Care Economy: Pathway for Human Flourishing, Poverty Reduction, and Economic Growth

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Blessing Oyeleye Adesiyan, Mother Honestly (MH WorkLife) and Caring Africa

Policy Brief

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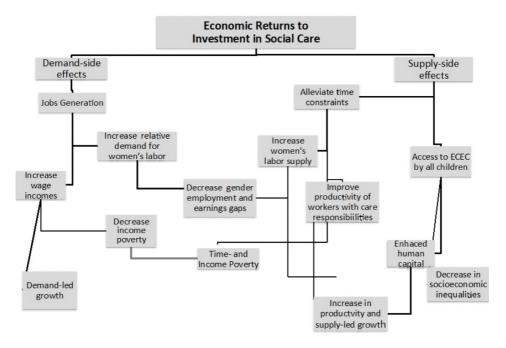
ABSTRACT

Cultural practices and religious and societal norms have traditionally assigned a disproportionate share of the responsibility for and the cost of child and elder care to women and girls. "Scaling up families' access to quality childcare has the potential to unlock pathways out of poverty, build human capital, and increase equity – all of which are cornerstones of a country's economic growth and productivity" (Devercelli et al., 2020). Inclusive care economies are essential for human capital development, economic growth, and social progress; yet, the gaps in access to care increase, as do the costs and the disproportionate responsibility placed upon women and girls to deliver care across societies.

This paper builds on the themes and issues addressed by us and various collaborators in the Think20 Policy Briefs, 2023 (Nikore et al., 2023) and 2024 (Thomas et al., 2024). It analyzes data and provides snapshots of case studies to juxtapose the care economy infrastructure in selected economies. It makes recommendations for solutions and for action by governments, the private sector, and civil society at national and subnational levels, considering respective institutional mandates, responsibilities, and capacities.

CONTEXT AND UNDERLYING ISSUES

"Scaling up families' access to quality childcare has the potential to unlock pathways out of poverty, build human capital, and increase equity – all of which are cornerstones of a country's economic growth and productivity" (Devercelli et al., 2020). Inclusive care economies are essential for human capital development, economic growth, and social progress; yet, the gaps in access to care continue to increase, along with the cost of delivering care. In making the case for decent work and investment in the global care economy, the UN Women - International Labor Organization (ILO) Policy Tool (Ilkkaracan, 2021) presents a cogent articulation of the economic returns to be gained (Figure 1). Recognizing that care is a whole-of-life necessity that requires investment, the projected economic returns could include the generation of an additional 150 million jobs by 2030 (350 million in total). Furthermore, with the investment necessary to achieve the 2030 Sustainable Development Goals (SDGs) the global care jobs ceiling could rise to 475 million (ILO. 2024).



Source: Ilkkaracan, I., 2021. A Guide to Public Investments in the Care Economy. UN Women - ILO.

»Recognizing that care is a wholeof-life necessity that requires investment, the projected economic returns could include the generation of an additional 150 million jobs by 2030 (350 million in total).«

The value of unpaid care work has been estimated at approximately US\$11 trillion per year (United States dollars) (Oxfam International, 2023). Most of the unpaid care work is delivered by women, girls, and marginalized populations, since women and girls account for approximately 76% of the global domestic workforce and 90% of the informally employed care workforce (WIEGO, 2022).

"Under-investment in the global care economy and infrastructure has contributed to significant gaps in care services. As demographic shifts and aging populations in the Global North generate increased demand for care workers, the demand for care in the Global South is increasing as a consequence of international and intra-regional migration, spurred by global warming, conflicts and pandemics, among other factors. The pull and push – demand and supply – has produced significant consequences for the formal and informal sectors as the cycle of migration accelerates in response. On both sides of this equation, women and marginalized populations bear a disproportionate share of the cost and risks within the inter-generational cycle of poverty and marginalization." (Thomas et al., 2024)

METHODOLOGY AND REGION/COUNTRY SELECTION

We applied a standard mixed-methods methodology, using both qualitative and quantitative secondary data sources. In addition, we relied on the existing literature, published studies, and analyses – including those by multilateral, regional, and national bodies; published national and sub-national policy statements; and case studies to develop the major arguments and to support the recommendations for policy and practice.

