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### RESEARCH ARTICLE

#### CARING FOR THE ECONOMICS OF CARE

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#### Abstract

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#### Introduction:-

While the word care conjures a warm and fuzzy feeling, for millions across the globe, it is a cold reality of daily struggle. There are scores trying to balance their care-giving responsibilities with other demands on their time and efforts and seeking both social and economic recognition for their labour. Till recently, care was considered an integral part of the family structure and its burden fell on women, alongside taking care of the other family responsibilities. Even paid, professional care work has been gendered and under recognized. This paper looks at the changing imperatives of this narrative, makes a case for the economic valuation of the care economy as a business proposition and outlines some of the steps needed for the sector to achieve its potential as a bonafide economic activity. The paper looks at global trends and research but also lays focus on India, whose socio-economic demography places care economy in a unique paradigm.

Care economy refers to the labour and services, both paid for and unpaid, that support care-giving and its various forms. It includes addressing the physical, psychological, and emotional needs of care-requiring subjects, particularly infants, children and elderly, ranging from the frail to fit. Care work encompasses direct activities like looking after an infant and providing nurse-support to an invalid or unwell as well as activities that support living like cooking, household-work, logistics of caring for another person. It also spans a variety of sectors including health, wellness, education, social work, child-care. Traditionally, care-givers outside the ambit of family have been given titles like nurses, nursemaids, governesses, domestic helpers, crèche-workers, private tutors, community health workers, social workers etc. and only a few of them are recognised as established professions. Currently, the care economy all over the world is mostly informal, unstructured, and underdeveloped. "Care has long been dismissed as an issue without economic relevance beyond the personal or domestic sphere – until recent shocks brought care back to the top of the global agenda."<sup>1</sup>

The covid pandemic was the biggest shock that focused attention on the caregivers, both inside and outside the family but the impetus for increased attention has been building over time. The demographic transitions following the industrial revolution have greatly increased the number of nuclear families or single-parent families where the burden of caring for both children and elderly fall on the working age population. This has become the norm not only in the western or developed societies but also in the developing or oriental societies like India, China or Middle east which had long relied on joint families and large social-networks for care-giving. The increasing life span of seniors and modern-day city life with large number of individuals working away from home has made the situation demanding for care providers.

<sup>1</sup> [https://www3.weforum.org/docs/WEF\\_The\\_Future\\_of\\_the\\_Care\\_Economy\\_2024.pdf](https://www3.weforum.org/docs/WEF_The_Future_of_the_Care_Economy_2024.pdf)

Despite this worldwide growth in the need for care, care-work has not really been recognized as an economic activity. In most middle and low-income societies, caring is clubbed with household work. In the more developed societies, while extreme care is provided institutionally through old age homes, assisted living, day care centres etc. the larger concentration of regular care responsibility continues to be part of domestic duties. This creates a care-deficit: non accounting of the economic impact of care-giving. As per ILO estimates, there are nearly 2 billion caregivers working full time for no pay, which amounts to unpaid care services representing 9% of global GDP or \$11 trillion.<sup>2</sup> There is a staggering gender disparity in this deficit as women bear an overwhelming share of carework, across the globe. Among the factors that have contributed to the care deficit are increasing number of women in employment without corresponding changes in the attitude and ability of men to take up domestic responsibilities. Across the world, women spend three times more of their daily hours on unpaid care work that is not remunerated. This disparity of care burden is further aggravated for women from “the low-income, migrant, and racialized groups who perform more than three-quarters of unpaid care and domestic work.”<sup>3</sup> In traditional societies like India, this disparity between men and women’s labour in care can be as high as eight times. In India, women get even lesser support from their partners, families or even government agencies. Most household work, domestic chores and care-giving is seen as responsibility of women and institutional support ranks amongst the lowest in the world. Women bear the overwhelming burden of being the care providers for children and elderly. Feminists have been arguing that the unpaid, and unappreciated role of woman in taking care of the family is exploitative. Many have termed it as domestic slavery which has been accepted due to the cultural norms and socialization. As care work done by women is undervalued or neglected, it creates a unique market failure as women are removed from economic or monetarily gainful employment. This leads to scarcity of time and sub-optimal talent utilization for the economy as a whole. Lower participation of women in the labour force hinders economic development as a whole. Even for working women, the scales tip unfavourably due to domestic responsibilities and many studies have documented “motherhood penalties” at work. An estimate of these challenges can be made through the productivity losses suffered by the overstretched caregivers, essentially mothers. In the US, one in four employed caregivers, reported caregiving-related absences in 2015. This translates to an estimated annual productivity loss of \$5,600 per employee.<sup>4</sup> Furthermore, women and girls contribute more than 70% of total global caregiving hours (paid and unpaid) and perform more than 75% of unpaid care work.

