OVERVIEW

The care economy is essential in daily life and a driver of economic growth, human capital development, and employment. Gender is a defining characteristic of the care economy. Women spend 3.2 times more time on unpaid care work than men and constitute the majority of the care workforce. Disproportionate unpaid care responsibilities and a lack of access to quality, accessible, affordable care services impede women’s economic participation and affect their overall well-being. Investments in the care sector are essential to accelerate equality and could generate up to 299 million jobs worldwide by 2035.

Globally, the need for care services is high. Worldwide, 43 percent of all children below primary-school-entry age—350 million children—need childcare but do not have access to it. The need for eldercare is also growing as the population continues to age and face chronic health conditions.

The World Bank Group actively supports countries in addressing this care crisis. This thematic policy note reviews many of the issues, evidence, and lessons learned:

- **Investing in the care economy is a win-win-win for families, businesses, and economies.** Affordable, accessible, and quality care services are a public good that benefits all. Care investment can generate jobs and yield multi-generational impacts by improving employment and productivity, child outcomes, family welfare, and overall economic development.

- **Ensuring access to well-designed, affordable, and quality care services can increase women’s economic participation.** Designing care services that accommodate needs of caregivers—adjusting hours of operation and location—can boost caregivers’ labor market outcomes.

- **Addressing social and gender norms is essential for increasing the uptake of care services.** Care is considered women’s work across societies. Interventions that simultaneously tackle multiple constraints, including normative barriers to outsourcing care, can increase the uptake of care services and, in turn, improve women’s labor market outcomes.

- **Employer-supported family-friendly initiatives can help employees manage their care responsibilities.** This may include childcare support, paid family leave, paid and job-protected parental leave, and flexible working options.

- **Coordination and collaboration across the public and private sectors is required.** Government ministries, the private sector, non-state organizations, and communities must work together to ensure access to quality care provision and maximize the return on such investments.
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This thematic policy note is part of a [series](#) that provides an analytical foundation for the World Bank Group Gender Strategy (2024–30). This series seeks to give a broad overview of the latest research and findings on gender equality outcomes and summarizes key thematic issues, evidence on promising solutions, operational good practices, and key areas for future engagement on promoting gender equality and empowerment. The findings, interpretations, and conclusions expressed in this work are entirely those of the author(s). They do not necessarily reflect the views of the World Bank Group or its Board of Directors.

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The care economy is a key driver of economic growth, human capital development, and employment. The sector is highly influenced by gender dynamics that demand women shoulder a disproportionate responsibility of care. While women carry out most of the unpaid care work, they also constitute most of the care workforce (International Labour Organization (ILO) 2018a). Disproportionate unpaid care responsibilities impede women’s economic participation and affect their overall well-being. Addressing the issues of care and dramatically increasing and improving investments in the care sector are essential to accelerate equality and expand women’s ability to make strategic life choices. This brief focuses on the care economy—primarily, childcare and care for older people and people with disabilities—and its impact on women’s economic outcomes. It touches on the need for care, economic returns and challenges of accessing care services, care solutions, and World Bank Group initiatives in addressing care.

The care economy consists of direct, personal, and relational care activities, such as caring for children, older people, people with disabilities, and adults. It also includes indirect care activities that involve maintenance of home and communities, sometimes called domestic work, such as cooking and cleaning. While unpaid care work is performed without a monetary reward, paid care work is performed both formally or informally for pay or profit, mainly by domestic workers, nurses, doctors, childcare workers, and other personal care service providers.

Women carry out three-quarters of unpaid care work. They spend, on average, 3.2 times more time on unpaid care work than men (Charmes 2019). Family members, disproportionately women, often assume the responsibility of caring for young children and older people due to binding social norms and a lack of social services. Although this work is essential in daily life and a foundational contribution to human capital development and productivity, it largely remains unremunerated, unquantified, and unacknowledged.

Measuring the economic value of unpaid care work is challenging due to the informal nature of the work, but available estimates suggest enormous monetary value. Globally, unpaid work consists of household chores (82 percent), direct care work (13 percent), and volunteer work (5 percent) (ILO 2018a). Measuring these unpaid activities is vital to realize a country’s overall economic output and progress. The valuation of these activities also underlines the existing gender inequalities in labor market outcomes and unpaid work, which generally remain invisible to society. Estimates based on time-use survey data in 64 countries suggest that globally, 16.4 billion hours are spent in unpaid care work every day, equivalent to 2 billion people working eight hours per day without pay (ILO 2018a). If this work is valued on an hourly minimum wage, unpaid domestic and care work totals $11 trillion, equivalent to 9 percent of the global Gross Domestic Product (GDP).

Worldwide, women spend, on average, 272 minutes per day on unpaid care work and 181 minutes per day on paid work, compared to men spending 84 minutes on unpaid care work and 321 minutes on paid work (see Figure 1). Even in high-income regions like North America, where household chores are largely automated and less time-demanding, women spend 95 minutes more per day on unpaid care work than men. The gap further widens in South Asia and North Africa, where men spend 33 and 50 minutes per day, respectively, on unpaid care work and women spend 296 and 309 minutes per day, respectively. A comparison of the total work (unpaid care work and paid work) of women and men indicates that women regularly spend more time doing work than men in all the regions of the world. Globally, while women spend 7 hours and 33 minutes daily (453 minutes) doing work-related activities, men spend 6 hours and 44 minutes (404 minutes).
Women are typically time-poor due to their disproportionate participation in unpaid work. This lack of time impedes women from completing school, obtaining paid work, dedicating time to establish or grow businesses, and/or working as many hours for pay as men. This results in women being funneled into informal and lower-paying jobs. Working longer hours also affects women’s mental well-being, adding to emotional strain with increased stress. They have less time available to enjoy life and make choices to exercise, be creative, socialize, or relax.

Crises, such as climate change and the COVID-19 pandemic, further increase women’s unpaid work, affecting their economic participation on a larger scale. The impact of climate change on growing food insecurity, decreasing access to clean water, and growing health risks all contribute to increasing the time women spend on unpaid care work. For instance, drought and scarcity may force women to travel longer distances to fetch water and firewood, potentially increasing their vulnerability to gender-based violence (GBV). Climate-change-induced disasters may reduce household income (Islam and Sharma 2021), leading to an increase in women’s unpaid work trying to compensate for the lost earning, which may further marginalize them. Health crises like the COVID-19 pandemic also markedly impacted women’s care responsibility, further reducing their opportunities for economic participation (see Box 1).
BOX 1. COVID-19 AND UNPAID CARE RESPONSIBILITY

The global COVID-19 pandemic exposed women’s critical role in providing care. During the pandemic, the need for care and domestic work skyrocketed with the closure of schools, increased remote work, and disrupted health services. Although both women and men reported an increase in their time in unpaid work after the pandemic (60 percent for women versus 54 percent for men), women shouldered the bulk of this increased care responsibility (UN Women 2020) with severe consequences for their labor force participation and well-being.

