

## Building caring economies as a pathway to economic and gender justice

Nguyen Thi Tham, a participant in SNV's "Enhancing Opportunities for Women's Enterprises" project, and her husband sharing chores.

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## **Executive summary**

Care is the cornerstone of economies and societies. It includes all the activities that support people to meet their needs,¹ including caring for children, the elderly, people with disabilities² and people facing illness, as well as teaching activities and provision of food and basic necessities for a household. Care work is essential for communities and economies to function,³ and it increases a country's prosperity: unpaid care work alone is estimated to add US\$10.8 trillion to the global economy each year, the equivalent of 9% of global gross domestic product (GDP).⁴ As such, care is a global good that everyone in a society and economy benefits from. Care is also a right, which means everyone in need of care has a right to receive that care. A caring economy should provide all the services and support required to ensure all its citizens in need receive quality, accessible, free care.

Yet, no country in the world has fully realised a caring economy. And worse, current economic systems are skewed against women and girls. Only one in three entrepreneurs in the world are women,<sup>5</sup> men earn 39% more than women,<sup>6</sup> and public under-investment in care and gender-discriminatory norms see women and girls perform an inequitable amount of unpaid care: they spend 4.7 hours per day on unpaid caring

The International Trade Union Confederation (ITUC), Women's Working Group on Financing for Development, the African Women's Development and Communication Network (FEMNET), Manki Maroua and CARE International (2021). "The Care Manifesto." https://insights.careinternational.org.uk/publications/the-care-manifesto-a-joint-call-for-action-by-the-economic-justice-and-rights-action-coalition-civil-society-organisations-and-youth-group-leads

<sup>2</sup> In this report, we are using both the person-first reference (person with disabilities) and identity-first language (disabled person), to give both options while noting that people may have a personal preference.

<sup>3</sup> UN Women (2022). "A toolkit on paid and unpaid care work: From 3Rs to 5Rs." https://www.unwomen.org/en/digital-library/publications/2022/07/a-toolkit-on-paid-and-unpaid-care-work

<sup>4</sup> Coffey, C., Espinoza, R. P., Harvey, R., Lawson, M., Parvez Butt, A., Piaget, K., Sarosi, D. and Thekkudan, J. (2020). "Time to care. Unpaid and underpaid care work and the global inequality crisis." Methodology Note. Oxfam. https://policy-practice.oxfam.org/resources/time-to-care-unpaid-and-underpaid-care-work-and-the-global-inequality-crisis-620928/

Halim, D. (5 March 2020). "Women entrepreneurs needed—stat!" World Bank Blogs. https://blogs.worldbank.org/en/opendata/women-entrepreneurs-needed-stat

<sup>6</sup> United Nations Development Programme (UNDP) (2023). "2023 Gender Social Norms Index (GSNI): Breaking down gender biases: Shifting social norms towards gender equality." https://hdr.undp.org/content/2023-gender-social-norms-index-gsni#/indicies/GSNI

activities, compared to men's 1.8 hours. Women are therefore "subsidising" economic growth in every country in the world, at the expense of their own economic potential. Unpaid care work, and the resulting "time poverty", is a major barrier to women's economic justice and rights – it is the principal reason given by women of working age for being outside the labour force, for not being able to run their own businesses or for being unable to engage in informal paid work activities. This is particularly severe in the current context of polycrises of climate, conflict and the aftermath of the COVID-19 pandemic, as when crises hit, women's and girls' unpaid care work rises and with it their economic opportunities decrease. Without investment in the care economy, decades of progress on gender equality are at risk of being reversed.

At the same time, there is cause for hope: the care work sector is one of the fastest growing sectors globally, promising up to 150 million new jobs by 2030. Women entrepreneurs are leading the way in complementing public care provision through innovative social enterprise models. Increased public spending on care and social services has the potential to shift the dial for unpaid carers, while feminist advocates are successfully influencing governments in their fight for gender-equitable laws and economic transformation.

This paper by the Cherie Blair Foundation for Women and CARE International explores good practice examples on care, and how investment in the care economy can strengthen women's entrepreneurship, work opportunities and gender equality more broadly, and help governments achieve their international development goals. Through exploring the stories of four women entrepreneurs, it outlines successful interventions to build caring economies in line with the feminist concept of the "5 Rs" of Recognition, Reduction, Redistribution, Representation and Reward for care work. Interventions include increasing care provision; investment in care and social services; focusing on care across the broad spectrum of caring needs – from disability care, to elderly care and childcare; redistributing care work at the household level through social norms change; and driving economic transformation that changes laws, structures and economies, with carers, women in all their diversity, and girls leading the way.

Building the care economy is a "win-win" scenario for gender equality, economic prosperity and achieving the international development commitments of ending poverty and inequalities alike – the founding tenants of the Sustainable Development Goals. It taps into a growing market, helps meet increasing caring needs, contributes to global growth, and fosters women's and girls' rights and economic opportunities. Large-scale investments in the care economy (including into care policies, care work and social protection) could create around 300 million new jobs, with every dollar invested producing almost four dollars in returns to global GDP. At the same time, the cost of not investing is high – for women and girls, but also economically. Lack of action on providing care, in the current context of polycrises, could unravel decades of progress on gender equality. And without investment in the care economy, the United States (US) alone would face a projected annual loss of US\$290 billion by 2030.