Besides gender bias within family structures and responsibilities, the care sector remains unorganised and undocumented as it largely employs the most vulnerable. Care economy as it exists at present, is essentially characterised by informality, lack of information and regulation, and elements of non-monetary expectation. Most workers have to battle irregular employment, long working hours, erratic leave and low wages. Care work, therefore, becomes subsistence employment taken up by poor uneducated women like the ayahs (or nannies) in countries like India or the illegal and extra-legal immigrants in US, UK or other developed countries. This inequality has a ripple effect as workers engaged in care work are unable to take advantage of economic mobility due to the inability to upgrade their skills or find better employment opportunities.

It is thus established that care work is economically valuable but globally undervalued. Care work must be viewed as the enabler that makes it possible for large number of people to work outside home. It is one of the fast-growing sectors of paid work all over the world—projected to add 150 million jobs by 2030. At the same time, people who will be needing care or clients for care-work is expected to reach 2.3 billion by 2030, clearly showing the potential for employment through the demand-supply gap.

With the above becoming matters of increasing concern, not only does care economy become a subject requiring attention but it also makes socio-economic sense for governments to invest in the sector. Such attention could help tackle some of the biggest problems confronting governments today: demographic changes, dependent population without adequate care and gender inequality. Most governments have accepted that investment in the social sector, especially in better education and health yield economic growth but the same needs to be extended to caring.

These gaps in the care sector and the positive impact investment in the sector can create globally have been recognised in recent years, particularly after the Covid pandemic. Seminal research works in the field have been

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<sup>2</sup>International Labour Organization, Care Work and Care Jobs for the Future of Decent Work, 2018.

<sup>3</sup>UN Women, Forecasting time spent in unpaid care and domesticwork: Technical brief, 2023.

<sup>4</sup> Keita Fakeye M.B., L.J. Samuel, E.F. Drabo, K. Bandeen-Roche et al., Caregiving-Related Work Productivity Loss Among Employed Family and Other Unpaid Caregivers of Older Adults, Value Health, 2023.

conducted by International Labour Organization (ILO) and the World Economic Forum. ILO first released a study titled “Care Work and Care Jobs for the Future of Decent Work” in 2018. It followed up with “A guide to public investments in the care economy: Policy support tool for estimating care deficits, investment costs, and economic returns” that was published in 2021, along with the UN Women as part of a Joint Programme titled “Promoting Decent Employment for Women through Inclusive Growth Policies and Investments in the Care Economy.” In 2022, ILO published another report titled “Care at Work: Investing in Care Leave and Services for a More Gender-Equal World of Work.” The paper called for specific policy measures for ‘the care economy and care work’. The ILO has also developed a Global Care Policy portal as a knowledge hub to “disseminate data and resources on care leave policies and services to advance the ILO transformative agenda for gender equality and non-discrimination.” This portal is a repository of over 60 legal and statistical indicators across 180 countries. It covers gender related care indicators like parental leave and care leave, childcare and other long-term care services using international labour standards for benchmarking. This was followed by the World Economic Forum network of Global Future Councils considering future of the care economy as a subject for a wide-ranging, multi-stakeholder discussion in 2023. The resultant white paper by the council not only proves the critical importance of Care Economy but also presents a good review of its existing state, its challenges and opportunities as well as its potential as an economic priority. The paper calls “the state of economy—a fundamental constraint for countries seeking shockproof growth.” A study of these documents, observations and recommendations are the basis for the following culling of issues and way forward in the area of care-based economy.

Besides socio-economic aspects of care Economy, the first and foremost contention of this paper is that it makes economic sense for governments and businesses to invest in the care sector. According to a March 2016, paper published by the International Trade Union Confederation, called “Investing in the Care Economy,” a 2% of GDP investment in the care industry would lead to 2.4% to 6.1% increase in overall employment depending on the country.<sup>5</sup> At the same time employment rate for women would correspondingly increase by 3.32 to 8.2 percentage points. In a world where unemployment remains a critical concern across continents, this figure alone makes a substantive case for government investment in the care economy. At the launch of the ILO report “Care at Work: Investing in care leave and services for a more gender equal world of work,” Michiko Miyamoto, Country Director of the ILO in Indonesia, said that “A greater investment in care could generate almost 300 million jobs globally.” Additionally, as mentioned earlier, with changes in the demographic composition, societal structures and increased life-spans, the sector will grow continuously. In a way, this may be one of the few recession-proof sectors. As per one estimate, paid care work is projected to rise rapidly up to 14.9% of global GDP in 2030.<sup>6</sup> The GFC paper on the Future of the care economy has identified the following as results of a “well-designed care economy:”

1. Higher levels of productivity and growth
2. Higher levels of gender parity
3. Higher levels of workforce participation
4. Higher levels of educational attainment
5. Higher business profitability and efficiency
6. Lower levels of inequality
7. Lower long-term social expenditure.