Women dropped out of paid employment at higher rates than men during the pandemic, largely due to increased care responsibilities for children, older people, and the ill (Bundervoet, Dvalos, and Garcia 2021; Cucagna and Romero 2021; De Paz Nieves, Gaddis, and Muller 2021; Kugler et al. 2021; Taş et al. 2022). According to the ILO’s global estimates (2022a), around 2 million mothers left the labor market during the COVID-19 pandemic. Women who remained were under additional stress in managing increased care responsibilities (Goldin 2022). A Rapid Gender Assessment by UN Women (2021) finds that women who reported an increase in unpaid care and domestic work during the pandemic were 1.6 times more likely to have experienced increased mental and emotional stress than those who did not report an increase in such work.

The increased care responsibility due to the closure of schools and childcare centers during the pandemic fell more heavily on working mothers than fathers (Collins et al. 2020; Del Boca et al. 2020). Women business leaders reported spending more time on domestic tasks during the pandemic than men business leaders. Nearly one-third of women entrepreneurs felt that increased childcare demands reduced their ability to focus on their businesses, which hurt their ability to generate income (Facebook, OECD, and World Bank 2020). The closing of schools, a major part of the care infrastructure, led to higher business closures for women business owners with children than for men business owners with children (Goldstein et al. 2022).
Childcare is at the center of many critical issues that governments face as they seek to fight poverty, build human capital, and increase productivity and equity. Worldwide, 43 percent of all children below primary-school-entry age—350 million children—need childcare but do not have access to it (Devercelli and Beaton-Day 2020). Nearly 8 out of 10 children who need childcare, but do not have access to it, are living in low and lower-middle-income countries. A child living in a low-income country is nearly five times less likely to have access to childcare than a child living in a high-income country.

This need for care is also on the rise due to the aging population. Countries worldwide are increasingly facing aging-related challenges, and more countries are projected to enter the aging phase of the demographic transition in the coming decades. Many families rely on adult children (mostly younger women and girls) or older spouses to provide care in old age. This family care model is likely to come under strain with the rising number of older dependents. The number of people age 60 and older is expected to rise from 962 million in 2017 to 2.1 billion in 2050 (United Nations (UN) 2017), exceeding the projected population of adolescents and youth between the ages of 10–24 (2 billion). The number of people age 80 and older is expected to increase even faster, tripling from 137 million in 2017 to 425 million in 2050.

Eldercare is different from childcare in terms of timelines, predictability patterns, and level of intensity. The first five years of a child’s life demand large care needs, which diminish as the child grows. However, there is no such predictability ineldercare. The need to give care to an older person can come unexpectedly and can vary over time. The care for older people can be complex, stressful, and exhausting, especially when they require multifunctional support for activities of daily living (ADLs), such as when they are bedridden, have a disability, or suffer dementia or other conditions. Long-term care needs vary widely, and the range of services provided needs to cover many situations—from helping an older person with their basic activities of daily living, such as bathing and dressing, to much more complex demands that require services from health care providers.

The need for care will grow with the increase in life expectancy and chronic health conditions. In 2019, informal caregivers worldwide (primarily family members and friends) spent, on average, five hours per day providing care and supervision for people living with dementia (WHO 2023), 70 percent of which were done by women. Worldwide, an estimated 55 million people were living with dementia in 2019, with over 60 percent living in low and middle-income countries. With life expectancy increasing in nearly every country, this number could increase to 139 million by 2050, indicating that without interventions, the care responsibility of informal family caregivers will also increase substantially (Gauthier et al. 2022). The UN (2016) estimates that, worldwide, 48 percent of older people are not covered by any type of long-term formal care services, and only 6 percent of them are covered by legislation that provides universal coverage.

Gender and aging are intertwined in multiple ways, with longer life expectancy potentially worsening existing gender inequality. First, women tend to live longer and make up a more significant percentage of the older population, especially for ages 80 and above. According to the World Development Indicators, in 2020, female life expectancy at birth was 75 years compared to 70 years for men in 2020. Second, women’s labor force participation is low worldwide (52 percent in 2019 compared to 80 percent for men). Older women typically face a higher risk of poverty than older men because they are less likely to have retirement savings, such as pensions, and their employment is generally low-paid, part-time, or informal. Women also experience frequent and more prolonged career breaks due to childbirth and other life events. A 2021 report by the Organization for Economic Co-operation and Development (OECD) suggests that across the OECD countries, the gender pension gap (i.e., the difference in the retirement income that women and men receive as a ratio of men’s retirement income) averages 26 percent. Moreover, given the gender norms prevalent in many societies, caring for older people predominantly falls on women within households without relevant and accessible eldercare services. Worldwide, 70–80 percent of older people in need of care receive it from family caregivers at home. Varying across countries, 57 percent to 81 percent of all caregivers are women (Sharma, Chakrabarti, and Grover 2016). In the OECD countries, women hold 90 percent of the jobs in the long-term care sector (OECD 2019).

1 The data is from the Gender Data Portal (https://bit.ly/3x1b0Pe) for the indicator: Labor force participation rate, male and female (% of male and female population ages 15–64 years) (modeled ILO estimate).
Motherhood places a penalty on almost all women workers, inducing many to leave the workforce. Several analyses find that the presence of young children in the household is associated with lower participation of women (including mothers and grandmothers) in economic activities and employment (Taş and Ahmed 2021; Wang and Zhang 2018; Das and Žumbytė 2017). It also lowers women’s earnings (Cukrowska-Torzewska and Matysiak 2020). ILO and UN Women (2020) suggest that having children sets back women’s labor force participation more than getting married. Their estimates show that, globally, the labor force participation of women ages 25 to 54 declines from 82 percent when they live alone to 64 percent when they live with a partner and have a child under 6 years old. The opposite is observed for men in the same age group. Their labor force participation increases from 90 percent when they live alone to 94 percent when they live with a partner to 97 percent when they live with a partner and have a child aged under 6 years old. This motherhood penalty is particularly high for mothers caring for a child with a disability, which often turns out to be a lifetime occupation for a caregiver. This is particularly true for mothers with poor socio-economic status. While the penalty reduces over time (i.e., once the children leave home and care-responsibilities reduce), the parental gender gap in earnings remains substantial (Goldin, Kerr, and Olivetti 2022).

Mothers working in the informal sector experience even greater difficulty earning an income and raising a child. Women who enter or re-enter the labor market after childbirth may end up in low-paying or informal jobs that offer flexibility to balance paid and unpaid work at the expense of a pay gap (Alfers 2016, ILO 2018b). Many women working in the informal sector are forced to bring their children with them to work due to the lack of care services. Lack of access to childcare and facilities for diaper changing, lactation, and breastfeeding can also constrain these mothers from going to work altogether (Alfers 2016). During adverse weather or other disruptions, these women may not be able to work due to inadequate shelter and public infrastructure. Those who cannot take their children to work may often need to leave them unsupervised or rely on family members, including other children (Samman et al. 2016). In a sample of low-income countries, 46 percent of children age 5 or below were either left alone or in the care of their siblings under 10 years old for at least an hour per week (Samman et al. 2016).

