



Formulating a Strategy for

India's Care



Economy: Unlocking Opportunities

March 2024

कर्मभार्या

NA NIKORE
ASSOCIATES

CII CENTRE FOR
WOMEN
LEADERSHIP 


Confederation of Indian Industry

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Towards a new dawn
Ministry of Women and Child Development
Government of India

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This policy brief has been prepared by the Nikore Associates team in partnership with teams from Karmannaya Counsel and CII, with Ms. Mitali Nikore, Founder and Chief Economist, Nikore Associates as the lead author.

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Foreword

As India's economy undergoes rapid transformation, our society is also under tremendous flux. We are urbanizing and nuclearizing at an unprecedented rate. People are moving from villages to cities and the joint family structure is being replaced by smaller nuclear entities. While the family remains the fulcrum of Indian society, its women are coming under extraordinary pressure due to the disproportionate burden of care being placed on their shoulders, especially as they explore work opportunities outside the household.



For the long-term growth and balanced development of Indian society, there is a need to prioritize the evolution of the care economy – which not only covers the population of children but also over 120 million elderly population (60 years and above) and nearly 30 million people with disabilities. Healthy development of the care economy in India is necessary to support the primary caregivers in our society; the majority of whom happen to be women within our families. This policy brief is an early – but significant – step towards the creation of an accessible, affordable and quality care economy across India.

Over the last ten years, the Gross Enrollment Rate (GER) in higher education in India has undergone a steep rise and the GER for women has witnessed an even sharper growth comparatively. As a result, today there are more girls than boys in higher education in India. Overall performance indicators also suggest that girls excel in the school leaving Board exams across the country. However, job market outcomes show a completely different picture. India has one of the lowest female labor force participation rates across emerging markets. With female LFPR of 25%, merely one in four women of the working age (15-59 years) in India are either working or seeking work. This is significantly low compared to male LFPR of 57.3% across the country. A major reason often cited for women dropping out of the labor market is the lack of adequate support for caregiving.

The Time-Use Survey data (2019) suggests that women of the working age group in India spend approximately seven hours daily in unpaid domestic work. Taking care of children and the elderly is a significant part of this unpaid household work. The first contribution that this policy brief makes is to calculate the contribution that the current caregiving makes to India's GDP. Based on the underlying assumptions, this ranges from 15% to 17% of GDP. This is a significant value that is mostly created within households and is often discounted and disregarded because these are non-marketable transactions.

Unlocking investments in India's care economy entails several steps that are necessary to lay the foundation for the long-term evolution of this critical sector. While the governments have an important role to play in this regard, it is important to note that there is already a small but fast-

growing segment of this economy that is thriving on robust revenue models catering to certain sections of the urban market. This brief describes several components of the care economy that have emerged over the years and that are fundamental to the growth of this sector. These include different types of care infrastructure, leave policies, subsidy policies, skill training, job creation and regulatory requirements. The policy brief also describes the experiences of other nations that have initiated these reforms in the last few decades, it outlines the successes as well as the challenges that they have faced. This is, therefore, a useful exercise for Indian policymakers as we conceptualize our way forward.

The development of a care economy is critical for the long-term growth of India's economy and for the balanced development of India's society. Affordable and quality caregiving is not only fundamental to India's nation-building but is also the key to unleashing the full potential of human capital that Indian women possess.

Dr Shamika Ravi

Member, Economic Advisory Council to the Prime Minister

Section 1: Introduction

Care work, both paid and unpaid, is essential to the future of decent work. It mainly consists of two overlapping activities: direct, personal, and relational care activities, such as feeding a baby; and indirect care activities, such as cooking and cleaning. Unpaid care and domestic work, such as nursing an ill partner or cooking for a family member, is care work provided without monetary compensation. Paid care work—such as domestic services provided by domestic workers—is performed by care workers in exchange for some form of remuneration.

Unpaid work is crucial for households and economies to function yet remains mostly invisible and unaccounted for in estimates of gross domestic product (GDP) and economic growth. The undervaluation and invisibility of care work, predominantly performed by women, has resulted in a market failure, where skilled and talented women are unable to realise their economic potential, leading to a misallocation of resources at the macroeconomic level. This market failure manifests as increased time poverty for women; inefficient allocation of women's talent; lack of well-paying jobs in the care sector; and motherhood penalties, ultimately lowering female labor force participation and constraining their economic development.

Enhancing investments in the care economy has the potential to not only bridge gender gaps in women's labour force participation, but also unlock a new economic segment for emerging economies, creating increased economic output and jobs in the care work services sector. Evidence from the International Labour Organisation suggests that increasing investments in the care services sector have the potential to generate 475 million jobs globally by 2030. For India specifically, direct public investment equivalent to 2% of GDP can potentially generate 11 million jobs, nearly 70% of which will go to women.¹

International deliberations on care, such as the G20 Bali Care Economy Dialogue, have provided comprehensive recommendations to governments. Notably, the Delhi Declaration, prepared under India's leadership and Presidency of the G20 in 2023, calls upon the G20 countries to “promote investment in the availability and accessibility of social protection, and to affordable care infrastructure to address the unequal distribution in paid and unpaid care and domestic work and to promote the continued participation of women in education and employment”.²

Against this backdrop, this policy brief presents a roadmap to develop a strategy for bridging the gender gaps in unpaid care work and mobilizing public and private sector investments in care infrastructure and services.

