The Care Economy in Spain: A Gender-aware SAM-CGE Study

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The expansion of the care economy has emerged as a central policy priority in Europe, driven by demographic ageing, rising care needs, and growing recognition of care as a key infrastructure for inclusive and sustainable growth. However, prior models often fail to capture the gendered structure of care production and employment, as well as the distributional transmission mechanisms through which care-related public investment affects households. This paper addresses this gap by developing a highly disaggregated Social Accounting Matrix (SAM) for Spain and a gender-aware Computable General Equilibrium (CGE) model designed to evaluate the economic, employment, and income distribution effects of care economy expansion policies.

The Spanish SAM is constructed for the benchmark year 2018 and integrates 81 productive activities, detailed labor factors disaggregated by gender, age and educational attainment, and heterogeneous household groups classified by income quintile and by the gender of the main income earner. This structure allows for a comprehensive representation of productive sectors, factor incomes, institutional transfers, and consumption patterns, enabling the identification of gender-specific income generation and redistribution channels. Special attention is devoted to care-related activities, which are explicitly disaggregated into human health services, social work and care, and education, thereby reflecting alternative conceptualizations of the care economy in feminist economics.

We first conduct a standard SAM multiplier analysis to quantify the economy-wide effects of alternative care-demand injections. We then decompose multiplier outcomes into direct, indirect, and induced components. To move beyond aggregate multipliers and provide an interpretation of transmission mechanisms, we implement Structural Path Analysis (SPA) to identify how and through which sectors and agents an exogenous care demand is transmitted in the economy. This allows us to trace the impacts of a higher demand for care services could expand care output, increase labor demand in care-intensive activities, raise female labor incomes, concentrate income gains in specific household groups such as lower-income or female-breadwinner households, and generate additional consumption-driven production effects across interconnected sectors.

Preliminary results suggest that care economy expansion generates significant gains in female labor income, especially among medium- and high-skilled workers and younger to mid-career age groups. Household incomes rise across the entire distribution, with larger absolute gains observed among higher-income and male-headed households. However, the results point to strong progressive impacts, with lower-income quintilesâ€”particularly female-headed householdsâ€”experiencing relatively larger income gains.

Then, a set of structural policies is assessed using a gender-aware CGE model for Spain, which explicitly incorporates price adjustments, resource constraints, and fiscal feedback effects. Specifically, we examine the macroeconomic and employment impacts of progressive fiscal policies aimed at reducing the gender wage gap and expanding the care sector, the formalization of domestic work, broader inequality-reducing structural reforms, and policies fostering skills and human capital accumulation. Overall, the paper shows that embedding gender-disaggregated labor structures and heterogeneous households within a SAMâ€“CGE framework is essential for accurately evaluating care economy policies. To our knowledge, this constitutes the first gender-disaggregated SAMâ€“CGE application to analyse care sector expansion in Spain.