Mothers who bring their children to the workplace experience a penalty due to loss of earnings. A study by UN Women (2015) estimates that 39 percent of mothers in developing countries bring their children younger than 6 years old to work. This practice is associated with earning loss for the mothers. Delecourt et al. (2021) find that in Uganda, women business owners who bring their children to work experience a baby profit gap, earning 48 percent lower profits than women owners who do not bring their children to work.

The challenges of caring for children with disabilities can further weaken the labor supply and earnings of caregivers and family members. Families caring for children with disabilities often face multiple barriers, such as stigma and discrimination (McHatton and Correa 2005; Green et al. 2005). Families with children with disabilities also face greater caregiving challenges as they have fewer sources of reliable childcare than families with typically developing children (Koliouli 2021). Children with disabilities themselves suffer from exclusion from learning opportunities. The cyclical relationship between poverty and disability is often exacerbated by additional responsibilities associated with caring for children with disabilities and likely further decreases family income by reducing household members’, particularly caregivers’, participation in paid work (Mooney-Doyle and Lindley 2019).
The findings are mixed on how caring for older people impacts family caregivers’ labor supply. The majority of studies find that providing care to older people reduces the labor force participation and employment of caregivers, their paid working hours, and overall labor earnings (see Heger and Korfhage 2020; Johnson and Sasso 2006; Nguyen and Connelly 2014; Crespo and Mira 2014; Bittman, Hill, and Thomson 2007; Fevang, Kverndokk, and Reed 2012; Kotsadam 2011; Van Houtven, Coe, and Skira 2013; Butrica and Karamcheva 2014). Conversely, Meng (2013) finds no effect. This ambiguous finding is due to the fact that there is great variation in the level and intensity of unpaid caregiving to older people. As the level of responsibility and time intensity of care increases, so does the impact on caregivers’ labor force participation. Once a caregiver provides more than 15–20 hours of eldercare per week, her economic activity is compromised with fewer weekly hours of paid work (Chen et al. 2017; Walsh and Murphy 2018). Intense caregiving to an older person is also associated with a higher likelihood of retiring early (Jacobs et al. 2014; Heger and Korfhage 2020).²

Unpaid caregiving to older people impacts men too. Men participate less in eldercare than women, but caring for older people also reduces men’s probability of labor force participation and/or employment (Van Houtven, Coe, and Skira 2013; Butrica and Karamcheva 2014; Nguyen and Connelly 2014; Heger and Korfhage 2020; Ahmed and Floro 2023a). Findings on the impacts of elder caregiving on men’s labor supply are mixed. According to Fevang, Kverndokk, and Røed (2012), the impact of caregiving on the employment rate is higher for women than men, but Van Houtven, Coe, and Skira (2013), Butrica and Karamcheva (2014), Heger and Korfhage (2020), and Ahmed and Floro (2023a) find that caring for an older person reduces men’s probability of labor force participation and/or employment more than those of women. Nguyen and Connelly (2014), however, conclude that caregiving to older people impacts women and men equally by reducing women’s and men’s employment rates by 12 percentage points. This differential impact may suggest that, as women participate more in part-time jobs than men, women can adjust their schedule for caregiving, whereas men leave the labor market altogether.

² The employment participation and high earnings by women and men negatively impact the willingness to supply informal family care to older persons (Carmichael, Charles, and Hulme 2010). The population aging and emerging employment opportunities will likely widen the gap between demand and supply of informal caregiving to older persons in the coming years, entailing a rapid extension of institutional care arrangements for ensuring the well-being of both the care recipients and the providers.
Those who are employed and care for older people also report experiencing productivity loss related to work interruptions. Andersson, Walker, and Kaskie (2019) and Peng et al. (2020) find that employed individuals caring for older people are more likely to experience work interruptions than non-caregivers. Wolff et al. (2016) suggests that caregivers of older people with disabilities are more than three times as likely to experience absenteeism-related productivity loss compared to those not providing care. These work interruptions also relate to women employees changing jobs and men employees exiting the labor market (Schneider et al. 2013).

**Caregiving to children, older people, and people with disabilities is also associated with caregivers experiencing stress and psychological distress.** Box 2 highlights how unpaid caregiving is correlated with caregivers’ psychological well-being.

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**BOX 2. UNPAID CAREGIVING AND CAREGIVERS’ PSYCHOLOGICAL WELL-BEING**

Unpaid domestic and care work is generally associated with multitasking and greater mental stress. Offer and Schneider (2011) find that in the U.S., mothers spend around 10 more hours per week than fathers multitasking, doing domestic chores, and caring for children. Caregivers who provide care to older people on a daily basis face long working days (Ahmed and Floro 2023b) and tend to multitask. Long periods of overlapping work activities diminish the caregiver’s well-being by reducing caregivers’ time for leisure, self-care, and other activities. High levels of multitasking activities are associated with higher stress levels, sadness, psychological distress, and work-life conflict (Lam and Garcia-Roman, 2017; Hammersmith and Lin, 2016).

Intense caregiving responsibility of children and older people severely hurts caregivers’ psychological well-being (Wang et al. 2011; Feinberg 2016). Caregiving is mentally and emotionally draining, especially for those caring for children and older persons with disabilities (Roach, Orsmond, and Barratt 1999; Sheehan et al. 2021). Caregivers generally find eldercare more stressful and emotionally taxing than childcare due to its complexity and unpredictability (Dukhovnov, Ryan, and Zagheni 2022). Unpaid eldercare relates to caregivers experiencing physical and emotional strain, especially women and those with the financial responsibility of caring for older persons (Duxbury, Higgins, and Smart 2011; Kim and Gordon 2014; Ghaffar 2020).

In some cultures, aging parents participate in household and care work, which can help free up their adult daughters to pursue paid work (Pagani and Marenzi 2008; Shen, Yan, and Zeng 2016; Kanji 2018). Many caregivers, however, do not have this support and are part of the sandwich generation: individuals who provide care to children and older family members. They face a high degree of difficulty balancing their caregiving responsibilities with their jobs (O’Sullivan 2015). Sandwich caregivers routinely experience extensive financial and emotional challenges as they juggle their dual care responsibilities (Lei, Legget, and Maust 2023; Pagani and Marenzi 2008).
Investments in care are a win-win-win for families, businesses, and economies. Primary caregivers can reasonably expect to earn an economic benefit by entering or re-entering the labor force when they gain access to quality, affordable, and reliable care services. Return-on-investment estimates by Fraym, a preeminent global provider of hyperlocal population data, suggest that every $1 invested in quality childcare generates $3 in anticipated income in Nigeria and Indonesia, and $7 in South Africa and Kenya. In addition, De Henau (2022) estimates that providing high-quality, free, universal childcare to children ages 6 months to 5 years old in the United Kingdom would result in an increase in women's employment by 3.4 percentage points at a 71 percent take-up rate of the program and 4.6 percentage points at an 85 percent take-up rate. Cicowiez and Lofgren (2021) estimates that in South Korea, an increase in government investment in eldercare of 0.15 percent of GDP each year from 2022–2030 would result in a 1 percent increase in women’s total time in production activities as a part of GDP, including goods produced by households for their own consumption.

