HOW GENDER IS EMBEDDED IN THE ANKER METHODOLOGY AND AN EXPLORATION OF CARE WORK AND LIVING WAGE

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ABSTRACT

This paper explains how a gender perspective is embedded into the Anker Methodology for estimating a living wage. This is important for transparency and for ensuring that users of Anker Methodology living wage and living income estimates and other interested parties understand the approach. Gender-related measures in the Anker Methodology include: basing the living wage estimate on a reference family which has one adult in part-time employment, which allows time for unpaid care work during regular working hours; considering gender issues when estimating food costs, such as including extra calories for women during pregnancy and allowing for less than perfect shopping and food preparation to limit the time required for these activities (which are mostly performed by women); allowing for purchase of prepared foods and food eaten away from home, which reduces the burden on families and especially women; ensuring adequate ventilation of smoke from cooking to protect the health of women and girls especially; and ensuring sufficient funds for education to at least secondary level for all girls and all boys, including nursery and pre-school costs when they are common in the study location.

This paper also discusses conceptual and methodological issues related to including care costs (particularly childcare costs) in living wage estimates. While the Anker Methodology takes the position that there can be only one living wage for an area and not separate living wages for different household compositions and sizes, as this would encourage wage discrimination based on marital status, or parental status, or family size, this paper discusses the Anker Methodology approach to paid and unpaid care work and draws attention to the fact that, in many locations, families with young children and lone-parent families may be vulnerable to poverty, even when adults in these families earn a living wage, due to high care needs relative to incomes. As such, in some locations there may be a need for additional support from the private sector, government, and others (such as NGOs) to enable these types of households to achieve a decent standard of living.

KEYWORDS: Gender, living wage, living income, Anker Methodology, inequality, care work, care economy

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1. INTRODUCTION

The Anker Methodology (see Box 1) is widely accepted as a robust and credible approach to estimating a living wage and assessing the gap between prevailing wages and a living wage.[4] Over the past decade, more than 50 in-depth living wage studies by the Institute using the Anker Methodology have been carried out for companies, NGOs, governments, international organizations, and public-private partnerships, covering a range of countries and economic sectors.[5] Anker Methodology studies estimate only one living wage benchmark for all workers in a geographic area rather than multiple living wage estimates for different types of workers and different household compositions. This is to discourage wage discrimination based on gender, family size and composition, marital status, and migration status. This adheres to the principle of equal pay for work of equal value for all.

Despite this gender-neutral aspect of how the Anker Methodology estimates one living wage (and one living income[6]) for all households in a location, there are many ways in which a gender perspective is integrated into the Anker Methodology and how it estimates living costs and living wages. For example, it assumes that one adult in the 'typical' family is in full-time employment and that the other adult in the family is in part-time employment, in recognition of the time required for unpaid care work and to reduce the risk that family members, particularly women and girls, have an excessive burden of work that is harmful for their health, wellbeing, and educational attainment. Likewise, time spent collecting firewood and water is monetized and included in living costs when these activities take up considerable time (usually involving women and girls).

Other examples of a gender perspective include taking the calorie requirements of pregnant women into consideration when calculating food needs; allowing for less than perfect shopping and cooking and allowing for some prepared foods and foods eaten away from home as women are disproportionately likely to cook and shop and these activities take up considerable time; requiring housing that has adequate ventilation of smoke and fumes from cooking to prevent adverse health impacts (which mostly affects women and girls); including costs related to early childhood education and care when these are common (such as costs for nursery and pre-school); and ensuring sufficient funds for education to allow for all girls and all boys to complete secondary school.

The first part of this paper explains in detail how and why a gender perspective is incorporated into the Anker Methodology so that researchers and other interested parties, including users of Anker Methodology living

[4] The Anker Methodology was developed by Richard Anker and Martha Anker and is promoted by the Global Living Wage Coalition (GLWC), of which Richard Anker and Martha Anker are founding members alongside Fairtrade International, Rainforest Alliance, and Social Accountability International (SAI). It is an approved living wage methodology of the Dutch Sustainable Trade Initiative (IDH), which has developed a process and criteria for assessing the credibility and robustness of different living wage methodologies – see here.

[5] All of these studies are available on the Global Living Wage Coalition (GLWC) website: Resource Library - Global Living Wage Coalition. Information on the Anker Research Institute can be found here: About Us - Anker Research Institute.

[6] The difference between living wage and living income is that living wage is applied in the context of hired labor (in factories, on commercial farms, etc.) while living income is applied and discussed in the context of self-employed earners, but most often in relation to self-employed farming households. Living wage and living income are both based on the cost of a basic but decent standard of living for a typical family in a location: a living wage is the wage an individual worker needs to earn for his or her family to have a decent standard of living; a living income is the net income that a family needs in order to achieve a decent standard of living.

wage and living income benchmark studies, can fully understand the approach. This section of the paper should be read with reference to the relevant sections of Living Wages around the World: Manual for Measurement (Anker and Anker, 2017).[7]

The second part of the paper explores in more depth the topic of care work and how it relates to a living wage. Care work includes all forms of direct personal and relational care including looking after children, sick people, people with disabilities, and older people, as well as indirect care activities such as cleaning, cooking, house maintenance, and other domestic tasks, and this type of work is critical for societies and economies to function properly.[8] Care work is either 'unpaid', in that there is no monetary exchange involved – including care that is provided by parents and other relatives, friends, volunteers, and government-sponsored facilities – or it is paid for as a service provided by individuals (such as domestic workers, nannies, and personal care assistants) and organizations (such as cleaning companies, private nurseries, schools, health facilities, and homes for the elderly). Around the world, women and girls do much more of this type of work, both unpaid and paid, than men and boys due to socio-cultural gender norms that reflect and reinforce patriarchal structures and value systems.[9]

This is particularly true for women and girls who are from low-income households and socially disadvantaged groups because of intersecting inequalities between gender, class, race, ethnicity, and migrant status.[10] The unequal distribution of care work has important implications because it affects engagement in economic, social, and political activities outside the domestic sphere.[11] It also has intergenerational effects, as older children (predominantly girls) and grandparents (predominantly grandmothers) often provide a significant amount of unpaid care, particularly when mothers are in wage employment.[12]

With the above as background, this paper discusses how care work, particularly childcare, affects living costs and household incomes and addresses some of the conceptual and methodological challenges of estimating the cost of care for a living wage benchmark estimate. These include a lack of detailed secondary household survey data on current paid care work expenditure, the complexities of determining the amount of time that needs to be dedicated to unpaid care work, and the difficult issue of whether or not the value of unpaid care work should be included in living expenses for living wage and living income (and if so, how it should be valued). We discuss and draw attention to the fact that households with young children and lone-parent households (the majority of which are lone-mother households[13]) often have high demands for care relative to the number of working adults in the household. While we are opposed to having separate living wage estimates for different household compositions and sizes, we recognize that these types of households are especially vulnerable to poverty when they have only one adult in paid employment, even if this adult earns a living wage. However, this depends on contextual factors including the availability and cost of childcare and the amount of financial and practical support provided to

[7] The manual is available online from Edward Elgar Publishing: https://www.e-elgar.com/shop/gbp/living-wages-around-the-world-9781786431479.html).

[8] Addati et al., 2018.

[9] Ibid; Charmes, 2019.

[10] Addati et al., 2018.

[11] Ibid.

[12] Ibid.

[13] According to United Nations Department of Economic and Social Affairs (2017), 21% of households with children under 15 years are lone-mother households and 3% are lone-father households, see: household_size_and_composition_around_the_world_2017_data_booklet.pdf.

families and lone parents by governments and relatives. Further research is needed to determine how living costs and incomes vary for young families and lone-parent households in different locations, especially for low- and middle-income countries, but the evidence presented in this paper suggests that there is likely to be a need for additional non-wage, care-related support for low-wage workers in low- and middle-income countries if all workers and their families are to achieve a decent standard of living.