A representative sample of countries was selected for this paper on a regional basis and subject to the availability of comparable data in the World Bank's Women, Business, and Law (WBL) 2022 pilot study, which collected data on legal and regulatory frameworks for childcare provision in 95 economies (WBL, 2022).

For the Sub-Saharan African economies, we utilized the Africa Care Economy (ACE) index, since it goes beyond the legal and regulatory frameworks and draws on supplementary data sources, which are useful in data-challenged contexts. ACE was designed to "measure and map current social recognition and state support for the care economy in Africa". In addition, weights have been applied to "reflect the importance of each metric in terms of the proportion of the population affected



Figure 2: Based on Razavi, S., 2011

and relevance in African contexts" (Valiani, 2022).

The care infrastructure, for the purpose of this discussion, encompasses key elements of the care economy ecosystem, both on the demand and supply side and from the formal and informal perspective. These actors include the state and non-state actors, and economic and social institutions (North, 1989), including rules and norms.

CARE INFRASTRUCTURE: FRAMEWORK

According to Duvisac et al. (2024), "Care infrastructure, broadly, refers to the network of resources, services, and systems that are available to meet the care needs of people (with special priority to children, the elderly, people with disabilities, and sick people), including those who provide care themselves." The drivers of the infrastructure and the four distinct but interrelated actors are identified in the care diamond (Figure 2). Figure 2 presents our adaptation of the care diamond concept, which was developed by Razavi (2011) and discussed in Kasan (2024). Since the conceptual framework of the care infrastructure and ecosystem is not homogeneous across economies or political and economic systems, it is worth noting that the mandates, roles, responsibilities, activities, and domains of actors within the ecosystems are not mutually exclusive. In addition, the resources that are integral to the care economy and infrastructure include the physical infrastructure necessary to facilitate the delivery of services across the ecosystem.

CARE INFRASTRUCTURE: REGULATIONS IN SELECTED ECONOMIES

A. WBL Care Pilot Study Indicators

This overview presents our analysis of childcare policy frameworks across fif-

WBL SELECTED ECONOMIES

The selected economies span diverse geographical regions and economic classifications, including the following:

High-income economies:

• Canada, France, Norway, the United Kingdom, and the United States.

Upper-middle income economies:

• Argentina, Brazil, Colombia, Mexico, and South Africa.

Low-income and lower-middle-income economies:

• Ghana, India, Kenya, Nigeria, and Senegal.

NOTE: Nigeria was not included in the WBL 2022 pilot study.

Box 1

teen economies, as classified by the World Bank (WBG, 2024): low-income, lower-middle income, upper-middle income, and high-income. See Box 1.

WBL 2022 provided data on eleven key indicators, organized into four pillars: Care Infrastructure, Subsidy, Skill Training, and Quality Assurance. Not surprisingly, the WBL data show significant disparities between the high-/middle-income economies and the low-/lower-middle income economies in terms of promulgated laws and regulations and specific policies related to childcare. While the high-income economies have enacted regulations for stronger subsidy systems and accountability measures, the less affluent economies face substantial challenges across all dimensions - from funding allocation and training implementation to compliance monitoring and quality assurance mechanisms. Unfortunately, these data provide no indication of the extent to which laws and regulations are implemented and do not adequately specify variations in national and sub-national regulations and their implementation.

Analysis of WBL Childcare Pilot Study Data: Selected Economies

The key findings related to the high-income economies in this study include the following:

- Canada, France, Norway, and the United Kingdom have relatively robust regulatory frameworks for childcare services, while the United States has limited public childcare provision at the federal level, with wide variations in implementation and regulation at the state level.
- Similar variations are evident regarding the promulgated laws and imple-

mentation of tax benefit systems and direct financial support for low-income families and private centers in the United States, compared to France and Norway.