There is thus, little doubt about the economic sense of making investments in this sector of economy. In terms of the way forward, the first step in institutional reform of the care sector is that instead of it being seen as a family responsibility, it has to be seen as a sector of the economy where government, enterprises and societies have to work in conjunction. The responsibilities and critical steps needed from each of these three pillars have been well documented by the GFC paper. Some of the critical inputs required have been outlined below.

For governments, the interventions requirements can be best identified through the ILO’s “Decent Work Agenda,” which specified the ways in which value of care work can be assessed or monetised. The ILO proposes a 5R framework for decent care work, centred around achieving gender equality. It urges for: Recognition, Reduction of unpaid care work, Redistribution of unpaid carework, Rewarding care workers and Representation of care workers in social dialogue and collective bargaining. A number of governments at local to national level have realised both the problems and the potential of the care sector and started taking steps. These include increasing child care leave, training programmes etc.

<sup>5</sup> <https://www.ituc-csi.org/investing-in-the-care-economy>

<sup>6</sup> <https://www.2xglobal.org/care-economy-cop>

The second pillar required to support the changes in the care sector if it has to move from an unpaid service to an organised and remunerative economic activity is business. Businesses will have to play a critical role to unlock the economic aspects of this industry. Aggregators like service industry agencies can organise care-givers. The information asymmetry that cloaks the sector can be corrected and job opportunities available can be made more accessible through portals as in other formal sectors. For example, all over India, there is a substantial informal sector of agencies that provide ayahs/nurses and other care-givers but the system is beset with exploitation, irregularity, frauds and incompetence. Essentially, agencies that are even now collating employment opportunities and job requirements, need to be regulated and organised with adequate levels of transparency. A planned, trained, and organised network of job placement agencies could bridge a critical gap between service providers and those who need care.

For all other businesses, investing in facilities that reduce caregiving dependency of its employees like flexi-hours, creches and nurseries at work-places, are increasingly becoming a necessity to attract and retain talent. In the US, the economic impact of insufficient childcare services was estimated in 2019 to represent losses of \$57 billion in earnings, productivity and revenues.<sup>7</sup> This loss of productivity can be mitigated by providing the facilities that would make employees free from their care responsibilities and concentrate on the work for their employers.

Lastly, communities may appear to be an anachronistic pillar for care economy as most advocacy is for moving caregiving from a community activity to an economic activity. However, community has been the mainstay of caregiving and its sustainable and equitable economic actualisation would depend on communities. The single most change required in community is to balance the burden of care across genders by having men more involved in caregiving. Female dominance in the formal care economy is slowly getting balanced with male counterparts gradually gaining acceptance, even in societies like India. For example, despite females still marking a predominance in nursing profession, male nurses now make up to 30% of the nursing staff in some city hospitals.<sup>8</sup> Such changes require community action. Also, caregiving, paid or unpaid, is a skilled and difficult job. Training programs for both male and female care-givers are needed to fill the demand-supply gap and creating an accessible resource pool. A lesson can be drawn from the European care strategy, which has set the goal of training 60% of the long-term care workers by 2030, which translates into training of 3.8 million workers per year.<sup>9</sup> These training programmes have to be run by social entrepreneurs. Similarly, community organizations have to create facilities for affordable child care at or near homes, in cities and peri-urban areas. This is especially needed to ensure that the care-givers to higher strata of society can avail of care facilities for themselves and their family members. Lastly, it is absolutely essential to build evidence and create knowledge banks at the community level. These would serve as an important resource for policymakers to ensure a policy framework that is responsive to changing social needs as well as a catalyst for social change.

Moving from the large scale, global framework to the Indian scenario, one can view India as a microcosm of all the issues. It is a developing economy with a fast-changing demography which highlights all the issues related to care-work. There is as yet little regulation or policy support for the sector. Additionally, the society is intensely patriarchal with women bearing the overwhelming burden of care work and thereby being deprived of gainful involvement in formal employment. It is estimated that women's unpaid work is responsible for 7.5% of GDP in India. As per ILO reports, India spends less than 1% of GDP on the care economy. An investment of just 2% of GDP in this sector would create 11 million jobs, of which 32.5% would be filled by women. Employment generation schemes, such as the Mahatma Gandhi National Rural Employment Guarantee Scheme, only generate employment through creation of physical infrastructure. If social sector projects like caring for old age, young children and the unhealthy etc. could also be included in employment generation activities, the gender gap in employment could be substantially reduced.