Note that in addition to producing this paper on gender and the Anker Methodology for estimating a living wage, the Anker Research Institute has developed a new methodology for measuring and understanding gender pay gaps and the gender pay gap to a living wage at the workplace (establishment) level. This methodology can be used to provide robust, credible information on the size of gender pay gaps at the workplace or sector level and the direct and indirect determinants of those gaps, with the aim of identifying context-appropriate policies and actions which companies and other actors can implement for closing the gender pay gaps. A brief summary of this gender pay gap methodology can be found here and the report from a pilot gender pay gap study in the Colombian banana export sector can be found here. Other materials on the gender pay gap methodology and pilot studies will be published later in 2023.[14]

Box 1. The Anker Methodology

The Anker Methodology, developed by Richard Anker and Martha Anker, is described in the book, Living Wages Around the World: Manual for Measurement (Anker and Anker 2017, available here). The book provides detailed guidance on how to measure living wage and a historical and theoretical background to the living wage concept and principles.

The Anker Methodology involves estimating the cost of a basic but decent living standard for a 'typical' size family in a specified area. This includes adding up the cost of three expenditure groups: food (for a low-cost and palatable nutritious diet), housing (for basic healthy housing), and all other expenses for a family, and then adding on a small margin for sustainability and emergencies. These living costs are defrayed over the average number of full-time equivalent workers in the family according to local labor market conditions (using labor force participation rates, unemployment rates, and part-time employment rates for ages 25-59), to arrive at a net (take home pay) living wage for an individual full-time worker. The gross living wage (aka living wage) is then calculated by adding statutory payroll deductions and income tax due on a living wage, so that workers end up with sufficient take home pay to afford a basic but decent standard of living.

Living wages around the world: Manual for Measurement sets out how to calculate the cost of a decent standard of living and a living wage using existing secondary survey and other data together with new primary data collected through fieldwork in the area of a country that a living wage is estimated for. It provides guidance for researchers on each step in the process of data collection, analysis, and reporting, and contains illustrative examples, data collection forms, and dummy tables.

[14] The ARI gender pay gap methodology has been piloted in the garment industry in Bangladesh, Thailand, and Turkey, in the banana sector in Colombia, and in the fresh produce sector in Morocco. The results of each study are being shared with the stakeholders involved, and a cross-country analysis and report is scheduled for publication in late 2023. The pilot studies are also being used to fine-tune the ARI gender pay gap methodology.

2. INCORPORATION OF A GENDER PERSPECTIVE IN THE ANKER LIVING WAGE METHODOLOGY

In this section, we describe the various ways in which a gender perspective is incorporated when estimating living costs and a living wage using the Anker Methodology, and the rationale for each measure used. Which of these measures are relevant for a particular study will depend to some extent on the study location and context. For example, monetizing the value of time spent collecting firewood or water will only be relevant in locations (almost always rural) where family members spend considerable time on these activities. Researchers carrying out a living wage study using the Anker Methodology necessarily apply all relevant measures in accordance with the instructions in Living Wages Around the World: Manual for Measurement and the additional guidance provided below.

Before continuing, it is important to again note that living wage in the Anker Methodology is estimated in a gender-neutral way to ensure that there is only one living wage in a location and thereby avoid encouraging gender discrimination in employment.

2.1 Time for unpaid care work considered

In the Anker Methodology, the living wage is based on a 'typical' family with two adults and two or more children – with the typical number of children determined by the average number of surviving children that women typically have and the average household size in the study location, excluding single person households (that definitely do not have children) and very large households (that are likely to be extended family households with more than two potential workers).[15] It is assumed that one adult in the reference family works full-time while the second adult spends a proportion of their time during normal working hours on paid work and the remaining time on unpaid care work.

The Anker Methodology factors in this time for unpaid care work during normal working hours to reduce the risk of an excessive burden of work for family members, especially women and girls. The proportion of time spent on paid work by the second adult is determined using country statistics on labor force participation rates, unemployment rates, and part-time employment rates for women and men in prime working ages, to reflect actual working patterns in the study location. The number of full-time equivalent workers in the reference family varies between and within countries but is almost always in the range of 1.5 to 1.8 with around 1.6 on average across countries.

Put another way, this means that Anker Methodology living wage estimates are typically based on an assumption that one adult in the family spends between 20% and 50% of the working day on unpaid care work or other unpaid activities. Note that this 20% to 50% is in addition to unpaid work as family labor on so-called economic activities, such as work performed on family-owned farms or in a family business, as this type of work is included in employment statistics.[16] Chapter 13 of Living Wages around the World: Manual for Measurement explains how to determine the number of

[15] A minimum reference family size of 4 (with 2 children) is used as this ensures population reproduction of the society without international migration. In exceptional circumstances, however, a family size of 3.5 has been used. This was the case for living wage estimates in China where a one-child policy was in place for many years.

[16] Note that in 2013, the 19th International Conference of Labour Statisticians (ICLS) changed the definition of employment to exclude the production of goods and services for own use, such as subsistence farming. However, employment statistics for many countries (as well as the Anker Methodology) are still based on the previous definition of employment, which classifies this type of work as employment.

full-time equivalent adults in employment in the reference family.

In addition to this, the Anker Methodology involves measures that seek to include enough in the living wage so that members of the reference size family can afford to limit to some extent the amount of time spent on unpaid care work and to recognize childcare that is provided by grandparents and other relatives. These measures are described below in section 2.2 (related to food costs), section 2.3 (related to housing costs), and section 2.5 (related to childcare costs).

2.2 Food costs include a gender perspective

The Anker Methodology estimates food costs by: (i) developing a model diet which meets the calorie requirements and nutritional needs of a typical family and is in keeping with local food preferences; and (ii) collecting primary data on local prices for food items in the model diet and using these data to estimate the cost of a low-cost nutritious diet. Food prices are collected in locations where workers usually shop for food at times when they usually shop for food even if food is more expensive at these times of the day and week. Food must be of acceptable quality and not rotten or spoiled. Prices are typical prices paid by price-conscious consumers. In open air markets where there are many sellers, prices are the average over two or three vendors – not the least expensive. In shops or supermarkets, prices for the least expensive acceptable quality type or brand are used because price-conscious workers usually buy relatively inexpensive but acceptable varieties and brands.

The Anker Methodology incorporates a gender perspective into the estimate of food costs by: (i) taking into consideration the different calorie needs of males and females at different times in their lives, including for women during pregnancy; (ii) allowing for the purchase of prepared foods and meals away from home rather than assuming all food is prepared from scratch at home (typically by women and girls); and (iii) not expecting people (usually women) to be perfect shoppers spending undue amounts of time comparison shopping or only purchasing the least expensive foods; and not expecting people (usually women) to be perfect consumers or food preparers who never waste any food. This is discussed below.

2.2.1 Number of calories required considers gender differences and needs

Calorie requirements of the reference family are calculated using an Excel program developed by Richard and Martha Anker. This program uses WHO recommended equations to estimate the number of calories people need per day depending on their sex, age, height, and physical activity level. This program also takes into consideration the need for additional calories during pregnancy (and therefore associated food costs). There is also a need for women to consume extra calories when breastfeeding. However, given the variety of breastfeeding practices in the world and the fact that production of breastmilk is 80-85% efficient (meaning that 80-85% of the extra calories that mothers need to produce breastmilk goes to the baby[17]), this would make very little difference to the number of calories required per person in the family when averaged over all family members and not only for the childbearing years – yet it would complicate the model diet considerably. As such, additional calories for lactation are not included in the Anker Methodology Excel programme.

2.2.2 Prepared foods purchased and included in the model diet reduces time for cooking

The model diet used to estimate food costs includes prepared foods when they are common-

[17] Butte and King, 2002.

ly purchased in a location rather than expecting all food to be made from raw ingredients, even though this increases the cost of food.

This might include prepared grains such as bread, tortilla, noodles and pasta; dairy products such as cheese and yoghurt; pulses such as tofu and tempeh, and meat and fish products such as sausages and tinned fish. Model diets sometimes also include common healthy drinks or condiments such as fish sauce as separate food items. During fieldwork, researchers are expected to investigate how common it is to purchase prepared foods during discussions with workers and food vendors and use this information to decide which prepared foods and in which quantities to include in the model diet. Prepared foods greatly reduce the amount of time required to prepare meals at home which is mainly the responsibility of women around the world.