• Regarding quality assurance, Canada, France, and the United Kingdom have enacted laws requiring inspections to verify compliance with quality standards and regulations in public childcare centers. However, systematic professional development requirements are notably scarce, with the United Kingdom standing alone in mandating periodic training for educators across both public and private childcare centers.

In contrast, the middle-/low-/lower-income economies, as a group, have less robust regulatory and policy frameworks for care and limitations in resources for implementing national and sub-national policies and programs to serve the care needs of their populations, as follows:

- Argentina, Brazil, Colombia, and Mexico have established mandatory public provision for childcare centers.
- All the economies in this group, except for India and Senegal, have implemented regulations for licensing private childcare services. Financial support mechanisms remain markedly limited in these economies, with only Argentina and South Africa offering financial support to private childcare facilities. Similarly, professional development requirements are sparse, with Argentina standing alone among the selected countries in enforcing comprehensive training mandates for childcare educators.

 In the domain of quality assurance, only Argentina and Brazil have enacted legislation requiring systematic inspections to verify compliance with established quality standards and operational regulations in public childcare centers.

Notably, regardless of the income category, none of the economies have established systematic employer incentives for childcare provision. This comprehensive analysis underscores the persistent global inequality in accessing quality childcare infrastructure and in mandating comprehensive early childhood care and education services, particularly among employers in the private sector.

B. Africa Care Economy (ACE)

"The approach of Valiani (2022) to assessing key indicators of the care economy (Figure 4), highlights the policy, resource, and market challenges faced by Sub-Saharan African (SSA) economies in responding to the need for care across the lifecycle" (Thomas et al., 2024). The ACE data for the Sub-Saharan African countries provide a snapshot and weighted assessment of each economy's relative performance, aggregated across ten indicators in relation to a total aggregate score of 30. As shown in Figure 4, none of the Sub-Saharan African economies achieved the ACE minimum pass threshold of eighteen.

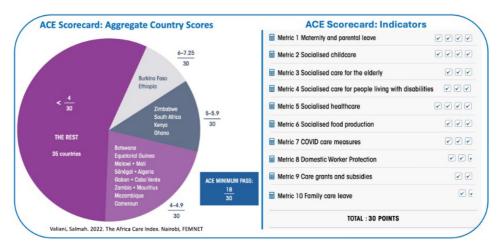


Figure 3: The ACE Index Scores

CASE STUDIES

The case studies highlighted in this section were selected to show variations in care infrastructure and examples of innovative and scalable solutions for addressing the care gap. In addition, we have sought to highlight the role and contributions of different actors within the care infrastructure.

Canada: Feminist Care Policy Agenda

Canada's commitment to implementing key elements of a feminist approach to inclusive economic growth, human capital development, and gender mainstreaming provides an instructive, real-time laboratory for the political economy of reform. The literature provides extensive commentary and analyses on this, which is a work in progress. It has been propelled by a committed coalition of actors who have generated political capital to help drive change at the federal and provincial levels.

In terms of the care economy and care infrastructure, Canada has a robust care framework, with its publicly funded universal health coverage as the foundation. On March 6, 2025, Prime Minister Trudeau affirmed his political commitment to the care economy agenda by declaring that "Childcare is a foundational building block of what it means to be Canadian." He then announced that the federal government's Canada-wide Early Learning and Child Care funding agreements with eleven of its thirteen provinces and territories had been extended until 2031 (Trudeau, 2025).

Under the current program, "900,000 children across Canada are getting affordable, high-quality childcare, and families who have access to licensed programs are saving up to \$16,200 per child, per year" (Childcare Now, 2025). Several ongoing initiatives are aimed at strengthening the early childhood workforce through compensation, skills building, and professional development.

Colombia: Bogotá's Care Blocks

At the height of the COVID-19 pandemic. a study commissioned by Bogotá's Secretary of Women's Affairs found that "30% of the city's female population are fulltime, unpaid caregivers, of which 90% are low-income: 33% lack time for self-care: and 70% hold only primary school" (OECD. 2022). In addition, 21% have been diagnosed with untreated chronic illnesses. Moreover, it was estimated that 3.6 million of the city's eight million residents were unpaid caregivers, and 1.2 million were employed as full-time caregivers – mostly women and girls, who were all vulnerable and lacking vital protections during the pandemic.