Investing in the care economy can generate jobs, add to national income and yield multi-generational impacts. It improves women's and men's employment and productivity, child outcomes, family welfare (including benefits to older siblings by staying in school), business productivity, and overall economic development. For women, access to care services can enable labor market participation, increase their work hours, productivity, and earnings and improve their quality of work. For children, quality childcare can support holistic early childhood development, build foundational skills, promote school readiness, and improve their long-term education, health, and employment. A 2022 ILO report suggests that investing in a care economy that promotes gender-equal leave, universal childcare, and long-term care services could generate up to 299 million jobs worldwide by 2035, of which 234 million (78 percent) will be for women and 251 million (84 percent) will be formal jobs. This would require an annual investment of $5.4 trillion (equivalent to 4 percent of global annual GDP), which could be partially offset by increased tax revenue generated from these additional care jobs and income. The 2015 Power of Parity report by McKinsey & Company posits that, globally, bridging the gender gap, especially ensuring progress in education levels, financial and digital inclusion, legal protection, and unpaid care work, could lead to an increase in GDP of $12 trillion to $28 trillion.
Despite the economic benefits of investing in care, care services are not widely accessible. Even when care services are available, challenges related to social norms and service affordability, convenience, and quality can limit uptake.

Affordable formal care options are often not available to many unpaid caregivers due to lack of public or private care investments. The availability of childcare provision, especially free provision, is limited across economies. The World Bank's Women, Business, and the Law (WBL) 2022 report shows that of the 55 economies where public sector childcare is regulated, about 80 percent do not mandate free provision. Surveys across countries of all income levels show that families struggle to afford care services. Household surveys from the European Union (EU) find that more than 40 percent of families consider cost to be a major barrier to using childcare (European Commission 2016). One U.S.-based study finds that families with young children spend approximately 10 percent of their income on childcare expenses. Families in poverty, however, spend around 30 percent of their income, with substantial gaps in their obtained quality of care (Morrisey 2020).

In countries without long-term care insurance (LTCI) or other dedicated funding source, older people in need often cannot afford services as many have limited retirement benefits (especially informal sector workers) or little to no private savings. At the same time, countries with LTCI and public investment in eldercare have been tightening eligibility and benefits in recent years, which will likely make care services for older people more costly (Gori and Luppi 2022).

Access to affordable care services is limited for those working in the informal sector. Informal workers cannot easily afford formal quality care services and mostly rely on families or informal care services, such as neighbors or home-based workers. Informal economy workers tend to work in non-standard formats, where employer-employee relationships are largely non-existent with no labor law protections or access to social benefits, such as pensions, health care, paid family leave, or parental leave (Moussié 2020a). Globally, 58 percent of women workers are employed in the informal sector—a number that rises to 90 percent in Africa (ILO 2018c). Compared to formal workers in offices and other institutional settings, informal workers lack access to care services near their workplace (which could be near a marketplace, waste dump, or recycling plant) or their residence often located in informal settlements where care services are not well established (Moussié 2020b).

Underserved groups, such as lesbian, gay, bisexual, transgender and intersex (LGBTI) people, also significantly lack access to care services. LGBTI people are generally overrepresented in the bottom 40 percent of the population (Sexual Orientation and Gender Identity Task Force (SOGI) and Koehler 2015). They face social stigma and discrimination that can limit their access to care services. One U.S.-based study surveyed LGBT and non-LGBT adults living with children in two age groups: 5 years old and younger and 5 to 11 years old. Results show that 41 percent of LGBT adults with younger children and 28 percent with older children were unable to attend childcare in the last four weeks, compared to 33 percent and 19 percent of non-LGBT adults living with children of the same age groups, respectively (Godfrey, Cai, and Fremstad 2022).

Even when care services are available, inconvenient locations and operating hours can limit access. Caregivers, especially those who are working, need services located close by with operating hours that align with caregivers' requirements. For instance, when the work commute is long and exhausting, additional travel for childcare services is extremely inconvenient and discourages use of formal care services (Alfer 2016). Also, available care services may provide only partial support if operating hours are limited. For example, part-time preschool provision may temporarily relieve parents of their care responsibilities but does not fulfill working parents' needs, particularly for those employed full-time (Devercelli and Beaton-Day 2020). The lack of extended operating hours can also impede access to care services when caregivers' working times vary and do not align with standard working hours (Hein and Cassirer 2010; Moussié 2020b).
The poor quality of care services also discourages take-up. Studies by Diaz and Rodriguez-Chamussy (2016) in Latin America and Alfers (2016) in Ghana, South Africa, Brazil, Thailand, and India underline parents’ concern about quality, particularly caregiver quality, in utilizing childcare services. In Thailand, low-quality childcare and news about the mistreatment of children discouraged parents from taking up childcare services (Kusakabe 2006). In Bangladesh, parents initially found it hard to trust childcare providers and took a long time building enough confidence to enroll their children in centers (Elsey et al. 2020).

Many countries lack a supply of qualified caregivers and a proper regulatory framework. An inadequate supply of qualified caregivers severely impedes countries’ capacity to provide and scale up quality service. In most countries, especially developing countries, the childcare and early learning workforce are underpaid, lack benefits, and work informally with no job protection and limited training. The low value attributed to these professions, high feminization, and low unionization relate to a high workforce attrition rate, making investments in this workforce challenging (ILO 2018a). Licensing and accreditations, inspections, reporting, and other parameters are crucial for ensuring the quality of care centers, but as countries work to formalize childcare, regulations must be crafted in a way that does not penalize or exclude providers already working in the sector informally. Several countries have established care regulatory frameworks, especially for childcare (World Bank 2022), but gaps between laws on the books, their implementation, and the inaccessibility of these frameworks and policies in the informal sector remain a significant concern in ensuring service quality.

Social norms exacerbate these challenges and influence caregivers’ choice in accessing affordable, quality care services. Social norms govern personal relationships and commitments that are embodied in implicit contracts, with women shouldering the caregiving responsibility more than men. Societal norms and discriminatory practices make it harder for women with children and caregiving responsibilities to access employment if they want to, be paid equally, and access leadership opportunities. For instance, mothers, as well as grandmothers, older sisters, and other female household members, are expected to be the primary caregivers of young children, so caring for young children is an important issue in women’s employment and childcare decisions.