2.2.3 Cost of meals purchased away from home is included in living costs

The Anker Methodology allows for meals to be purchased and eaten away from home or brought home, such as rotisserie chicken for example – in accordance with typical practices in the study location, as indicated in household expenditure statistics. This saves considerable time for food purchasers and preparers (usually women) and is very important in the many countries where purchasing meals away from home is so common that this is the most important household expenditure after food and housing (and possibly transportation). How the Anker Methodology does this by adjusting the proportions of household expenditure spent on food and non-food non-housing (NFNH) costs is described in Chapter 7 of Living Wages around the World: Manual for Measurement. Purchasing meals away from home can significantly reduce the time required to prepare meals at home which is mainly the responsibility of women around the world.

2.2.4 Cost of model diet is based on workers' shopping habits, takes into consideration food preferences, and includes additional margins for variety and for spoilage and wastage

The Anker Methodology does not expect workers to be perfect food shoppers or food preparers. Food prices are collected in locations where workers usually shop for food at times when they usually shop for food even if food is more expensive at these times of the day and week. Cultural norms and preferences regarding food habits are taken into consideration, rather than always including only the lowest cost foods in the model diet. In addition, food costs include additional margins for variety (usually 10-15%) and for spoilage and wastage (usually 3-5%). This means that workers (often women) are not expected to spend undue time shopping around for the least expensive food and making sure that no food is wasted.

2.3 Housing standard and housing costs include a gender perspective

The Anker Methodology estimates housing costs by: (i) developing a local standard for decent housing based on international and national standards and local housing conditions; (ii) collecting primary data on the cost of renting a dwelling that meets the local housing standard and on the cost of utilities for the reference family size; and (iii) using these data to estimate the cost of decent housing in the study location. The Anker Methodology incorporates a gender perspective into the estimate of housing costs by requiring that (i) there is a separate place for cooking if done indoors, (ii) smoke and fumes from cooking are properly ventilated, and (iii) sometimes monetizing the time spent collecting firewood and water, as discussed below.

2.3.1 Proper ventilation required for smoke and fumes from cooking

Inhalation of smoke and fumes from cooking is a major cause of death and health problems in poor countries.[18] For all living wage studies, regardless of location, the local standard for decent healthy housing always includes a requirement that smoke and fumes from cooking are adequately ventilated to prevent adverse health effects and that cooking is done in a separate room if done indoors. This is particularly important for women and girls as, globally, they spend the most time preparing and cooking meals.[19]

2.3.2 Time spent collecting firewood and preparing cooking fuel is included in living costs when important

When family members (often women and children) spend a considerable amount of time (more than one hour per day on average) collecting firewood or preparing other fuel such as cow dung cakes, the Anker Methodology allows for this time to be monetized and included in the estimate of utility costs. Secondary data on the time spent on this activity are increasingly available from household time use surveys, but researchers doing an Anker Methodology study also collect information on this from workers and their families and from key informants during primary data collection. The time spent on this type of unpaid care work can be monetized and included in utility costs by estimating the cost of firewood for a reference size family using market costs, or, if firewood is not available for sale, estimating the market cost of an equivalent fuel, such as charcoal.

2.3.3 Housing standard requires time spent collecting water to be limited – when this is not possible, time spent collecting water is sometimes included in living costs

According to international healthy housing standards, time to fetch safe water must be less than 30 minutes round trip.[20] The Anker Methodology always includes this in its local healthy housing standards. This is important in countries where family members (often women and girls) spend considerable time collecting water (more than one hour per day on average). When it is not possible to find housing that meets this standard, the Anker Methodology allows for the time spent collecting water to be monetized using the same approach as for time spent collecting firewood (see previous section) and including this in the estimate of housing costs.

2.4 Non-food non-housing costs include a gender perspective

In the Anker Methodology, all other living costs (i.e., other than food and housing) are estimated based on secondary data from a national household expenditure survey. This involves determining how much is spent on non-food non-housing (NFNH) goods and services by households that are above poverty but still on relatively low incomes – usually data for households at the 30th to 50th percentile of household expenditure distribution are used, depending on the level of economic development in the country. Since household expenditure data include spending on pre-primary education and childcare, other education up to and including tertiary education, all types of health care, and domestic services (including domestic workers and nannies), the estimate of NFNH costs

[18] World Health Organization (WHO) fact sheet on household air pollution: Household air pollution (who.int).
[19] Ibid.
[20] WHO Housing and Health Guidelines, 2018, WHO Housing and health guidelines.

will necessarily include costs for these to the extent that they are purchased by households in the relevant part of the expenditure distribution. The Anker Methodology requires a post check on education and health care costs in the study location to ensure that the amounts allowed for education and health care in the living wage estimate are sufficient, given that these are considered universal human rights in the Anker Methodology. Costs for early childhood education in pre-school and nurseries are included in the education post check when these costs are commonly incurred by workers in the study location. The post check on health care does not have a specific gender focus but implicitly covers all types of health care including sexual and reproductive health, which is particularly important for women and girls. Further details are provided below.

2.4.1 Sufficient funds always included for educating all children through secondary school

The Anker Methodology requires that families have enough money to be able to educate their children through secondary school, at minimum, because education is considered a human right in the Anker Methodology. This is especially important in countries where there continue to be significant gender differences in educational outcomes. Although, on average, there are now equal numbers and proportions of girls and boys in primary and secondary education globally, these averages mask continuing gender disparities by education level and region. In some regions of the world, only about two-thirds of countries have achieved gender parity in primary school, half in lower secondary school, and a quarter in upper secondary school, and in the poorest countries, girls make up a much larger share of those who never go to school.[21]

In the Anker Methodology, typical education costs through secondary school in a study location are assessed through primary data collected from schools, workers, and key informants, and funds for children's education included in the preliminary NFNH estimate that are based on secondary household expenditure data are increased when needed based on this primary data education post check analysis.

2.4.2 Cost of early childhood education and care included in NFNH costs when these are commonly paid for in the study location

If households pay for early years education and care in formal settings (such as nurseries, kindergartens, and pre-schools) or informal settings (such as au pairs, nannies, and informal carers in the neighbourhood), this expenditure is included in household expenditure data and so in the NFNH estimate. During the education post check primary data collection, researchers find out if workers in the study location typically pay for pre-primary education and if they do, the relevant costs for acceptable quality early childhood education in the study location are included in the education post check. For example, these pre-primary education costs have been included in recent living wage Anker Benchmark studies in Andhra Pradesh in India, Nayarit in Mexico, Santo Domingo in the Dominican Republic, Mauritius, and Vietnam. Carrying out a post check on other childcare costs (i.e., other than those for childcare in educational facilities), especially childcare that is provided in informal settings, is not straightforward due to challenges related to the availability of sufficiently detailed secondary data on household expenditure in this area. This issue is discussed in section 3.2 of this paper.

[21] UNESCO, 2022.

2.4.3 Sufficient funds are available for decent health care including sexual and reproductive health

The Anker Methodology requires sufficient funds being available for adequate health care for family members. This includes three to four visits to a health care provider per family member per year, including doctor or facility fees, costs for lab tests and medications. Some visits to private health care facilities are almost always included, and more so when public services are poor. Decent health care, of course, includes access to sexual and reproductive health services and products, which is particularly important for women and adolescent girls – to prevent mothers from dying during childbirth, for example, and to protect teenage girls from unwanted pregnancies that limit their life opportunities. Although in general there is no specific check on the cost of sexual and reproductive health care in Anker Methodology studies, the amount for health care does include routine visits to health facilities as well as lab tests which includes routine check-ups and tests for common sexual and reproductive health issues. A future refinement of the Anker Methodology is expected to include more specific considerations of the cost of some of the essential services for women's sexual and reproductive health. However, before this is done, there is a need for further work to define those essential services.

2.5 Support for workers' parents and relatives allowed, including when they provide childcare

The Anker Methodology allows for 5% to be added to living costs to allow for providing financial support to workers' parents or other relatives in societies where there is a strong social or cultural norm for this. Providing financial support for older women is often particularly important, as women typically have lower savings and pensions than men.[22] This 5% is calculated based on the sum of food costs, housing costs, and NFNH costs and is in addition to the 5% margin for unexpected events and sustainability in the Anker Methodology. This additional 5% is considered justified when grandparents or other relatives are mainly responsible for childcare and it is customary to give them some payment.

