



WHY INVEST IN THE CARE ECONOMY?

INFORMATION BRIEF

EU4GENDEREQUALITY
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Public investment has the power to stimulate employment and economic growth, and contribute to solving social problems. One area that demands immediate attention in terms of increasing public investment is the **care economy**. Due to prevailing gender norms, women and girls disproportionately perform care and domestic work. Worldwide, **women and girls spend three times as much time on care work as men and boys**. This leaves women and girls overburdened and limits their potential to participate in, and benefit from, economic and social development.

This **brief explores why governments should prioritise and invest in the care economy**, considering its far-reaching impact on public health, education, and gender equality.

WHAT IS THE “CARE ECONOMY”?

“Care work” refers to the “provision of personal services to meet those basic physical and mental needs that allow a person to function at a socially determined acceptable level of capability, comfort and safety.”¹ Everyone provides or receives care at some point in their life.

¹ What if care work were recognised as a driver of sustainable growth? Briefing. European Added Value in Action. European Parliament. [https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/730333/EPRS_BRI\(2022\)730333_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/730333/EPRS_BRI(2022)730333_EN.pdf)

“An equal sharing of care responsibilities at home is crucial, as is the availability of childcare, social care and household services, in particular for single parents. Insufficient access to quality and affordable formal care services is one of the key drivers of gender inequality in the labour market. Investing in care services is therefore important to support women’s participation in paid work and their professional development. It also has potential for job creation for both women and men.”

– EU Gender Action Plan (GAP) III¹

“Care concerns us all. It creates the fabric that holds our societies together and brings our generations together. Throughout our lives, we and our loved ones will either need or provide care.”

– EU Care Strategy, 2022

A substantial amount of care work is performed on an unpaid basis in the domestic sphere. In 2018, the International Labour Organization estimated that unpaid care work for household production involves 16.4 billion hours of work time annually (equivalent to approximately 2 billion jobs). Women perform three-quarters of these unpaid work hours. Care work is also performed on a paid basis in the public or market spheres, in healthcare and social services, education, domestic and personal services. According to ILO estimates, the size of the paid care economy corresponds to 381 million jobs around the world, comprising 11.5% of global employment. Two-thirds of paid care workers are women.²

The European Union (EU) recognises women's crucial role in providing care for children, the elderly and persons with disabilities. As such, the EU has introduced policies and taken steps to challenge and change gender norms within households and the labour market; to promote women's participation in the labour market; to close gender gaps in earnings and pay; to unleash women's potential in the labour force by promoting work-life balance for women and men through the equal sharing of care responsibilities; and to provide accessible and affordable high-quality childcare and long-term care services.³



Sustainable Development Goal (SDG) target 5.4 focuses on the care agenda and underlines the importance of recognising and valuing unpaid care and domestic work which, as noted above, is largely performed by women and girls.⁴

² ILO, *Care work and care jobs for the future of decent work*, 2018; UN Women – ILO, *Policy Tool 6: A Guide to Public Investments in the Care Economy*, 2021.

³ Joint Staff Working Document: Recovery, resilience and reform: post 2020 Eastern Partnership priorities. https://www.eeas.europa.eu/eastern-partnership/joint-staff-working-document-recovery-resilience-and-reform-post-2020-eastern-partnership-priorities_en; Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019L1158>; European Care Strategy, 2022. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022DC0440>; Council Recommendation of 8 December 2022 on early childhood education and care: the Barcelona targets for 2030 (2022/C 484/01). [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022H1220\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022H1220(01)); Union of Equality: Gender Equality Strategy 2020-2025. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0152>; European Commission, *EU Gender Action Plan III, 2020*; EU strategy on the rights of the child, 2021. <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A52021DC0142>

⁴ ILO, *Care work and care jobs for the future of decent work*, 2018.

SDG 5.4 calls for appropriate investments in care infrastructure, social protection systems and public services to promote shared responsibility for this essential work among the four pillars of society – the State, markets, households and communities.

This requires a redistribution of existing patterns of care work, from women to men and from households to the State, markets and communities.

WHY SHOULD GOVERNMENTS INVEST IN THE CARE ECONOMY?

Around 380 million people work in the care sector. Projections indicate that this number will increase significantly in the future as demand for care services grows. There is already a shortage of care workers, and poor wages and working conditions are growing concerns in the sector. This sets the stage for a potential care crisis.

Filling existing gaps with quality care services could generate almost 300 million jobs around the world.⁵ This would contribute to reducing poverty, advancing gender equality, and ensuring better quality care for children, the elderly and persons with disabilities. Greater investment in care services – especially childcare – could yield a 3-to-1 return on investment (ROI) in terms of growth in gross domestic product (GDP).⁶ Investing in care services would also contribute to reducing the global gender pay gap and increasing women's participation in paid employment.

A gender analysis by the International Trade Union Confederation shows that investing in care industries would generate substantial increases in employment.⁷ If 2% of GDP were invested in the care economy, overall employment in countries would range from 2.4% to 6.1%. It is estimated that women would take up most of the jobs created, reflecting the current concentration of women in the care economy. Due to the multiplier effect, many jobs would also be created outside the care sector. Therefore, investing in the care economy would lead to more jobs for both men and women.⁸

⁵ Laura Addati, Umberto Cattaneo and Emanuela Pozzan Geneva. *Care at work: Investing in care leave and services for a more gender equal world of work*. International Labour Organization, 2022.

⁶ Ibid.

⁷ International Trade Union Confederation, *Investing in the care economy: A gender analysis of employment stimulus in seven OECD countries*, 2016.

⁸ Ibid.

WHAT CARE POLICIES MEASURES ARE NEEDED?

Care policy measures include:

- **Care infrastructure:** Water, sanitation, energy, transport, food services and healthcare infrastructure for persons who are sick (including HIV patients, COVID-19 patients), living with a disability or are pregnant women.
- **Care-related social protection:** Cash transfers, cash-for-care, vouchers, tax benefits and non-contributory pension schemes.
- **Care services:** Childcare, eldercare and care provision for persons with disabilities or illnesses through the State or the market.
- **Employment-related care:** Leave policies, family-friendly working arrangements, flextime, career breaks, sabbaticals, severance pay and employer-funded or contributory social protection schemes, such as maternity, paternity and parental leave benefits.⁹

HOW CAN WE ENSURE THE SUCCESSFUL IMPLEMENTATION OF CARE POLICY MEASURES?

To ensure the successful implementation of the proposed care policy measures, gender-responsive budgeting and gender-disaggregated data need to be made available. An approach of interministerial and intersectoral collaboration are equally vital.

⁹ ESCAP, How to Invest in the Care Economy: A Primer, 2022.

Media campaigns are also needed to bring about shifts in mindsets – encouraging people to value and redistribute unpaid care work from women to men, and from families to other stakeholders in society.

Care economy businesses can help recognise, reduce, reward and redistribute care work in the following ways: Recognise: Initiatives that increase the visibility and recognition of paid and unpaid care and domestic work as “productive” work that creates real value and contributes to economies and societies.

- **Reduce:** Products and initiatives that reduce the time and burden of unpaid care and domestic work.
- **Reward:** Products, services and initiatives that ensure that care and domestic workers are paid fairly and can progress in their careers, providing them with financial rewards and security.
- **Redistribute:** Services and initiatives that (a) redistribute care work from individuals to public and private sector entities, and (b) redistribute care and domestic work within households.¹⁰

Work-life balance policies, including parental leave policies, are also needed to support women’s labour market participation and employment, and for achieving gender equality.

¹⁰ The Care Economy Knowledge Hub.



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