Where social norms are binding—with men considered the breadwinners and women the caregivers—women face severe constraints in freely exercising their choice in accessing formal care services and participating in the labor market. For instance, Caria et al. (2022) find that providing childcare subsidies with employment services has no impact on women’s job search behavior in Egypt. This illustrates that social norms can be binding and removing childcare constraints may not be sufficient for encouraging women’s economic participation. Globally, an estimated 606 million working-age women consider themselves unavailable for employment or not seeking a job because of their unpaid care responsibility, as opposed to only 41 million men (ILO 2018a). When institutional support is missing, quality public or private care is not available, or resources to hire paid substitutes are limited, social norms are likely to be strongly enforced, restricting women’s ability to freely exercise their life choices.
A range of interventions are effective in addressing the care needs and improving the economic participation of the caregivers, such as increasing access to affordable and quality care services; employer-supported family initiatives; paid family leave; paid parental leave; and addressing social norms. Solutions that are effective:

**Access to center-based childcare services, which is affordable, easy-to-reach, and accommodates caregivers’ work schedules:** Global evidence suggests that the wide availability of center-based childcare support, such as preschools, reduces women’s time constraints and improves women’s economic outcomes. For example, Evans, Jakiela, and Knauer (2021) suggest that access to childcare and preschool is likely to increase women’s employment and household income. A study by Ajayi, Dao, and Koussoube (2022) finds that the availability of crèches in Burkina Faso positively impacts women’s employment outcomes (by spending more time in salaried employment and earning more income) and their financial resilience and savings. A forthcoming study by Donald and Vaillant also concludes that the availability of community-based childcare centers in rural areas of the Democratic Republic of the Congo helps increase women’s and their husbands’ engagement in commercial activities leading to improved agricultural productivity and household income. Halim, Johnson, and Perova (2022) find that preschool availability has effectively increased mothers’ work participation in Indonesia. Reviewing the rapid expansion of preschools in Indonesia between 2002 and 2014, Cali et al. (2022) also find that the availability of preschools increases the productivity of the manufacturing plants employing at least 41 percent women employees.

To effectively increase women’s labor supply, parents need access to childcare that is affordable, easy to reach, and covers the hours during which parents are working. For example, a field experiment in Uganda shows that childcare subsidies making childcare services affordable are more effective in promoting child development, mother’s business revenues, and father’s wage earnings than an equivalent cash grant (Bjorvatn et al. 2022). Studies in Chile show that lengthening the duration of school hours and/or providing afterschool care can increase mothers’ labor market outcomes (Contreras Sepúlveda, and Cabrera 2010; Martinez and Perticara 2017; Berthelon et al. 2018). Halim, Perova, and Reynolds (2023) also highlight that designing childcare explicitly to accommodate the needs of working parents, such as adjusting service location and hours of operation, increases positive impact on the maternal labor market outcomes.

Establishing childcare facilities near markets, waste dumps, and informal settlements is particularly helpful in covering the childcare needs of informal workers. For example, with the support from non-state organizations and local government, the Asmare Waste Picker Cooperative (Associação dos Catadores de Papel, Papelão e Material Reaproveitável) in Brazil opened a community childcare center to support the childcare needs of waste pickers. It was later integrated into the public childcare service UMEI (Unidades Municipais de Educação Infantil) (Moussié 2017). The center remains open from 7:00 am to 10:00 pm to accommodate the waste pickers’ early-morning and late-night schedules.

Other examples include, in Ghana, the Accra Metropolitan Assembly (AMA) provided a childcare center in the new Makola Market to facilitate the childcare needs of the women market traders and vendors. The center operates from 6:00 am to 6:00 pm (Moussié 2017). In India, the Self Employed Women’s Association (SEWA), a trade union representing around 2.5 million informal women workers across 18 states in India, opened childcare centers to support its members (SEWA 2023). Each center provides full-day service for SEWA members. As a result, 64 percent of the working mothers using the SEWA childcare centers reported increasing their work days and their incomes (Moussié 2017). SEWA members pay a minimal monthly fee for the childcare service, and the government and non-government organizations cover the remaining operating costs to ensure these centers remain affordable to informal workers (Moussié 2017).

**Access to well-designed, affordable long-term care services for older people:** Studies also find that public investments to make long-term care services for older people more affordable and accessible improve caregivers’ economic outcomes. Shimizutani, Suzuki, and Noguchi (2008) find that the introduction of long-term care insurance (LTCI) in Japan in 2000 helped raise women caregivers’ probability of employment by 8 percentage points and increased the number of days and hours worked per week by 10–20 percent. Other studies in Japan...
show that the introduction of LTCI was more effective in increasing men caregivers’ labor force participation than women caregivers’ (15 percent compared to 3–6 percent). This supports existing findings that labor market sensitivity to caregiving is more marked for men than women (Fu et al. 2017; Sugawara and Nakamura 2014). A recent study by Costa Font, D’Amico, and Vilaplana-Prieto (2022) shows that long-term care subsidies in Scotland, known as free personal care (FPC), have been effective in increasing the well-being (happiness) of unpaid caregivers (who are exposed to FPC and provide at least 35 hours of care per week) by 12 percentage points. The effect is larger among women and caregivers who are not actively employed.

Some studies, however, find no effect of these long-term care investments on caregivers’ economic outcomes. This suggests that the design of programs and an understanding of the context in which they operate matters in ensuring the positive impact of LTCI on caregivers’ economic participation. In Japan, the 2006 amendment to LTCI, which removed housekeeping services and reduced other benefits, caused the previous LTCI-enabled gains in labor force participation to vanish completely (Fu et al. 2017). Furthermore, at the macro level, Ando, Furuichi, and Kaneko (2021) find no effect of LTCI on the labor force participation of middle-aged women in Japan. A study in Germany shows a negative impact of LTCI on older men caregivers’ labor supply (a reduction of around 16 percentage points) but no effect on women (Geyer and Korfheg 2018). LTCI in the form of a per capita cash transfer to eligible older persons may influence men caregivers to retire early and engage in caregiving instead of market work.

Improving quality of care services: Despite the lack of evidence on the impact of the quality of care services on women’s labor market participation, it can be inferred that quality is important to care service uptake. A study by the World Bank (2013) on improving early childhood care and education finds a positive correlation between student enrollment rates and qualified teachers and better infrastructure, indicating that quality encourages service uptake among parents. The more care services are embraced, the more effective they are in improving caregivers’ labor market outcomes.

The Kidogo model of supporting affordable and high-quality childcare centers can be an effective solution for informal workers living in low-income communities. Kidogo, an innovative East African social enterprise, partners with informal, women-led childcare providers, known as “Mamapreneurs”, in the urban slums of Kenya to help them improve the quality of their childcare services and increase their profitability (see Box 3). Over the last 5 years, Kidogo’s network of Mamapreneurs grew from 24 to 800 centers serving 18,000 children, indicating high demand and usage of these quality childcare centers in low-income communities in East Africa. (Kidogo 2022).
Kidogo is a non-profit social enterprise working in East Africa’s low-income communities to improve access to quality and affordable childcare. Kidogo uses a social franchising approach to support women childcare microbusiness entrepreneurs, known as “Mamapreneurs”, in starting and growing their businesses (Kidogo 2023; Howard, Wilson, and Aliouche 2020).

The social franchise model is scalable and fosters long-term sustainability. Kidogo provides franchisees with intensive business and early childhood training when they join the network, followed by ongoing professional development and community engagement to ensure parents and families understand the importance of early childhood development. Mamapreneurs are local community members who increase their income and have the right incentives to build and grow their childcare microbusinesses, ensuring the growth and longevity of Kidogo’s network of centers.