3. CHILDCARE AND OTHER FORMS OF PAID AND UNPAID CARE WORK IN RELATION TO A LIVING WAGE

In this part of the paper, we explore in more detail the topic of paid and unpaid care work, with a particular focus on childcare, and how it relates to a living wage. Women's rights advocates and feminist scholars have long argued that the unequal distribution of care work between women and men and, critically, the lack of value that is placed on this type of work by governments and societies, is a key driver of gender inequalities and women's poverty around the world.[23] This was given more widespread recognition with the inclusion of a target in the 2015 Sustainable Development Goals (SDGs) to 'Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate'.[24] In recent years, influential economic institutions including the World Bank and the OECD have added to the call for governments and the private sector to invest more in the care economy, especially through support for childcare, due to the potential for positive impacts on women's employment and productivity, child outcomes,

[22] World Economic Forum, 2022.

family welfare, business productivity, and overall economic development.[25]

It is therefore important, from a gender perspective, to be clear and transparent about the ways in which childcare and other forms of paid and unpaid care work are accounted for in Anker Methodology living wage estimates and where issues may still arise. As indicated previously in this paper, Anker Methodology living wage estimates are based on living costs for a 'typical' reference family with a 'typical' number of children for the location and two adults in employment (one full-time and one part-time). The Anker Methodology acknowledges the time required for unpaid care work and includes various measures to reduce the risk of an excessive burden of work for family members. This includes an assumption that one adult in the reference family spends a portion of working hours on unpaid care work, allowing for prepared foods and meals purchased away from home as well as some waste and less than perfect shopping, and monetizing time spent collecting firewood and water when this takes up a considerable amount of time. This minimizes the risk that the cost of living is underestimated due to a failure to properly value unpaid care work performed by family members, particularly women and girls.

The Anker Methodology also ensures that living wage estimates are sufficient to afford decent health care and education for children through secondary school and allows for living wage estimates to include payments for domestic services and other care provided by formal and informal providers, including payments to domestic workers, nannies, nurseries, and pre-schools as well as cash transfers to relatives, when these costs are commonly incurred by households in the study location. Inevitably, Anker Methodology living wage estimates may not be sufficient to cover living costs for families with higher-than-average living costs and/or a lower-than-average number of full-time equivalent workers.[26] This also may be true for families at different phases of the life cycle, particularly for families with very young children. There are also some methodological challenges involved when estimating the cost of care for inclusion in a living wage estimate, including a lack of detailed secondary household data on care-related costs and difficulties assessing the amount of time (and value) required for unpaid care work. These issues are discussed below, and we draw attention to the possible need for targeted policies and strategies to support households with relatively high demands for care relative to the number of working adults in the household, such as households with young children and lone-parent households.

3.1 Effect of family size and composition on care needs and costs and implications for Anker Methodology living wage estimates

The Anker Methodology takes the changing needs of children from birth until 18 years of age into consideration when estimating living costs for the family, rather than assigning specific ages to children in the reference family. For example, estimates of food costs recognize that children's calorie requirements increase as they grow and use average calories required per year by children from ages 0 to 17 years to calculate total food costs for the reference size family. Likewise, the post check of education costs involves using primary data to estimate the cost of different educational stag-

[23] See, for example, the feminist economist Nancy Folbre's seminal work on paid and unpaid work (Folbre, 1982, 1984), and the Centenary Collection of International Labour Review articles on gender and work that date between 1931 and 2019 (ILO, 2021) (including several papers authored or co-authored by Richard Anker). Also see Chopra and Sweetman (2014) for reflections on care and gender from a development perspective, and Guimarães and Hirata (2021) for a Latin American perspective on care work.

[24] This is one of five targets under SDG 5 'Achieve gender equality and empower all women and girls', see: United Nations: Gender equality and women's empowerment.

[25] See, for example, Devercelli and Beaton-Day (2020), and OECD (2022).

[26] For example, this might include large families with well above the average number of children for the location and families containing one or more adult or child with a disability.

es from pre-school through to secondary education and then calculating the average cost per child per year for education. This average cost per child is compared with the amount allocated to education (as part of non-food non-housing costs) using secondary data on household expenditure, to ensure a sufficient amount is available for education through secondary school. Childcare for infants and young children is also included as part of non-food non-housing costs in household expenditure data, insofar as households pay for childcare in the study location, but again, these costs are averaged across all households rather than relating only to households with young children.

Similarly, the amount of time worked by the second adult in the reference family is determined using average labor force, unemployment, and part-time employment rates for all adults ages 25 to 59 rather than rates for adults with children at specific ages. Women with young children usually do fewer hours of paid work and more hours of unpaid work than women with older children and women with no children.[27] This means that the number of full-time equivalent workers in families with young children is often lower than the number of full-time equivalent workers in the Anker Methodology reference family. However, if both adults in a nuclear family work full-time and each earns a living wage, it is likely that they would together earn more than is needed for a basic but decent life style (especially when child care is provided informally and at lower cost than in a formal institution, or when childcare is subsidized by employers or the state).

We consider that this use of average costs for a 'typical' family is fairer and more representative of all workers' families than basing living wage estimates on the highest cost family structure over the life time – which in many locations is likely to be families with very young children (because of high childcare needs) and very large families. On the other hand, Anker Methodology living wage estimates are not based on the lowest cost family structure either.

It has sometimes been argued that living wage estimates based on an average family size are too high for sectors and countries where a large proportion of workers are young, unmarried women who do not yet have children, such as the apparel industry in parts of Asia. The counter argument to the idea that young unmarried workers without children have especially low living costs and so should have a low living wage is twofold. First, unmarried workers are often expected or required to provide financial support to parents and other relatives and/or to save money in preparation for marriage (in locations where dowry is common), and therefore they may not have significantly different costs from workers who are married with children. Second – and most importantly – having a living wage estimate based on living costs for unmarried workers without children would be highly prejudicial to workers who do not fit in that category, and this could exacerbate already discriminatory employment systems as well as create a race to the bottom of having a lower living wage for all workers.

Nevertheless, we recognize the potential implications of this approach in the Anker Methodology for workers and their families at different stages of the life cycle and, more specifically, the importance of considering how living costs might vary for families with different care needs. This is not only important for ensuring all workers and their families have a decent standard of living, but also for tackling gender imbalances in care workloads and employment opportunities that are at the heart of gender inequality. It is also important for safe-guarding children's health and wellbeing as many parents on low incomes have no choice but to go out to work even if this means leaving babies and young children in unsafe environments, including being looked after by siblings who are only children themselves.[28]

[27] Section 3.6 of this paper provides further details based on analysis of the amount of time spent on paid and unpaid work by women and men in 76 countries (see Charmes, 2019).

[28] Devercelli and Beaton-Day (2020).

3.2 Estimating household expenditure on childcare for different types of households is difficult

To gain some insights into proportion of household expenditure that is spent on childcare – and consequently the proportion of NFNH costs that relates to paid childcare in Anker Methodology living wage estimates – we tried to identify the amount of expenditure on childcare for 18 low- and middle- income countries that we had Household Expenditure Survey (HES) datasets for. This was difficult to do because childcare-related expenditure is spread across several expenditure groups in HES data in addition to often being grouped with other non-care expenditure rather than being reported separately. This is because of how household expenditures are grouped in the international standard classification of individual consumption expenditures, known as COICOP which many countries follow.[29]

COICOP places childcare-related expenditure in three different major expenditure groups: expenditures on nannies, au pairs, maids, and other domestic workers come under the 'Furnishing, household equipment, and routine maintenance' major expenditure group 5; early childhood education expenditure such as pre-school and kindergarten comes under 'Education services' major expenditure group 10[30]; and nurseries, day-care facilities, and other child-minding facilities expenditures come under 'Personal care, social protection, and miscellaneous goods and services' major expenditure group 13. Furthermore, expenditures related to childcare are coded at the fourth level of disaggregation within each of these major expenditure groups: domestic services by paid staff (which include childcare provided in the home) is code 05.6.2.1, early childhood education is code 10.1.0.1, and childcare services is code 13.3.0.1. This scattered categorization of care-related expenditure relates to the fact that HES data have historically been collected by governments for the purpose of measuring inflation rather than for informing social policy and this has influenced the way items are grouped for analysis.

