

ENABLING POLICY REFORMS

The care economy is key to gender equality and economic growth

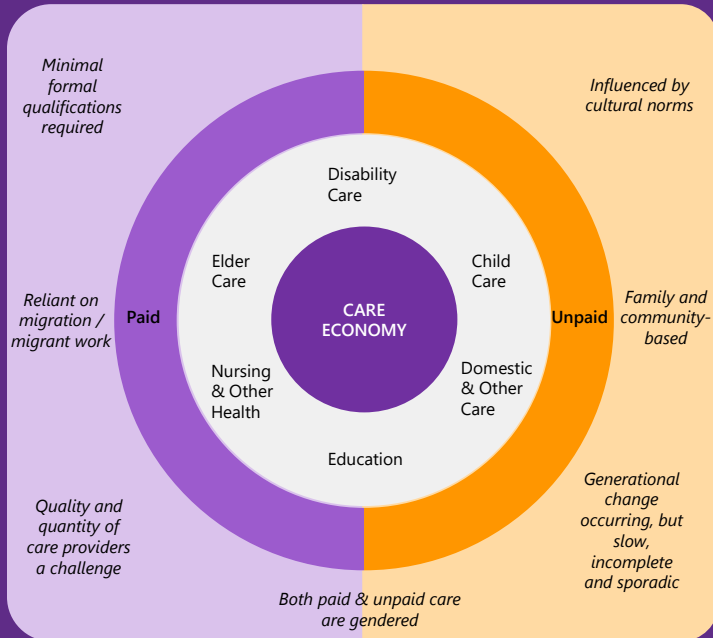
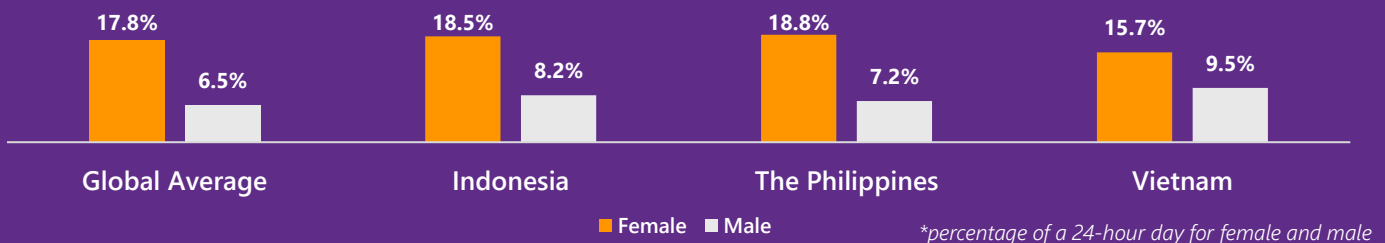


Illustration of the Care Economy (ANU-GIWL, 2023)

While definitions vary, the care economy encompasses paid and unpaid care work that sustains all human activity. Unpaid care work alone, if compensated, would be equal to 9% of global GDP or USD11 trillion¹. Despite its significance, care work remains under-recognised, under-invested, and gender segregated. Globally, women perform almost three times as many hours of unpaid care work compared to men mainly due to gendered social norms. This severely limits women's ability to thrive in the workplace and succeed in business.

Developing the care economy is a cornerstone for improving women's economic equality and sustainable economic growth. **By redistributing and resourcing care work and addressing social norms surrounding care, women can have greater opportunities to participate in the workforce.** Financing the care economy generates jobs and stimulates economic activity. When a country's care needs are met, people of all genders can participate fully in the economy.

Average time spent in unpaid care and domestic work (2023)^{2*}:



Demographic shifts and economic transitions are creating new challenges and opportunities for the care economy

Many countries in Southeast Asia – like Indonesia, the Philippines, and Vietnam – are experiencing high levels of growth, with some already or on track to become upper middle-income countries. However, these positive developments are also linked to declining fertility rates and aging populations, creating new care dynamics. Regional stakeholder consultations and context analyses also revealed demand for care was diverse and evolving due to digitalisation, migration, and climate change, underscoring the need for formal, accessible and quality care structures. While governments remain the primary duty bearer in the provision of care, public sector investments alone cannot address the projected care demand.

Given this complexity, the Australian Government, through Investing in Women, is supporting leading experts in the region to explore **policy reforms** that harness the perspectives, resources, and contribution of the **private sector** to help countries meet their current and future care needs.

The private sector has a crucial role in the care economy.

As employers. Workplaces that support employees with caring responsibilities, including through flexible work, register higher sense of overall employee wellbeing and productivity at work³

As investors. Globally, around 42% of care enterprises became profitable within 7 years, and 55.5% have plans to achieve break-even in the next 3-5 years⁴

As service providers. Rising disposable incomes in the Asia Pacific is fueling the market growth for child and eldercare. In fact, the region is the largest market for child day care services at 33%⁵

Investing in Women's Approach to the Care Economy

Investing in Women (IW) is a multi-country Australian Government initiative in Southeast Asia that seeks to accelerate women's economic equality. By fostering equitable opportunities within the private sector, IW aims to promote inclusive and sustainable economic growth in targeted countries. IW uses innovative approaches to catalyse women's economic participation and strengthen the enabling environment for women's economic equality, including:



Workplace Gender Equality supporting partners, including Business Coalitions, that work with influential business to shift workplace cultures, practices and policy, and achieve workplace gender equality



Enabling Policy Reforms working to strengthen the evidence base and drive collective action needed to influence and inform policy reform that supports women's economic participation



Campaigns and Communities of Practice supporting locally driven campaigns that promote positive examples of gender equality to strengthen public support for women's economic participation



Gender Lens Investing working to increase investment in Small and Medium Enterprises (SMEs) that disproportionately benefit women in Indonesia, the Philippines and Vietnam.