To promote peer-to-peer support in a sector that is often dismissed as unimportant, Mamapreneurs form a community of practice and meet regularly to share challenges and successes. These forums also serve as a channel for Kidogo to provide ongoing guidance on operating and managing a childcare center. In response to the key business challenges reported by Mamapreneurs, Kidogo developed and introduced a phone-based app to easily track daycare attendance and payments, critical functions for increasing the returns of these microbusinesses.

Kidogo’s quality standards ensure Mamapreneurs provide a minimum quality service. The standards focus on ensuring safe and stimulating environments and responsive caregiving; providing play-based activities; maintaining proper health, nutrition, water, and sanitation in the centers; engaging parents and the community in childcare; and upholding efficient business management (Howard, Wilson, and Aliouche 2020). Kidogo works closely with Mamapreneurs to improve the quality of their childcare services, scoring them on a red, yellow, and green scale. Once green, centers are eligible to become a Kidogo franchise and receive branded signage and a small renovation. This signals to the community that the childcare center provides quality care. Mamapreneurs must continue to maintain a green standard during regular quality assurance visits in order to stay in the network.
Access to employer-supported family initiatives: Employers can help employees manage their paid work and family and care responsibilities and improve caregivers’ labor market outcomes. Evidence suggests that offering family-friendly initiatives, such as childcare support, training for line managers on supporting new parents, and flexible work options, can enhance a company’s ability to attract and recruit the best staff, improve retention, and reduce employee turnover (IFC 2017). Childcare support, such as daycare, breastfeeding, and lactation facilities, reduce employee concerns about the safety and well-being of their children. Employees are better able to concentrate on work, improving their productivity and career prospects. Flexible work arrangements are also correlated with caregivers’ attachment to their job (Schneider et al. 2013). Kossek et al. (2019) find that increasing supervisors’ social support for work and nonwork roles and job control in a results-oriented work environment can improve workers’ psychological well-being, especially for those caring for older individuals as well as children. Using a case study approach, Dembe and Partridge (2011) suggest that employers who sponsor assistance programs for eldercare may also reduce worker absenteeism and improve work productivity.

Access to paid family leave: Other labor market policies, such as paid family leave, are also effective in managing care responsibilities that complement available care services. For instance, Cario et al. (2022) find that women in Egypt who received a childcare subsidy were significantly more likely to want a job with paid leave to ensure they would be able to take care of a sick child at home rather than rely on daycare. Care support and paid leave can be part of a broader package of support offered by employers, including lactation support and safe transportation. Braga et al. (2022) find that a paid family leave policy increases women caregivers’ probability of working by 5.6 percentage points. It can be especially effective for caregivers who provide care to older parents in poor health who live nearby. When families experience disabilities or health shocks, job-protected paid leave mandates may help caregivers handle their increased care responsibilities without jeopardizing paid working hours (Anand, Dagur, and Wagner 2022).

Access to job-protected paid parental leave: Job-protected paid maternity leave helps ensure the economic protection of women and is a precondition to achieving gender equality at work. ILO’s International Labour Standards on Maternity Protection include safeguarding the child’s and mothers’ health and protecting women against job discrimination. Although many countries have offered maternity leave (7 in 10 potential mothers live in the 98 countries that are in line with the ILO maternity protection standard), access to paternity leave has remained limited (only 1 in 10 potential fathers live in countries with at least 10 days of paternity leave) (ILO 2022b). Amin, Islam, and Sakhonchik (2016), using firm-level data for a sample of 33,302 firms in 53 developing countries, find that women’s employment in the private sector is significantly higher in countries that mandate paternity leave. Nepomnyaschy and Waldfogel (2007) find that fathers who take at least two or more weeks of leave at the birth of their child get more involved in childcare activities compared to fathers taking no leave. Nonetheless, these leave policies are only accessible to those working in the formal sector, and implementation varies.

Rather than separate maternity and paternity leave frameworks, a more comprehensive parental leave framework delivers multiple potential wins. Job-protected leave, primarily parental leave, for any employee to care for a newborn or recently adopted child helps to recognize, reduce, and redistribute unpaid care work. A parental leave framework can enable equitable sharing of newborn care responsibilities between parents, including same-sex couples and adoptive and surrogate parents. In 2021, only 68 of 185 countries offered a statutory right to parental leave, and only 1 in 10 potential parents live in countries that provide paid parental leave (ILO 2022b). Evidence suggests that parental leave can increase women’s paid working hours (Akgunduz and Plantenga 2013), lower the intra-household gender wage gap (Andersen 2018), and promote sharing of unpaid care work among women and men (Wray 2022; Tamm 2019; Kotsadam and Finseraas 2011). It also reduces fathers’ mortality rate (Månsdotter, Lindholm, and Winkvist 2007) and the divorce rate (Steingrimsdottir and Wardardottir 2014). Parental leave is the key to unlocking long-term changes in social norms toward greater gender equality (Unterhofer and Wrohlich 2017; Farré et al. 2022) and can potentially promote the inclusion of underserved communities, such as LGBTI families.

Addressing social norms: Evidence on social norms indicates that interventions that successfully alter conservative social beliefs improve female labor force participation (Bursztyn, Gonzalez, and Yanagizawa-Drott 2020). While specific research is lacking on how changing conservative social beliefs impacts the uptake of care services, from the available evidence it can be reasoned that well-designed interventions that simultaneously tackle multiple constraints to women’s labor market participation can influence uptake of care services and, in turn, improve women’s labor market outcomes.
The World Bank Group addresses the care economy through operations, analytical work, and policy dialogue. Many World Bank Group projects have started to include care arrangements, particularly childcare, as a support activity in project preparations and implementations (Haddock, Raza, and Palmisano 2019). From 2017 to 2022, approximately 102 World Bank projects included childcare activities, with 74 percent intending to provide childcare solutions and 26 percent focusing on access to childcare in facilitating project participation, such as ensuring women’s participation in skill training (authors’ calculation). Most of these projects (68 percent) are in low-income countries eligible for International Development Association (IDA) financing, and they cover multiple sectors, such as social protection and jobs, education, and urban resilience, among others. In 2023, around 45 country level diagnostics are ongoing with World Bank support to understand the need for childcare support, cost out childcare arrangements, identify potential policy reforms, and prepare new projects to scale up access to childcare services.

Diverse work is ongoing across countries and regions to address challenges related to childcare. For example, in Vietnam, the Inclusive and Sustainable Recovery development policy operation supported the government in adopting entitlements for subsidized nursery and preschool care and education for children of workers in worker-populated areas, including industrial parks. The project aimed to make preschool and childcare subsidies available for at least 50 percent of the industrial park employees with children. Other operational examples include an ongoing WBG Enabling Childcare Services for Women Entrepreneurs in Uganda (ENCAWE-Uganda) project that incorporates a policy, regulatory, and institutional framework diagnostic and demand and supply-side situation assessments of existing childcare services. These diagnostic exercises will inform a pilot on childcare centers to facilitate women entrepreneurs’ active participation in the labor market. In South Sudan, a medium-intensity conflict region, an ongoing South Sudan Women’s Social and Economic Empowerment project includes providing childcare to support women’s livelihood activities. It also targets the availability of childcare for GBV survivors within a safe house. The intervention aims to help children develop cognitive, social, and emotional skills in a safe environment and to enable women and adolescent girls to engage in productive economic activities.