In addition to not having childcare-related expenditures grouped in one area, most of the 18 HES datasets reviewed were only disaggregated to the first, second, or occasionally, third level. As such, the only way to determine exactly how much different types of households spend on childcare would be to do the analysis using microdata which both reports household expenditures using an unusually detailed expenditure classification and has a sufficiently large sample size. The implication for Anker Methodology living wage estimates is that it is difficult – and usually not possible – to determine the proportion of NFNH costs that relates to expenditure on childcare, which in turn makes it difficult to use primary data on childcare-related costs to see whether the amount included for paid childcare in NFNH is sufficient.

3.3 Paid childcare typically accounts for only a small proportion of household expenditure when averaged over all households

Although most of the 18 HES datasets we investigated do not have the required level of disaggregation to determine the proportion of household expenditure that is for childcare, this analysis was possible for the Dominican Republic because its dataset is disaggregated to the fourth COICOP level – although it was still not possible to separate out expenditure on childcare provided within the home (by nannies, for example) from expenditure on

[29] Classification of Individual Consumption According to Purpose (COICOP) 2018, United Nations Department of Economic and Social Affairs, Statistics Division, see COICOP 2018 (un.org).

[30] We consider pre-school and kindergarten education as part of childcare services because most countries do not provide free and compulsory education for children under 5, and pre-school and kindergarten are often used as a form of childcare by parents who work.

[31] OECD, 2022. Note that these calculations assume the use of public childcare providers as data on prices charged by private facilities

other domestic services. We found that, for all households, only around 1.4% of household expenditure is for childcare and other domestic services, while for non-poor households in the bottom half of the household expenditure distribution (for whom NFNH is typically estimated in the Anker Methodology), less than 1% of household expenditure is for childcare and other domestic services (Table 1). When only households with children are considered, this percentage increases only slightly to 1.5% for women-headed households and 1.6% for men-headed households, compared to 1.4% for women-headed households without children and 1.0% for men-headed households without children (Table 2). As expected, households with children spend more on early childhood education and childcare services than households without children – although it is notable that households without children do have some expenditure on childcare, presumably for dependent children that live elsewhere – but this is counterbalanced by households without children spending more on domestic services than households with children.

Table 1. Average monthly spending on childcare-related services by households at different points in the household expenditure distribution in the Dominican Republic, and proportion of total household expenditure this represents (Dominican Pesos, DOP)

Decile of household expenditure distribution	Average spending on domestic services (DOP, monthly, per household) (1)	Average spending on early childhood education (DOP, monthly, per household) (2)	Average spending on childcare services (DOP, monthly, per household) (3)	Proportion of total household expenditure spent on childcare (4)= [(1)+(2)+(3)]/total HH expenditure
D1	1.85	13.79	1.62	0.55%
D2	4.08	18.29	0.38	0.49%
D3	16.05	23.46	1.98	0.70%
D4	21.26	20.32	3.99	0.65%
D5	32.04	24.15	11.33	0.82%
D6	43.48	28.02	10.71	0.86%
D7	111.94	19.86	24.62	1.37%
D8	167.01	25.64	16.36	1.47%
D9	324.28	52.52	17.97	2.17%
D10	1536.96	141.28	53.54	4.45%
All households	**226.10**	**36.75**	**14.27**	**1.35%**

Notes: (i) Spending on domestic services is not exclusively for childcare but it was not possible to separate out childcare-related expenditure from non-childcare-related expenditure. (ii) Exchange rate in 2018 was around DOP 49 to USD.

Source: Encuesta Nacional de Gastos e Ingresos de los Hogares (ENGIH), 2018, Banco Central, República Dominicana. Calculations by the Anker Research Institute.

are not available on a comparative basis.

Table 2. Average monthly spending on childcare-related services by women-headed and men-headed households with and without children in the Dominican Republic, and proportion of total household expenditure this represents (Dominican Pesos, DOP)

Household type	Average spending on domestic services (DOP, monthly, per household)	Average spending on early childhood education (DOP, monthly, per household)	Average spending on other childcare services (DOP, monthly, per household)	Proportion of total household expenditure spent on childcare
Women-headed households with children	148.09	65.73	27.79	1.45%
Women-headed households without children	439.98	0.29	1.27	1.44%
Men-headed households with children	120.37	70.59	28.33	1.57%
Men-headed households without children	246.30	8.73	0.47	1.04%
All households	**226.10**	**36.75**	**14.27**	**1.35%**

Source: Encuesta Nacional de Gastos e Ingresos de los Hogares (ENGIH), 2018, Banco Central, República Dominicana. Calculations by the Anker Research Institute.

The fact that average expenditure on childcare represents only a small proportion of total household expenditure in the Dominican Republic, even for households with children, is not particularly surprising for two reasons. First, a lot of childcare is unpaid. Second, children's care needs are most intense in the first five years and once these costs are averaged over all families, irrespective of the age of children, the amount spent on care per year is greatly reduced. In addition, it is important to keep in mind that observed percentages include all domestic services and so not just childcare.

In the next section, we focus in on the cost of early childhood education and care, using information from various sources to establish typical costs for this type of care in different country contexts.

3.4 For families with young children, the cost of childcare in formal facilities can be high relative to household incomes, but this depends on local laws and the amount of government support available

In recent years, the cost and affordability of childcare has received considerable attention in policy circles, particularly in high-income countries, because of a growing body of research showing links between early childhood education and care in formal settings and positive impacts on child development outcomes (especially for socially disadvantaged children) and women's employment and productivity. This had led to a growing number of estimates of the cost of early childhood education and care in different countries (especially for

high-income countries) – either as a percentage of average wages or as a proportion of household income or expenditure.

Using information on the cost of public childcare facilities, the OECD has estimated that, for EU countries on average, gross full-time childcare fees for two children aged two and three represent nearly 25% of the median full-time wage for women.[31] After accounting for government support measures[32], the net cost reduces to 14% of women's median wage for a middle-income two-earner couple, 11% for low-income couples, and 7-9% for lone parents, on average. Two-earner couples with median earnings generally have higher net childcare costs than other family types, particularly lone parents with low earnings, because governments in Europe tend to give priority to vulnerable groups when allocating support. However, there is substantial variation in net childcare costs across both countries and family types and in some countries, such as Cyprus, the Czech Republic, and Ireland, net childcare costs can equate to more than 33% of women's median earnings.

In the United States, where there is less government support for childcare than in many EU countries, the proportion of household income spent on early childhood education and care can be very high. The average cost of full-time nursery care for an infant range from 7% to 18% of the state median income for a married couple, and for toddlers the cost ranges from 8% to 15% of state median income for a married couple.[33] For lone-parent families, childcare fees for an infant can be as high as 94% of median income. Low-income working families with children under 13 are eligible for childcare support but the amount and type of support varies by state.[34]

There is much less information available about childcare costs in low- and middle-income countries.[35] A study that used household expenditure data to compare costs for private pre-school with public pre-school in Tanzania, Malawi, Ghana, and Ethiopia found significant differences between these countries: the proportion of household expenditure for one child in private pre-school varied between 1.2% and 9.4%, while for public pre-school the proportion varied between 0.5% and 5.1%.[36] These percentages are considerably higher for families in the poorest quintile, at between 5.3% and 20.6% for private pre-school, and between 0.7% and 7.2% for public pre-school. Another study in a deprived neighbourhood of Nairobi, Kenya, found more than 80% of 4-to-5-year-olds in this neighbourhood attend pre-school and parents in the poorest quintile spend an average of 12% of their household income on this.[37] In Mexico, average fees for the Federal Daycare Programme for Working Mothers, which ran from 2007 to 2019, were equivalent to 22.5% of the monthly minimum wage, although it is important to keep in mind that the minimum wage in Mexico is low relative to prevailing wages.[38]

[31] OECD, 2022. Note that these calculations assume the use of public childcare providers as data on prices charged by private facilities are not available on a comparative basis.

[32] These include government subsidies to reduce childcare fees, child benefits paid to parents to assist them with childcare costs, and tax concessions that are conditional on childcare use or spending.

[33] Child Care Aware of America, 2019.

[34] In 2016, the government set a federal benchmark for families receiving subsidies, stating that affordable co-payments for these families should not exceed 7% of household income.