The municipal government developed an innovative strategy and mobilized resources to implement the Care Block initiative by centralizing and co-locating "key services for female caregivers to improve their well-being and to reduce the time women dedicate to unpaid jobs/tasks" (OECD 2022). Each block delivers services to caregivers and children, elders, people with disabilities, and families in general (Cardona, 2024).

Starting with a pilot in Ciudad Bolivar, Bogotá expanded the initiative and established an integrated system of Care Blocks. Each block (see Figure 4) is designed to facilitate access to and the delivery of services and support by co-locating and centralizing "services provided by the city authorities, as well as those run

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capacity to group and provide social and care services of different

Complementary facilities:

Facilities within the bounded area of the care block that complement the provision of the services

Articulating component between housing and facilities, and between facilities and each other.

Source: Cardona, E. 2024. Spatial Dynamics and Architecture in a Care Block: The first Bogota/Freetown technical exchange. https://www.citieschange.org/updates/spatial-dynamics-and-architecture-in-a-care-block-the-first-bogota-freetown-technical-

Figure 4: The concept of Care Blocks has been successfully scaled, with 23 blocks in Colombia. It is being adapted for implementation in other countries. For example, in 2024, the city of Freetown in Sierra Leone launched the Freetown Caring City project, with technical support from the city of Bogotá.

by the National Government, some of the private sector, and even a few communal/ household-driven ones" (OECD, 2022). In addition, the physical infrastructure (e.g., public transportation) and the related ecosystem is designed to facilitate equitable access, personal development, employment, and/or entrepreneurial opportunities to support income generation and enhance political participation.

3. The ideal Care Block

India: Government, Community-based, and Private Sector Childcare

India's care economy, specifically its childcare infrastructure, operates through three distinct models: government initiatives, community-based solutions, and private sector services. Each model serves different socioeconomic segments, with unique approaches to providing childcare services across the country. See Figure 5.

Kenya: Kidogo Social Enterprise – Early Childhood Care and Education in Kenya's Urban Settlements

The childcare infrastructure in Kenya is vital to the country's social and economic development. Most childcare services are provided through informal centers, which play a crucial role in bridging the gaps left by formal childcare services, which may be out of reach for many families. The Government of Kenya's 2023 National Care Policy laid out its lifecycle, scope, strategic priorities, and actions for strengthening Kenya's care infrastructure and ecosystem (Government of Kenya, 2023). The Care Reform Initiative aims to promote family and community-based care models.

Kidogo is a social enterprise that provides affordable access to quality care in East Africa's low-income communities (Kidogo, 2025). By partnering with local women – "Mamapreneurs" (i.e., entrepreneurs) – Kidogo has created a safe

India: Government, Community-based, and Private Sector Child Care



Figure 5: The government has recently initiated plans to expand these models through public-private partnerships and voucher systems. These innovative financing mechanisms typically involve governmental agencies or organizations issuing vouchers to eligible families, redeemable at approved childcare providers. Thus, these mechanisms enhance accessibility and parental choice, while maintaining quality standards.



and stimulating environment for children through a play-based and localized curriculum in urban slums. This initiative has enhanced the quality of care and improved the condition and profitability of these microbusinesses. As of 2023, Kidogo exceeded its target, providing services to more than 38,000 children and granting franchises to more than 1500 Mamapreneurs.

The African Population and Health Research Center (APHRC) evaluated the Kidogo program that was implemented in Nakuru County, highlighting its impact on early childhood care and women's economic empowerment. The key findings of the evaluation are summarized in Figure 6.

Nigeria: Mobilizing Private Investment in Childcare

Nigeria's care gap is steadily increasing due to a combination of factors, which include cultural shifts as more women seek opportunities to work outside of the home,

Kidogo Program: APHRC Evaluation Findings



The program has significantly contributed to women's economic empowerment by enabling them to pursue paid work while ensuring their children receive quality care. This has been particularly impactful in lowincome urban areas where employment opportunities are limited.