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<sup>7</sup> Bishop-Josef, S., C. Beakey, S. Watson and T. Garrett, *Want to Grow the Economy ? Fix the Child Care Crisis*, Council for Strong America, 2019, <https://strongnation.s3.amazonaws.com/documents>.

<sup>8</sup> <https://timesofindia.indiatimes.com/city/hyderabad/male-nurses-make-their-mark-in-care-economy/articleshow>.

<sup>9</sup> *European Care Strategy - One Year after the Adoption*, *European Commission*, 7 September 2023, <https://ec.europa.eu/social/main.jsp>

In recent times, however, there have been some very key initiatives from the government, which have direct and indirect implications for care economy. Acts like the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and minimum wage schedule have now been extended to care-givers especially domestic workers. This protection has stemmed from recognition of domestic workers as formal workers and care-givers. The starting point in this recognition was the all-India domestic workers survey taken up by the Labour Bureau, an attached office of the Ministry of Labour & Employment. As part of the exercise to create a National Database of the unorganised workers including domestic workers, the Ministry of Labour & Employment has also launched eSHRAM portal. Unorganised workers have been registered on the portal and as on 13.03.2023, 2.79 crore (27.9 million) domestic & household workers had registered on the portal, 2.67 crore (26.7 million) of whom are women.<sup>10</sup>

The Niti Aayog, the public policy thinktank of Government of India has also taken up an initiative to work with the ILO and identified steps needed for boosting labour and employment. These include the following specific thematic interventions for the care economy:<sup>11</sup>

1. Increasing investment in the care sector
2. Building skilled and certified care workers
3. Providing accessible and affordable care services and improving care infrastructure
4. Developing and implementing care policies and measures at work
5. Promoting decent work conditions for care workers, including migrant care workers

The ILO project has also given technical support to the state governments of Delhi and Kerala in drafting bills to protect rights of domestic workers and home nurses. However, the initiatives still remain few and far between and are complicated by the diversity in care practices, social stratification and state laws.

Having examined the theoretical framework, the recent initiatives, and the broad spectrum of social interventions, it would be appropriate to identify a few specific steps for improving care economy as a sector. The following initiatives and interventions would be seminal steps in realising the potential of the care economy, anywhere in the world and particularly in India:

1. Focus on geriatric care: given the increasing need for care of the aging population and breakdown of family support systems, it is imperative to bridge the gap between the limited supply and increasing demand for geriatric caregivers. Training, aggregation and regulations for developing professional at-home geriatrics care is critical.
2. Designing safe and affordable childcare institutions especially in the developing countries and/or traditional societies which still depend on extended family for child rearing.
3. Creating information repository of trained and licensed caregivers and laying down industry standards of wages, leave and other working conditions.
4. Formalising domestic work.
5. Mobilising public and private financing in care economy.
6. Policy reforms to allow market based caring solutions.
7. Identify care providers and giving care work a formal definition. The workers could be given specific cards and identity to ensure service-related benefits
8. Institutional support along with regulatory framework. Governments and think-tanks need to strategise and make an action plan that can provide better care policies, improve service conditions and provide decent working environments.

Care work continues to be undermined as an economic activity due to low wages, lack of protections, informality and emotional burden. The solution to the crying need of the ever-increasing sector lies in a mix of regulation and social consciousness as well as infrastructure and institutional development. The embedded gender balance must be corrected through paternity and special care leave as well as normalising care giving as an economic enabler. The full potential of the care economy and the solutions to the socio-economic challenges posed by its present status need a close collaboration between government, businesses and community. While governments have to take lead in policy formation and infrastructure building, the business solutions, technological support and innovative ideas have to come from businesses. Both have to function within the community norms to ensure that both care-givers and

<sup>10</sup> <https://labour.gov.in/sites/default/files/pib1907685.pdf>

<sup>11</sup> <https://www.ilo.org/projects-and-partnerships/projects/expanding-decent-employment-opportunities-care-economy-india>

care-receivers are nurtured and are satisfied. Investments in the Care economy need both thought and finance. Caring for the care economy will not just create employment but also work-life balance for millions and would also provide a just and cared for society.

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