[35] Although there are an increasing number of studies on the effectiveness of increasing the availability of childcare for enabling women's employment and improving child development outcomes, these studies mostly assess free or subsidized childcare programmes rather than all available childcare facilities, and they do not usually report on childcare costs. See Halim et al., 2021, for a systematic review of studies in low- and middle-income countries that assess the impact of institutional childcare on maternal labour market outcomes.

[36] Baum, 2021, cited in UNESCO, 2021.

[37] Bidwell and Watine, 2014, cited in Devercelli and Beaton-Day, 2020 (page 25).

[38] Ibid.

3.5 Most childcare is unpaid, for many different reasons

As is clear from the evidence presented above, early childhood education and care can represent a significant cost for families with young children, but the cost varies significantly between countries due to differences in the availability of free or subsidized pre-schools and other government support for families with children. It is also important to recognize that most childcare for young children is provided at home or by relatives, especially in low- and middle-income countries. Although attendance at pre-school is increasingly common for children aged 3 to 6 – UNESCO reports a global pre-school enrolment rate of 61% for 2021, a substantial increase from 33% in 2000 due to increased government spending in this area – this global figure is strongly influenced by high enrolment rates in high-income countries, where pre-school is typically free, as only 20% of children in low-income countries attend pre-school.[39]

The proportion of children under 3 in formal childcare is far lower. In OECD countries, only around one-third of children under 3 are enrolled in formal childcare settings, on average, while for 16 upper-middle-income and lower-middle-income countries in Latin America and the Caribbean, the proportion of under 3s in formal childcare ranges from around 1% in Honduras to around 26% in Uruguay.[40] There is little reliable information available for low-income countries, but one estimate puts the proportion of under 3s in formal childcare at around 4% to 7%, on average.[41]

The high cost of early childhood education and care in formal settings is one reason why young children are often cared for at home or by relatives, but it is not the only reason. Other reasons include:

- Socio-cultural norms and values that frown on young children being cared for outside the family and especially in formal institutions and that expect mothers and/or the extended family to perform this role;
- Perceived low quality of formal childcare services which undermine parents' trust that their children will be well-cared for;
- Insufficient supply of education and care services (especially quality services at affordable cost) to meet possible demand, including government-sponsored services; and
- A lack of alignment with parents' needs when it comes to location and operating hours of service providers.[42]

Who cares for children also depends on how common it is for extended families to live together or in the same area, as well as working patterns and degree of physical separation from children, retirement ages and availability of grandparents, and pension provisions for older people. Ethnographic studies have highlighted differences between a 'western' model of child-rearing that emphasises the role of biological parents; the traditional, 'socially-distributed' model common in many societies in Africa where shared responsibility for bringing up children is valued for its role in reinforcing kinship bonds and collective well-being; and traditional care systems in parts of the world such as Asia where extended families often live together and grandparents and other relatives help raise children.[43] The influence of parental and societal attitudes and norms regarding

[39] UNESCO, 2021.

[40] Based on the OECD Family Database and analysis for Latin America and the Caribbean by the IDRB and the World Bank, as cited in Devercelli and Beaton-Day, 2020 (Annex A).

[41] This is based on data from studies in 31 low-income countries between 1995 and 2002 and used in UN Women's Progress of the World's Women 2015-2016 report, and a 2009 survey in New Delhi, India, by FORCES, both cited in Devercelli and Beaton-Day, 2020 (Annex A).

[42] Devercelli and Beaton-Day, 2020.

[43] Madhaven and Gross, 2013.

how young children should be cared for is evident in studies that have shown that increasing the availability of low-cost childcare does not always lead to a significant increase in maternal employment.[44]

A common scenario in rural areas of many low- and middle-income countries is that workers leave children with relatives and migrate either domestically or internationally for work. In this case, workers usually send money "home" to cover the cost of looking after children as part of broader financial support for relatives. However, relatives are not always able to dedicate time to childcare. In many countries, inadequate pension schemes as well as people living longer means that grandparents often continue to work past the nominal age of retirement.[45]

3.6 Establishing the amount of time spent on unpaid care work for different family types

As is clear from the discussion so far, there is considerable variability across countries regarding childcare provisions for young children. In some countries, almost all childcare is usually provided within the family, while in others the bulk of childcare during working hours often takes place in formal institutions. The economic development level of a country and the social policies of governments are central to differences across countries, but local social and cultural norms and values are also important.

Looking after young children is just one aspect of unpaid care work and other types of care can also take a lot of time, especially for women. Time use surveys in 76 countries indicate that women perform between 55% and 92% of all unpaid care work and domestic chores such as cooking, cleaning, and shopping comprise the bulk of this work (although childcare is likely to be carried out simultaneously with some of these chores).[46] The average amount of time women spend on unpaid care work ranges from a maximum of 490 minutes per day in Cabo Verde to a minimum of 168 minutes per day in Taiwan, and is generally highest for women with children under 5.[47] Conversely, the amount of time spent on paid work is almost always lowest for women with children under 5, although in some countries, such as South Africa and Belgium, women with children under 5 do more paid work than women with older children. More generally, the strength of the relationship between time spent on paid work and time spent on unpaid care work varies by country, partly because of significant variation between countries in the total amount of time devoted to work each day.[48]

Women in low-income households tend to spend more time on unpaid care work than women in households with higher incomes, but the differences are relatively small in countries where the time women spend on paid work does not change much with household income level (such as Tunisia, Ethiopia, and Ghana).[49] The pattern is more variable for men and in some countries (e.g., Tunisia, Ghana, China, Uruguay), men devote more time to unpaid care work as household incomes increase whereas in others (e.g., Ethiopia, South Africa, Argentina), men do less unpaid care work as household incomes increase.

[44] Halim et al., 2021.

[45] Devercelli and Beaton-Day, 2020.

[46] Charmes, 2019. Due to differences in how the time use surveys were carried out in each country, the figures are not strictly comparable across countries. This particularly relates to Latin America countries and Cabo Verde – for these countries, the methodology used tends to overestimate the time spent on unpaid care work.

[47] Ibid.

[48] Some of this variation is due to differences in the way the time use surveys were carried out. In particular, the surveys in Latin American countries and Cabo Verde were mostly carried out using a detailed set of questions rather than time use diaries and this leads to a tendency to overestimate the time required for unpaid care work because it mixes simultaneous activities. See Chambre (2019) for more details.

[49] Tunisia, Ethiopia, Ghana, South Africa, China, Argentina, and Uruguay.

Importantly, the amount of time that women and men spend on unpaid care work does not depend on a country's economic development status as there is a wide range for each level of economic development (see Table 3). There is, however, more similarity in the time spent on unpaid care for countries in the same geographical region, which suggests that socio-cultural norms and values play more of a role than economic development level in determining the distribution of unpaid care work between women and men.

Table 3. Average, minimum, and maximum time spent on unpaid care work by women and men for a sample of 75 countries, by economic development status of country (minutes per day)

Economic development level	Time spent on unpaid care work by women			Time spent on unpaid care work by men		
	Average	Minimum	Maximum	Average	Minimum	Maximum
High-income countries (33)	260	168 (Taiwan)	348 (Chile)	137	39 (Korea, Rep.)	194 (Sweden)
Middle-income countries (36)	276	173 (Thailand)	423 (Mexico)	68	18 (Cambodia)	200 (Moldova)
Low-income countries (6)	262	221 (Benin)	490 (Cabo Verde)	88	21 (Mali)	246 (Cabo Verde)

Notes: Due to differences in how the time use surveys were carried out in each country, the figures in this table are not strictly comparable across countries. This particularly relates to Latin America countries and Cabo Verde – for these countries, the methodology used tends to overestimate the time spent on unpaid care work. For more information, see Chambre (2019).
Source: Chambre, 2019.

In summary, there are no hard and fast rules for determining how much time women and men spend on unpaid care work – it depends on the country. Although the time spent by women on paid work is typically correlated to the time spent by women on unpaid care work, this is less true for men and the total amount of time spent on work varies greatly between countries. In addition, there is a lot of variation according to age, income level, parental status, and other socio-economic characteristics, which further complicates the picture.