Kidogo's approach has positively influenced the health and well-being of both women and children. The program ensures that children receive proper nutrition and health checks, creating a safe and nurturing environment for their development.



The evaluation highlights the scalability and sustainability of the Kidogo model. By using a social franchising approach, Kidogo has been able to expand its reach and impact, supporting numerous childcare centers across Kenya.



Kidogo's collaboration with APHRC and other organizations has informed policy discussions and contributed to the development of childcare legislation in Kenya. This partnership aims to create a framework that supports quality childcare and economic productivity.

rural/urban migration, the emigration of professional care workers, the evolution of the world of work, family subsistence, and survival challenges. The country's 2022 ACE Index aggregate score reflects the evidence regarding the economic and social care gaps and challenges. Nigeria was assessed as having an aggregate score of 0.9/30 and ranked fifty-second out of the 54 countries covered by the Index. See Figure 7 for a summary of the key issues affecting Nigeria's care economy.

According to De Hennau (2022), Nigeria would require investments of between 4% and 8% of its GDP (between US\$17 billion and US\$35 billion) to fill its childcare funding gap. Approximately two-thirds of childcare providers are self-financed, and 18% resort to bank loans. With low personal savings and high lending rates, self-financing by childcare entrepreneurs is unlikely (Thomas et al., 2024). There has been significant private sector mobilization – with the support of multilateral financing organizations – to generate a market response to the widening care gap and opportunities for investment in Nigeria. Caring Africa is building a strong coalition to champion care investments to help catalyze Africa's economic transformation. A recent 2024 investment conference in Nigeria generated approximately US\$50 million in funding care infrastructure commitments (Caring Africa, 2024).

CONCLUSION

Reimagining the care economy requires a comprehensive all-of-society and lifecycle approach, which extends beyond governmental initiatives and requires active collaboration with the private sector, community organizations, knowledge institutions, and the general population. Public and private investments are crucial in de-

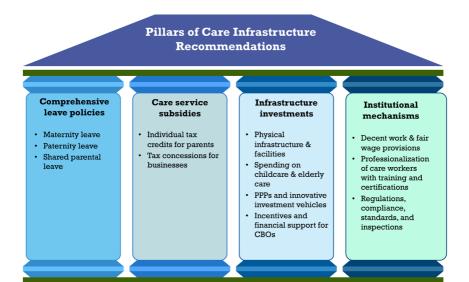
Nigeria's Childcare Economy: Key issues

Parental Leave	 Provisions for family leave are fragmented. While maternity leave with pay is available in the public service, there no provision for paternity leave at federal and state government levels. Parental leave in the formal and informal sectors is mostly unregulated.
Wage and social protection laws	 Domestic worker protections have not been promulgated. National minimum wage and social protection laws fail to protect the decent work rights of domestic workers who provide most of the paid care services in Nigeria.
Childcare regulation and standards	 Regulations governing the registration and supervision of childcare services in Nigeria exist, but responsibilities for regulatory implementation and compliance are fragmented. Many childcare providers are unlicensed and unregistered.
Childcare financing and investment	 The lack of adequate investment in human capital and the care econor infrastructure implies a widening gap in access to and the availability care services. Childcare costs roughly 63% of the annual minimum wage per child. Public and private sector investment is required.

veloping essential care infrastructure and delivering quality care services. Additionally, industry associations and community-based organizations play vital roles in transforming the care infrastructure, including societal attitudes towards the equitable distribution of care responsibilities within households.

Bridging gender disparities in domestic and care work serves as a catalyst for enhancing women's labor force participation by alleviating gender-based time constraints and generating new opportunities for formal employment and entrepreneurship.

Based on an extensive review of over 50 care economy interventions across the selected economies, our strategic recommendations for transforming the global care economy have been collated. These recommendations have five foundational pillars, as summarized in Figure 8, below.



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