The care economy is an emerging policy priority for Southeast Asian countries, and for Australia's partnership with them. IW contributes by working with credible **local institutions** to integrate private sector experiences and perspectives into care economy policy dialogues and/or regulatory reforms in Indonesia, the Philippines, and Vietnam that support access to quality care services. Its work has a sharp focus on the **evidence base** and **collective action** needed to influence and inform policy change that supports women's economic equality.

IW identifies policy reform opportunities through *appropriateness of the policy opportunity*, including whether the policy issue has emerged as a priority for stakeholders, and *partner readiness and capability*.

Enabling Policy Reforms: Guiding Principles



Enabling Policy Reforms: Activities

Investing in Women works with governments, businesses, local institutions, and other development partners to produce evidence, and engage policy stakeholders in dialogue on how best to deliver progressive change in the care economy ecosystem.

Multi-Country

Future Demand for Care Research

Drawing from our **initial landscape study** ([link below](#)), this research seeks to understand the relationship between norm changes and the changing demand for care (for children, the elderly, and people with disabilities), and the nuances around changing demand in relation to transitioning socio-economic contexts.

It also examines the enabling and inhibiting factors that shape the demand for care across the region and generations. One of the most critical elements of the study is to understand the roles and potential contributions of key players, specifically government and private sector stakeholders.

Partners: Australian National University's Global Institute for Women's Leadership (ANU-GIWL) together with SMERU Research Institute in Indonesia, Philippine Institute for Development Studies (PIDS), and Mekong Development Research Institute (MDRI) in Vietnam

Indonesia

Advancing Women’s Economic Empowerment through Employer-supported Childcare

This initiative explores and highlights the regulatory enablers and barriers to the development and improvement of employer-supported childcare and brings together policy-relevant evidence of employer-supported childcare models.

IW is supporting the *Indonesian Business Coalition for Women Empowerment (IBCWE)* to undertake a trial of employer-supported care with up to three member companies to identify models of employer-supported childcare suitable for their respective workforces; and

Partner: *Indonesian Business Coalition for Women Empowerment (IBCWE)*

document lessons learned. IBCWE will share insights and findings in policy dialogues on the care economy, including to support the Ministry of Women’s Empowerment and Child Protection (KPPPA) and Ministry of Labour’s efforts to promote employer-supported care.

In the long term, IBCWE plans to offer technical support for employer-supported care in their menu of services to member companies, to increase uptake of effective models.

The Philippines

Part-Time Work and Flexible Working Arrangements Studies

IW supported the **Comparative Study on Gender-Inclusive Part-Time Work Policies** which documented global best practice and lessons learned from the implementation of part-time work policies in Indonesia, Vietnam, Australia and the Netherlands to promote women’s participation in the Philippine labour market (*link below*).

IW is supporting the **Gender and Demographic Insights on Flexible Working Arrangements in the Philippine Private Sector** study which will generate evidence for private companies on the effects of flexible work arrangements for

Partner: *National Economic and Development Authority (NEDA), together with the Australian National University’s Global Institute for Women’s Leadership (ANU-GIWL)*

different groups of employers and employees, and provide insights into how such arrangements can promote decent work amid shifting norms, in line with the Philippines’ and IW’s focus on quality jobs.

These studies are well aligned with the 2023-2028 Philippine Development Plan which promotes gender equality within the labour force, and support the first national jobs masterplan (*Trabaho Para sa Bayan*) developed by the *National Economic and Development Authority (NEDA)*.

Vietnam

Gender-Responsive Innovations for At-Home Aged Care

This initiative will build the evidence base for gender-responsive, private sector-led solutions that can improve the quality of at-home care for older adults in Vietnam while rebalancing women’s responsibility for unpaid care work.

This initiative seeks to: 1) source and test gender-responsive, private sector-led products or services; 2) document quality of at-home care for older adults; 2) document evidence and

Partner: *To be announced*

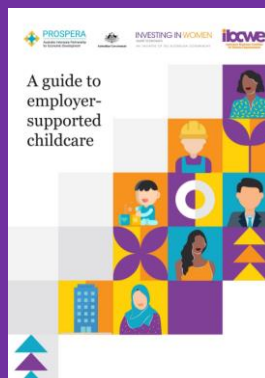
lessons from the testing period, including on regulatory implications that may support or hinder wider application of the innovative mechanism; 3) disseminate the evidence and lessons collected with a broader ecosystem of relevant private and policy stakeholders, and 4) complement efforts to build a comprehensive aged care ecosystem.

IW Publications on the Care Economy

Resources are available on the **IW Knowledge Hub** (<https://investinginwomen.asia/knowledge-hub/>)



The Care Economy in Vietnam, the Philippines and Indonesia



A Guide to Employer-supported Childcare



Comparative Study on Gender-Inclusive Part-Time Work Policies

References:

- ¹ World Economic Forum. 2024. The Future of the Care Economy
- ² UN Women. 2023. Forecasting time spent in unpaid care and domestic work
- ³ Institute for Employment Studies. 2018. Evaluation of the Carers in Employment (CIE) Project
- ⁴ AVPN. 2023. Financing the Care Economy in the Global South: Investment Opportunities and Pathways
- ⁵ Research and Markets. 2024. Child Day Care Services Global Market Report 2024