<sup>7</sup> Organisation for Economic Co-operation and Development (OECD) (2023). "SIGI 2023 Global Report: Gender Equality in Times of Crisis." https://www.oecd-ilibrary.org/development/women-undertake-a-disproportionate-share-of-unpaid-care-and-domestic-work\_b8923866-en

<sup>8</sup> Gates, M. F. (4 October 2023). "Melinda French Gates on how leaders can boost women's economic power." Bill and Melinda Gates Foundation. https://www.gatesfoundation.org/ideas/articles/melinda-french-gates-how-leaders-boost-womens-economic-power

Grantham, K. and Somji, A. (2022). "Childcare solutions for women micro and small enterprises." Research Paper. Women's Economic Empowerment Working Group. Donor Committee for Enterprise Development. https://www.enterprise-development.org/wp-content/uploads/Childcare-Solutions-for-Women-Micro-and-Small-Enterprises-MAY-22.pdf

This figure refers to directly care-related jobs only: International Labour Organization (ILO) (2018). "Care work and care jobs for the future of decent work." https://www.ilo.org/global/publications/books/WCMS\_633135/lang--en/index.htm

<sup>11</sup> See also: De Henau, J. (2022). "Costs and benefits of investing in transformative care policy packages: A macrosimulation study in 82 countries." ILO Working Paper 55. ILO. https://www.ilo.org/global/publications/working-papers/WCMS 839252/lang--en/index.htm

<sup>12</sup> ILO (2023). "The benefits of investing in transformative childcare policy packages towards gender equality and social justice." https://www.ilo.org/resource/brief/benefits-investing-transformative-childcare-policy-packages-towards-gender

Baller, S. and Hakspiel, J. (10 October 2023). "Building a care economy: 4 leaders on why investing today will create a virtuous cycle of prosperity." World Economic Forum. https://www.weforum.org/agenda/2023/10/experts-examine-how-developing-better-care-systems-can-close-gender-gaps/

## Recommendations

With care needs expected to increase globally by 10% in the next decade due to significant growth of youth and elderly populations, and increased health issues related to climate change, it has never been more important for decision-makers to get serious about addressing one of the biggest economic injustices of our time.

Decision-makers – including governments, donors, multilateral agencies and the private sector – should build caring economies by:

- **1- Recognising care as a right, and care provision as a global public good**, and committing to building caring economies by addressing the "5 Rs" of Recognition, Reduction, Redistribution, Representation and Reward for care work.
- **2- Investing at least 10% of domestic public income** (derived from progressive taxation and official development assistance (ODA)) in quality, accessible and affordable care services and **increasing ODA for care, social services and social protection**. During times of crisis, public spending on the care and social sectors should be protected to prevent a roll-back on gender equality.
- **3- Expanding quality care provision, including through a context-appropriate mixture of public care provision, social enterprise and community-led models**. Different models can be a vital stepping stone on the path towards universal, free, public care provision. Governments need to ensure that everyone who needs care has access to quality care services and should subsidise care provision for lower-income people.
- **4- Advancing care interventions to meet all caring needs** (including care for disabled people, the elderly and children) to address the hidden inequities in care. Decision-makers should, as a priority, increase investment in disability care services and financial support for unpaid carers of disabled children.
- **5- Addressing gender-discriminatory norms** through dialogues with households, reframed care narratives, gender-equitable legislation (such as maternity and paternity leave policies), and by redistributing care work more equally between women and men at the household level and between households and the public sector as a priority, including through increased provision and investment in care.
- **6- Fostering economic transformation towards gender-equitable and caring economies,** by putting in place laws and regulations that provide unpaid carers, women entrepreneurs and informal workers with increased access to care, social services, and legal and social protections. This will work towards addressing women subsidising the economy with their unpaid care work by filling the public funding gap for care and strengthening women's leadership, including by having diverse groups of women and carers co-lead policy, financing and implementation of the care economy.

Please help us share these crucial recommendations using the hashtags **#CaringEconomies** and **#Wednesday4Women** on social media.

For further information, please contact Mareen Buschmann, Global Advocacy Lead on Women's Economic Justice with CARE International UK, at Buschmann@careinternational.org

The full report is available online: careint.uk/building-caring-economies

<sup>14</sup> ILO (2018). "Care work and care jobs for the future of decent work" https://www.ilo.org/global/publications/books/WCMS\_633135/lang--en/index.htm.

## **About this project**

This report is part of a joint advocacy project between CARE International UK and the Cherie Blair Foundation for Women, with support from the Ares Charitable Foundation, seeking to influence the UK Government and global policymakers to fulfil their commitments to women and girls and on women's economic justice. Through evidence building, analysis and storytelling, we have looked into solutions to overcome inequalities in unpaid care, and outlined how building a caring economy – in line with the 5R framework for care – can foster women's entrepreneurship and economic justice.

**CARE International** 

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