The World Bank Group is working with partners to build the growing data and evidence base in the area of care. Over the years, the Bank Group has supported client countries in building a knowledge base for care needs and developing and implementing policy solutions. The World Bank regional Gender Innovation Labs (GILs), Gender Platforms, and several Global Practices have undertaken analytical work to inform childcare policies. For example, the Africa GIL conducted a study in Burkina Faso and a random control trial (RCT) in rural areas of the Democratic Republic of Congo to assess the impact of childcare services on women's economic outcomes. The East Asia and Pacific GIL conducted a similar study in Indonesia. A survey conducted by the Latin America and the Caribbean (LAC) GIL looks into the factors that explain fathers’ adoption of parental leave in Uruguay. The Middle East and North Africa GIL has partnered with the Jameel Poverty Action Lab (J-PAL) in Egypt on an RCT to examine the effect of offering subsidized care for mothers on their labor force participation. The World Bank’s Social Protection and Jobs Global Practice is assessing parental leave and long-term care policies across countries to support improvement. The World Bank’s Education Global Practice is working with partners to adapt and generate new tools to measure the quality of childcare settings and impacts on child development. In the fiscal space, the Poverty, Equity and Gender Global Practice have piloted a study on understanding the effects of the fiscal system on gender disparities in Armenia using the Engendered Commitment to Equity (E-CEQ) methodology, confirming that childcare and eldercare mostly constrain women’s economic opportunities in the country (Tarlovsky and Icaza 2023).
At the corporate level, the World Bank Group has made strong commitments to addressing care. The 20th replenishment of IDA (IDA20) committed to supporting at least 15 IDA countries in expanding access to quality, affordable childcare, with a special focus on low-income and vulnerable families.

In 2022, the World Bank Group and partners launched the Invest in Childcare Initiative. This ambitious cross-sectoral work program brings together analytical and operational teams to strategically address childcare challenges in countries. The initiative is taking a whole-of-Bank Group and whole-of-government approach to help countries design and implement better childcare programs, improve policies, build capacity, generate data, and provide evidence on the impacts of childcare on women’s empowerment, early childhood development, and inclusive economic growth. With an initial funding level of $100 million, this initiative will catalyze up to $225 million in new funding to ensure quality and affordable childcare is available worldwide in low and middle-income countries.

**BOX 4. IFC’S GLOBAL TACKLING CHILDCARE PROJECT**

IFC’s Global Tackling Childcare project helped document and raise awareness of the business case for employer-supported childcare. It worked with more than 1,000 companies in 20 countries to accelerate the implantation of childcare and family-friendly initiatives. It also collaboratively engaged stakeholders on the topic. Through a series of reports, including the Guide for Employer-Supported Childcare developed in partnership with more than 30 organizations, as well as reports spanning Bangladesh, Cambodia, Fiji, India, Pakistan, Myanmar, Sri Lanka, Vietnam, and other countries, IFC showed that employer-supported childcare could result in a win-win-win for families, employers, and economies.

Building on its research, the project also focused on improving the enabling environment for employer-supported childcare by working with governments, business networks, civil society, care providers, other international development institutions, and companies to facilitate the implementation of good childcare and family-friendly practices. The project used a variety of approaches to impact the childcare space in emerging markets, including firm-level advisory engagements, business case research, private-sector peer learning collaborations, and market research to address care demand and supply barriers and help inform childcare policies and identification of investment potential in the care economy. In 2020, IFC published Childcare in the COVID-19 Era: A Guide for Employers to support companies and other stakeholders in navigating childcare challenges during the pandemic.

The Invest in Childcare initiative is financing work across the Bank Group, including International Finance Corporation’s (IFC’s) Care2Equal project and Women, Business, and the Law’s (WBL’s) data collection on legal frameworks of childcare. Care2Equal builds on the success of IFC’s Tackling Childcare project concluded in 2021 (see Box 4). Care2Equal will expand knowledge and understanding of the benefits of employer-supported childcare on businesses, economies, women, children, and families. It will examine the value of interventions that have the potential to lower barriers to quality childcare, including new technologies and partnership models. It will also increase awareness of childcare investment opportunities and accelerate the expansion of innovative childcare solutions in emerging markets. The Invest in Childcare initiative is also supporting the WBL’s standardized data collection of countries’ legal and regulatory framework around childcare availability, financing, and quality (see Box 5).
BOX 5: WOMEN, BUSINESS AND THE LAW (WBL) CHILDCARE DATA

The Women, Business and the Law 2022 collected pilot data to assess the legal and regulatory framework on childcare availability, affordability, and quality in countries. It aims to continue this development in its future cycles of data collection. For this pilot stage of the project, WBL collected data on legal and regulatory frameworks for childcare provision in 95 economies. They were selected to represent at least 82 percent of the world’s population, with at least one economy from each income group chosen within each World Bank region.

Under the availability pillar, WBL explored how governments make childcare available through regulatory interventions that support diverse types of provision and convenience. Under the affordability pillar, WBL measured regulatory interventions that increase affordability through government-provided free services and financial and non-financial support for families, private childcare providers, and employers. The regulation of fees was also measured. Finally, under the quality pillar, WBL collected data on regulatory interventions that improve the quality of services. In order to make the indicators more actionable, the concept of quality was broken down into three main categories: structural, process, and system quality.

The WBL childcare pilot data were collected by desk research. Some questions on the availability and affordability of childcare services were also administered to current WBL experts in labor law. For future rounds of data collection, the team plans to build a solid base of legal contributors and survey childcare providers who have direct knowledge of country-specific legal requirements and acceptable standards.
Countries have benefited from the World Bank Group’s analytical work on eldercare. The World Bank Group’s analytical support has included review of existing long-term care systems, especially in high-income countries, and assessment of coverage, benefits, funding, and quality (World Bank 2021). The World Bank has also conducted situation assessments of the demand and supply of long-term care services, including financing and institutional arrangements in Chile, China, Thailand, Indonesia, Estonia, Poland, Romania, Greece, and Saudi Arabia (see Box 6). IFC’s Care2Equal project will also include the development of solutions and guidance for IFC staff, client companies, and partners on care for older people and mental health and well-being. It will document the business case for employers to support the care needs of employees caring for older parents and other dependent relatives, with the aim of identifying good corporate practices.

### BOX 6. WORLD BANK GROUP SUPPORT FOR AGED CARE IN CHINA

In 2018, the World Bank conducted a study of the demand and supply of aged care in China. On the demand side, it assessed the determinants of demand for aged care in China, showing that they are driven primarily by the population’s age structure, family structure, and dynamics alongside health-related needs and income and asset situation of the households (Glinskaya and Feng 2018). On the supply side, family caregiving remains the dominant source of care for older people, while privately provided and privately financed services represent the fastest-growing segment in the aged care market. For sustainable long-term care supply, the report recommends building up government stewardship capacities while strengthening the private sector provision and extending the long-term care financing in a systemic way.

