outcome.

This would apply to the child care situation if a woman and a man cared equally about having the kids cared for, and if they valued equally the burden of spending time with the kids (they can actually value this positively, rather than negatively as a burden, so long as it is not so positive that taking care of the kids oneself becomes preferable to having the other party do it).

Let us assume, more realistically, that there are different payoffs for women and men. The difference may result from difference in the value placed on having the kids be cared for at all (women care more), or in the burden associated with taking care of kids (women find it less of a burden), or both. This changes the payoffs for women, but not for men. If the woman values having the kids cared for by an amount $x$ more than the man does (and is upset by the same amount more if there is no child care), then the payoff matrix will look like this:

<table>
<thead>
<tr>
<th></th>
<th>Cooperate</th>
<th>Defect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woman</td>
<td>(2 + x, 2)</td>
<td>(1 + x, 3)</td>
</tr>
<tr>
<td>Defect</td>
<td>(3 + x, 1)</td>
<td>(-x, 0)</td>
</tr>
</tbody>
</table>

It's still a chicken game, because each party would choose the opposite of the other party, if he/she knew the other's choice, and double care is better for both than no care. But there is now a difference in the intensity of the urge to care when the other party doesn't; for the man the difference remains 1, whereas for the woman it rises from 1 to 1 + 2x. In a probabilistic sense we can conclude that women will more often choose to care (since they have more to lose than men by not caring if the other party also turns out not to care); knowing that, and having less to lose if they guess wrong, men will more often choose not to care. So the outcome of women's caring and men's not caring will be the most likely.

If we now model the possibility that the woman views the caring as less burdensome than the man does, so that the cost to her of doing care is $y$ less than it is for the man, then we get the following payoff matrix:

<table>
<thead>
<tr>
<th></th>
<th>Cooperate</th>
<th>Defect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woman</td>
<td>(2 + x + y, 2)</td>
<td>(1 + x + y, 3)</td>
</tr>
<tr>
<td>Defect</td>
<td>(3 + x, 1)</td>
<td>(-x, 0)</td>
</tr>
</tbody>
</table>

If $y$ is very small, this leaves us in the same situation as before — except that the woman's urge to care when the man doesn't rises even further (from 1 + 2x to 1 + 2x + $y$), and the woman's urge not to care when the man does falls (from 1 to 1 – $y$). From a probabilistic point of view, the outcome is even more likely to be women caring and men not caring. But if $y$ is large enough ($y > 1$), it would cause the woman to prefer care to no care even when the man also chooses care. In that case the payoff structure is no longer that of a chicken game; the woman always chooses to care, the man chooses not to, and the situation is completely determinate.
REFERENCES