Note that since the average amount of time spent by women per day on unpaid care work in low-income, middle-income, and high-income countries is around 270 minutes (or 4.5 hours per day) and this includes time outside of normal working hours, and the typical assumption in the Anker Methodology is that one adult in the family does not engage in paid work for around 40% of the working day, this is an indication that the Anker Methodology allows sufficient time for unpaid care work for many countries. Of course, this may not be the case for all countries and locations, or for all family types, or for countries where most women and men engage in full-time paid work.

3.7 Care needs and vulnerability to poverty among lone-parent families

Lone parents often face particular difficulty balancing paid work with unpaid care work, and these types of families are increasingly common around the world. Globally, 21 percent of households with children are lone-mother households while 3 percent are lone-father households, on average.[50] The proportion of

lone-parent households is generally highest for countries in Africa and Latin America and the Caribbean, representing over 45 percent of all households with children in some countries in these regions, whereas in Asia these types of households are typically less prevalent (with exceptions).

Lone-parent families are often vulnerable to poverty. In the high-income countries that are part of the OECD, the average poverty risk for individuals living in lone-parent families in OECD countries is 31%, which is three times higher than that of individuals living in families with two parents.[51] In addition to lower employment rates, lower average pay for women than for men increases the risk of poverty, as most lone parents are women. However, the poverty rate in OECD countries is strongly influenced by public policy, including measures to protect the economic security of households with low incomes, the existence of free or subsidised pre-school education and childcare, policies to address the gender gap in employment (such as rights to paid parental leave and flexible working time), and the nature and enforcement of child support policies related to non-resident parents.[52]

In low- and middle-income countries, the risk of poverty for lone-parent families may be even higher than in OECD countries, not least due to higher poverty rates overall. Recent analysis of Demographic and Health Survey data from 31 African countries indicates that approximately 84% of lone mothers in these countries experience multi-dimensional poverty, even though 78% of lone mothers are in employment (including self-employment and unpaid family economic labor).[53] Lone mothers who have never been married are significantly more likely to be poor than lone mothers who are divorced or separated.[54] Lone motherhood is on the rise across the continent, especially in urban areas, for reasons including gendered migration, poverty, shortage of marriageable men, and a decline in early and arranged marriage.[55] In some countries, however, lone-parent families are no more likely to be poor than two-parent families. For example, in Latin America, children in lone-parent families are disproportionately likely to be poor in Brazil, Colombia, Panama, Paraguay, and Uruguay, but in Guatemala and Peru, child poverty rates are similar for both types of families, and in Mexico, the poverty rate is slightly higher among two-parent families than lone-parent families.[56] These differences can be explained by differences in the main reason for parental absence – in Mexico, migration is the main cause for parental absence rather than union dissolution or death of a parent, and this is associated with remittances that boost incomes for lone-parent households.

3.8 Implications of care needs and costs for Anker Methodology living wage estimates

In this section, we draw some conclusions from the above discussion about the cost of paid childcare and the time spent on unpaid care work and how this relates to Anker Methodology living wage estimates. One conclusion we have reached is that it is difficult to generalize about the cost of childcare as a proportion of living costs for different types of families because of a lack of relevant secondary data, especially for low- and middle-income countries, as well as the considerable variation between countries in (i) the amount of time spent by women and men on unpaid care work (in-

[50] These figures are based on analysis of population data for 124 countries (United Nations, 2017).

[51] OECD, 2018.

[52] Gornick et al., 2022.

[53] Ntiomo and Chadoka-Mutanda, 2020.

[54] Some never-married lone mothers have chosen not to marry, but this mostly relates to more educated women. In many cases, lone mothers have not been able to find a spouse after delaying marriage to fulfil obligations to support their parents.

[55] Various sources cited in Ntioma and Chadoka-Mutanda, 2020.

[56] Cuesta et al., 2018.

cluding childcare) relative to the total amount of time spent on paid work; (ii) the availability, quality, and cost of early years education and care services; (iii) the local social-acceptability of using non-family persons and institutions for childcare; (iv) the nature and generosity of state support for families, especially low-wage workers, and low-income households; and (v) other contextual factors, such as patterns of migration and remittances. More generally, the fact that unpaid care work, including shopping, cooking, cleaning, and other types of domestic work as well as direct care for children and other family members, is not monetized in economic statistics means it is challenging to determine the value of all types of care as part of estimating a living wage or living income.

Nevertheless, we can make a few general points in relation to the amount of time and funds allowed for care work in Anker Methodology living wage estimates. As discussed above, Anker Methodology living wage estimates typically assume that around 40% of the working day for one adult in the reference family is spent on unpaid care work, and the methodology includes various measures which ensure that time is available for unpaid care work. This reduces the need for unpaid care work by other family members, including children. In addition, the cost of paid care is included as part of non-food non-housing costs to the extent that care services are paid for by households at the 40th percentile of the expenditure distribution (or another percentile such as 30th percentile) used in a Benchmark study, and time spent collecting water and firewood is monetized when these activities take up considerable time. Post checks are also carried out on the local cost of education and health services to ensure living wage estimates include sufficient funds for decent health care and for education through secondary school. Whether or not this represents 'sufficient' time and funds for care work for families of different sizes and compositions will largely depend on the size of the family and the age of children in the family and who looks after children during the working day (although other factors may also be important[57]). The implications of varying childcare needs for different types of families are discussed below.

For a family of 2 adults with one or more children under age 3 who are looked after at home – out of choice or because childcare by others is unavailable or unaffordable – unpaid care work is highly likely to take up more than 40% of the working day of one adult. This means that a typical Anker Methodology living wage estimate may not be sufficient to cover all living costs for this type of family at this time of life, since the second adult in the reference family will not do as much paid work as is assumed in the living wage estimate.[58]

For families with children under 3 who are looked after by relatives or friends for free while adults in the family do paid work, a typical Anker Methodology living wage estimate would generally cover all living costs at a decency level. This may change if the unpaid childcare provided by relatives or friends is given a monetary value and included as part of living costs.[59] However, this 'cost' may be offset by the additional income earned by adults in the family while relatives or friends take care of their children. In addition, if the Anker Methodology living wage estimate includes an allowance for financial support for relatives, this may mean that the value of unpaid childcare

[57] The presence of one or more people with a disability or long-term illness in the family would also affect the time and funds required for care work, as would the presence of elderly people who require personal care. Assessing the cost of care for these types of households would involve a detailed exploration of state welfare systems and pension arrangements in the relevant location, which is beyond the scope of this paper.

[58] In some contexts, it may be acceptable to combine childcare with some types of paid work, such as when women produce handcrafts at home or engage in informal trade while also watching over their children. However, this needs to be assessed on a case-by-case basis to ensure that the health and wellbeing of children is not jeopardised.

[59] Unpaid care work should ideally be valued using a living wage but since there may be more than one child cared for at the same time and childcare may be performed alongside other domestic tasks, the most appropriate way to value unpaid care provided by relatives or friends is not straightforward.

has, to some extent, been included as part of living costs.

For families with children under 3 who are looked after by a paid caregiver in a formal or informal setting, the degree to which a typical living wage estimate will cover all living costs for the family will depend on the cost of this paid childcare, how much of this cost is covered by the amount allowed for care work in the living wage estimate (as part of non-food non-housing costs as indicated in household expenditure statistics), and how much time is spent on paid work. Given that the cost of paid childcare for infants and toddlers is typically quite high, due to the low child-to-caregiver ratio required for children of this age, it is likely that in many cases an Anker Methodology living wage estimate will not be sufficient to cover all living costs for this type of family unless childcare is free or subsidized by governments, employers, or NGOs.

For families with children in the 3-to-4.9-year-old age group (or the relevant starting age for primary school), the picture becomes more varied. Free and subsidized pre-school education is becoming more widely available around the world and governments in many countries are providing and subsidizing pre-school education and care programmes that specifically target children from families with lower incomes, in response to evidence that these children have much to gain – and these are the types of households that living wage estimates are based on. However, considering that free or subsidized pre-school is often not available in low- and middle-income countries, and that pre-school rarely covers the whole working day, it is likely that, in many locations, 40% of a working day typically available in the Anker Methodology is insufficient time for unpaid care work for families with children in the pre-primary school age group who are looked after at home. If pre-school-age children are looked after by relatives or friends or by private childcare providers, the same factors come into play as for children under 3 and these will determine whether an Anker Methodology living wage estimate covers all care costs or not. Note, however, that the cost of paid childcare per hour (or assigned value of unpaid childcare) is lower than for children under 3 since caregivers can look after more children of pre-school age at the same time.