The World Bank Group continues to support China in building its aged care system, providing investment loans for Anhui and Guizhou provinces. The Anhui Aged Care System Demonstration Project is helping to build government stewardship capacity, strengthening community-based and home-based care services, and improve the delivery and management of nursing care. The Guizhou Aged Care System Development Program seeks to improve the coverage and quality of basic aged care services and strengthen the efficiency of aged care financing for older people. In both provinces, the projects are helping to develop quality standards and train care professionals, setting up arrangements for purchasing basic home-based aged care services from private providers for eligible older people by the provincial and local governments, and strengthening community-based services by designing and upgrading the community service stations. The projects are also helping to develop skilled nursing homes and urban and rural welfare homes.
Improving access to affordable and quality care services for children, older people, and people with disabilities has far-reaching impacts on women’s and men’s human capital, economic outcomes and the overall economy. The active participation of women and men in society and the labor market is a key channel to help eradicate poverty and boost shared prosperity. Affordable, accessible, and quality care services are a public good that facilitates labor market participation, generates jobs, and provides essential support to employers by attracting and retaining a high-quality workforce. In the case of childcare, quality services can also provide the critical inputs that children need during their early years to build skills and succeed in school and throughout life. Public policies that increase the availability of care should have enough nuance and not seek to substitute formal care for familial care when the latter is preferred. Policies should create choices for women, men, families, and underserved groups, such as LGBTI people and persons with disabilities, to exercise their agency with respect to whether they want to provide care themselves or seek it in the market from public or private providers.

The following recommendations can help governments, World Bank Group teams, development partners and the private sector develop and implement interventions that consider and address varied care needs:

*Expand the availability of care services by making them inclusive:* To promote women’s and men’s economic participation and ensure the well-being of care recipients, investment in care services is needed to make care services widely available, accessible, affordable, and high quality. These services must also be inclusive of persons with disabilities and other underserved populations, including LGBTI people, to ensure the special needs of these groups and their caregivers are considered to maximize the economic benefits of care service provision. For example, public infrastructure should include care centers and diaper-changing rooms in all public restrooms. Dedicated spaces for children, older people, and persons with disabilities in public transportation are also essential for promoting an inclusive environment, and age-ready cities should be planned for inhabitants of all ages and needs.

*Invest public resources in care and ensure affordable care is available for low-income and vulnerable households:* While governments work on making care services available, it is critical to target low-income families and informal workers to ensure their access to care services. This could be through promoting targeted investment in social insurance, undertaking innovative policies to ensure parental leave coverage for informal workers, and closing the pension gap for older women. Demand-side subsidies (e.g., vouchers or cash allowances) can be used to increase the purchasing capacity of those with greater needs and vulnerabilities and are compatible with promoting care-in-place, for example, if vouchers can be redeemed for home- and community-based care. Financial incentives to promote care-in-place can also include subsidies for informal care provision (e.g., vouchers that can be redeemed by caregivers or respite care for older people). Supply-side public financing to improve care systems and make them accessible to low-income families and informal workers can include direct subsidies to providers, as well as incentivizing or mandating places for low-income or otherwise vulnerable families. Promoting cost sharing and private spending is also a critical component of sustainable long-term financing in care, as private spending can provide additional resources to publicly funded services and grow the market share served by the private sector.

*Ensure access to quality care services and support the care workforce:* Quality care services are crucial in ensuring uptake and reaping the benefits of available care provision. To support quality service, governments can promote supportive licensing, registration, and accreditation systems of care facilities – but this should be done in a manner that considers feasibility and local context with caution to avoid overly punitive or onerous approaches that may adversely impact existing providers. They can also set up the domestic legal and regulatory frameworks and localize good international practices for regular monitoring and inspection of the services. For quality assurance, it is also essential to professionalize the care workforce with formal qualifications, career pathways, and suitable remuneration. Home-based providers and other entrepreneurs also need support through networks, training, coaching programs, peer support, and access to learning resources.

*Strengthen institutional coordination and collaboration and ensure policy coherence:* Ensuring accessibility to quality care provision and maximizing the return on such investments requires coordination and collaboration across many government ministries and departments and levels of government, as well as active participation from non-state organizations, including the private sector, civil society,
and development finance institutions. Collaboration is needed to ensure effective and efficient interventions and to share knowledge and experience among stakeholders. It is important to explore public-private partnerships in addressing care challenges, with the private sector creating products, services, and business models and adopting corporate policies and practices that support employees with care responsibilities. Promoting labor market policies to support caregivers is also key. Family-friendly initiatives, such as home-based work, flexible work, and family leave policies, can help workers balance their work and family responsibilities and help businesses achieve better outcomes. It is important to look at family-friendly policies holistically to include paid leave for those in caregiving roles, flexible work arrangements, safe transportation, and care and mental health support, among others, to ensure increased diversity in the workforce and a more productive work environment.

Increase public finance for care while also encouraging non-state and private investment in care: There are a variety of different pathways to finance an expansion in care services across countries. A substantial amount of childcare is provided through the non-state sector in many countries and financing to support social entrepreneurs or in the context of skills or jobs programming is a viable pathway in many countries. While considerations of human capital accumulation strongly support the case for public financing of childcare, the case for public investments in long-term eldercare is supported by considerations of efficient risk management and equity as long-term care for older people has a stronger element of private consumption compared to childcare. In that case, strengthening diversified, innovative, and sustainable financing is critical. For eldercare, greater selectivity may be needed to determine eligibility and access to publicly financed care and specific services. Financing care from general tax revenue is sensible, with the view of moving to broad-based social insurance over time. Public funds should finance safety net programs that help those in need and promote healthy aging and human capital development. Both supply-side and demand-side financing can be employed. Explicit linkages between financing and delivery models are critical so that in-home, community-based, and institutional delivery of care are all supported. Long-term care financing for older people and people with disabilities needs to encourage integration in service delivery across health and social services. It is then more realistic to initiate the development of a basic package of long-term care services and pilot it to develop a robust understanding of the implied costs and benefits of such initiatives.

Collect data and implement evidence-based solutions: Governments will need to put in place good data collection mechanisms to inform policy design, implementation, and effective monitoring and evaluation of care services. To ensure continued improvement and sustained investment in care solutions, building the evidence base is essential. This can include country-level demand and supply assessments, business surveys to assess care responsibilities of employees for employer-supported solutions, and evaluations of different interventions that assesses their impact on broader groups (e.g., caregivers, children, older people, people with disabilities, LGBTI people, siblings, fathers, and other household members) and indicators (e.g., children’s development outcomes, outcomes for older people and people with disabilities, women’s economic empowerment, time use, business outcomes, and mental health).

It is also critical to undertake analytical work in understanding the impacts of public provision of care using methodologies such as the Commitment to Equity (CEQ) assessment, which can provide a comprehensive understanding of how fiscal policies in care can affect gender disparities, income inequality, and poverty in a country. Also, it is important to undertake country-specific costing and return on investment analysis to assess the longer-term fiscal implications of investment in care services. Systematic collection of time-use data in valuing the unpaid care economy is also needed to recognize, reduce, and redistribute women’s unpaid care responsibilities.


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