For families with primary-school-age children (i.e., age 5, 6, or 7, depending on the country), 40% of a working day for unpaid care work becomes more realistic, although this still depends on the length of the school day, the number of weeks of school per year, and government support measures for pre- and after-school care as well as holiday care. It also should be noted that paid childcare for primary school age children is considerably less expensive than for younger children due to higher caregiver-to-children ratios, and so paying for some childcare at this age may only have a moderate impact on family budgets.

For families with children in secondary school, it is reasonable to assume that no childcare is needed during the working day and 40% of a working day for unpaid work will be more than sufficient for most families in most locations.

To summarize, a typical Anker Methodology living wage estimate is likely to allow sufficient time and funds for childcare for families with children of primary-school-age and above, especially for families with children of secondary school age. But for families with one or more children under primary school age, an Anker Methodology living wage estimate may not cover the full cost of childcare when the value of both paid and unpaid childcare is taken into consideration. Thus, an Anker Methodology living wage estimate may include enough funds for childcare-related costs on average over all of the childhood years because of counterbalancing childcare costs for children of different ages, with a likely large underestimate of the funds needed for children below age 2 or 3, a smaller underestimate for children ages 3-4.9, and a large overestimate for families with children in secondary school ages of around ages

12-18. We therefore feel that it makes sense to average childcare-related costs over all of the childhood years, as in the Anker Methodology, rather than using childcare costs for children of specific ages whether they are high cost or low cost years in terms of childcare.[60]Note that if the number of full-time equivalent workers in the reference family is greater than 1.6, there is a higher risk that Anker Methodology living wage estimates do not cover the full cost of childcare for families with young children. But again, this is not a given, since some countries have high labor force participation rates for women precisely because there is good availability of affordable and quality childcare, and if both workers in the family work full-time and earn a living wage, their joint income may be sufficient to cover any additional childcare costs that are incurred (depending on how expensive childcare is).

3.8.1 Lone parent families

For lone-parent families, the situation is different. This type of family is often among the most vulnerable to poverty, precisely because of the difficulties of balancing paid and unpaid work and covering living costs when there is only one adult in the family who can do paid work. In high-income countries, lone-parent families are frequently targeted for government support and yet they are often still at risk of poverty, in part because most lone parents are women and women earn less than men, on average. Lone-mother families in lower-income countries are often in an even more precarious position due to low wage levels, higher poverty rates, less government support, and, in some locations, a decline in kinship support from relatives. For these families, especially those that include young children and that do not receive financial support from non-resident parents or other relatives, a living wage earned by one adult may not be sufficient to afford a decent standard of living. Further research is needed to determine how common this situation is in different regions of the world and what the implications are for employers, workers' organizations, governments, international companies, and others that are seeking to raise living standards for workers.

4. CONCLUSIONS

This paper has provided clarity on the multiple ways that a gender perspective is embedded into the Anker Methodology for estimating a living wage. This is important for transparency and for ensuring interested parties fully understand the approach, particularly given growing commitment among global companies to ensuring workers receive a living wage and increasing use of Anker Methodology living wage Benchmarks to measure progress in this area.

We have described how the Anker Methodology includes measures that recognize and reduce unpaid care work, to prevent any family member (especially women and girls) from having an excessive burden of work. These measures include:

- Factoring in time for the family for unpaid care work during regular working hours[61];
- Allowing for the purchase of prepared

[60] It is also important to keep in mind that non-childcare living costs such as for food, clothing, recreation, need for housing space, etc. increase with children's age and are lower for younger children.

[61] It is also worth noting that the Global Living Wage Coalition and Anker Methodology definition of living wage excludes overtime since a living wage must be earned in regular working hours, and this has a positive effect for working women who are disproportionately responsible for unpaid care at home.

foods and meals away from home rather than assuming all food is prepared from scratch at home;
- Not expecting people to be perfect shoppers spending undue amounts of time comparison shopping or only purchasing the least expensive foods;
- Not expecting people to be perfect consumers or food preparers who never waste any food; and
- Monetizing time spent collecting firewood and water when these activities take up considerable time.

We have also indicated how the Anker Methodology ensures that a living wage enables workers and their families to afford:

- A diet with sufficient calories and nutrition for men, women, and children at different stages of their lives, including for women during pregnancy;
- Housing with adequate ventilation of smoke from cooking, to protect the health of women and girls in particular;
- Education to at least secondary level for all girls and boys;
- Pre-school education and childcare for children under primary-school-age when this is commonly paid for in the study location; and
- Adequate health care including for sexual and reproductive health.

These measures help to ensure that Anker Methodology living wage estimates are responsive to common gender issues that affect low-wage workers and their families around the world. It should also be pointed out that having a living wage benchmark is itself an important step forward in addressing a key issue for women workers everywhere – low pay for women relative to men, which results in a global gender pay gap of around 20%.[62] The fact that women are disproportionately likely to be in low-paid jobs means that efforts to raise wages for all workers to a living wage (at minimum) could especially benefit women. Moreover, it is expected that the Anker Research Institute's new methodology for measuring gender pay gaps at the workplace and sector level[63] will help to deepen understanding of the links between gender inequality and a living wage and the policies and practices that can be adopted by employers and others to close gender pay gaps.

This paper has also explored household expenditure on childcare and the time required for unpaid care work for different family types, and what this means for living wages. We have highlighted data gaps for this area of expenditure as well as considerable variation between countries and between family types in the use and affordability of paid childcare services. We have also drawn attention to variation between countries and between socio-economic groups in the amount of time spent by women and men on unpaid care work and note that the relationship between time spent on paid work and time spent on unpaid care work is not constant. The time devoted to unpaid care by women and men is strongly influenced by socio-cultural norms and values as well as public policy, with the economic development level of a country apparently playing a less important role. Although the situation varies depending on the country, it is evident that in many places, low-income families with young children and lone-parent families often struggle to find a balance between fulfilling care needs for the family and securing enough income to cover living costs.

In the Anker Methodology, only one living wage estimate is produced for each geographical location. This estimate is based on living costs for a 'typical' family that has 2 adults and an average number of children for the location, with average living costs for children aged 0

[62] ILO, 2018. The gender pay gap is the difference between average pay for women and average pay for men as a percentage of average pay for men.

[63] For information about the ARI methodology for measuring and understanding gender pay gaps at workplace and sector level, see here.

to 17 being used for the estimate rather than costs for children at specific ages. The reason for this is because having more than one living wage estimate for a location for different types of workers (such as unmarried workers with no children or lone parents) who have different living costs could encourage discrimination in employment on the basis of marital or parental status. Although some may argue that the living wage estimate for a location should be based on living costs for families that have the highest living costs relative to incomes – which may be families with very young children and/or lone-parent families due to childcare requirements – we do not think that this is justifiable or appropriate. Similarly, we do not think that it is appropriate to base living wage in a location on the living costs for families that have the lowest living costs – which may be single persons without children. Rather, we would emphasize the need for additional, non-wage measures and targeted public policies to support all types of families to achieve a decent standard of living. This could include, for example:

- Free or subsidised early years education and care.
- Cash transfers and/or tax relief for families with children and lone-parent families.
- Investment in infrastructure and services that reduce the time required for care work, such as water supply, transport services, schools, and community health clinics.
- Subsidies or loans for families to buy labor-saving equipment such as stoves, food processors, refrigerators, and washing machines.
- Improved employment protections and benefits for workers with children, such as paid maternity and paternity leave, paid emergency leave, and the right to flexible working time.
- Legal requirements for non-resident parents to provide child support, and enforcement of these requirements.

In saying this, we suggest that employers should not bear sole responsibility for ensuring all workers, including workers with young children and lone-parent families, have a decent standard of living and are protected from poverty – this is also the responsibility of the state. Companies that purchase goods and services through global supply chains also have a role to play, particularly when it comes to purchasing practices and prices paid to suppliers.

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