The policy brief has been prepared using a mixed methods approach, including detailed review of the gender disaggregated secondary data presented in the Time Use Survey (TUS), 2019, complemented by key informant interviews with policy makers as well as four roundtables and focus group discussions organized in Lucknow, Guwahati, Ranchi, and Kochi. The details are provided in the Methodology Appendix.

The policy brief is divided into four sections. Section 1 introduces the motivation and rationale for this project and the policy brief. Section 2 provides a brief review of the time use data to assess gender gaps in India. Section 3 presents a series of policy measures and recommendations for key stakeholders across India, building on national and international best practices.

¹ Laura Addati et al., “Care work and care jobs for the future of decent work”, International Labour Organisation, 2018, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_633135.pdf

² Ministry of External Affairs, Government of India, “G20 New Delhi Leaders' Declaration”, 2023, <https://www.mea.gov.in/Images/CPV/G20-New-Delhi-Leaders-Declaration.pdf>

Section 2: Need for a Care Economy Strategy in India

India's demographic landscape is expected to change between 2020 to 2050, necessitating more elderly care alongside continuing levels of childcare. A recent study from the United Nations Population Fund finds that as of 2022, about 25% of India's population is between the ages of 0-14 years, and 10.5% is above 60 years, i.e. about 360 million children and 147 million elderly persons require care. Over the next few decades, not only will the population grow, but there will also be a demographic transition. By 2050, the proportion of elderly persons is expected to increase to 20.8% of the population, i.e. about 347 million persons. Moreover, even as the proportion of children reduces marginally to 18%, the number of children will still be close to 300 million.³ This shift in India's demographic landscape implies the need to strategically invest in healthcare, social support, and other care infrastructure to cater to the evolving needs of an aging population, alongside continuing levels of childcare services.

Figure 1: Inverted care pyramid in India



Source: UNFPA, Our World in Data, Census, NITI Aayog, PIB

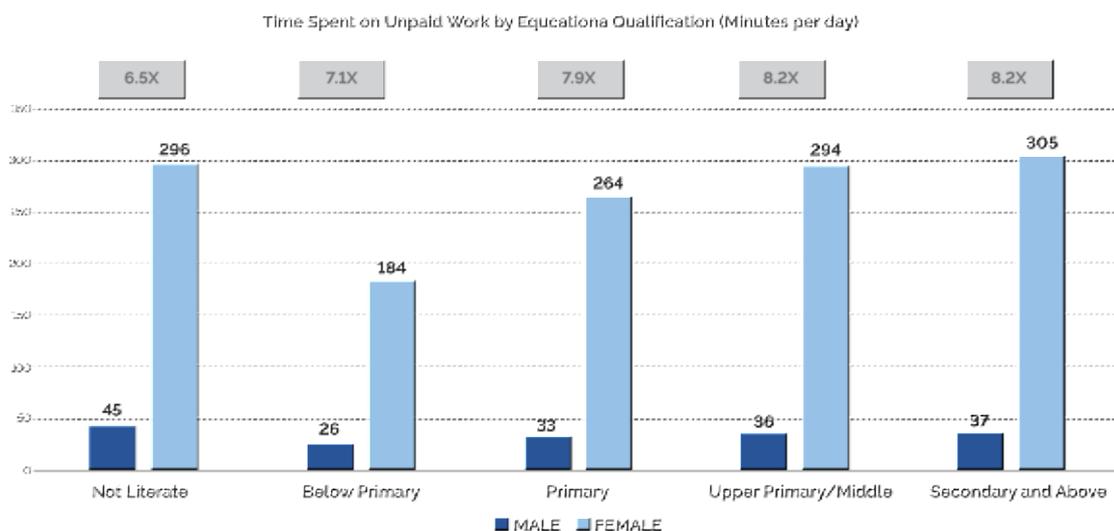
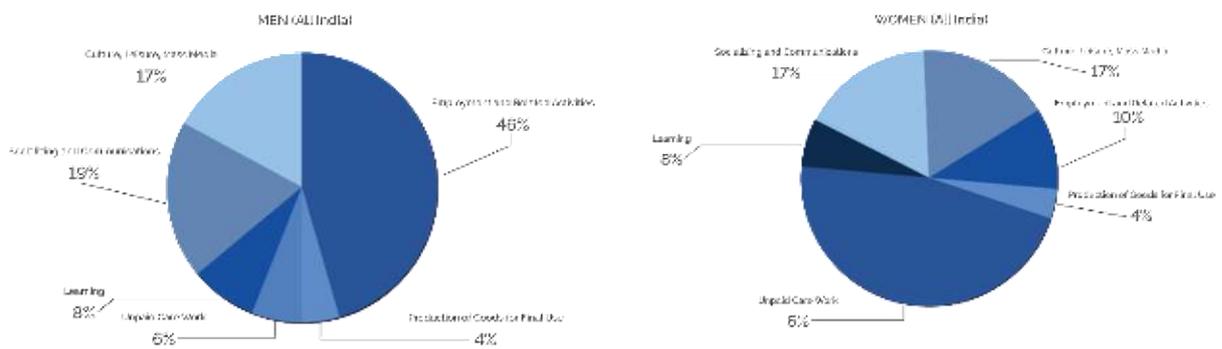
India is presently experiencing wide gender gaps in unpaid domestic and care work. As per data from the Time Use Survey conducted by the National Statistical Organization (NSO) between January and December 2019, women of working age (15 – 59 years) spend most of their waking hours on unpaid work, whereas men spend the majority of their day in paid employment. Overall, women of working age spend 5.6 hours on unpaid work daily, versus 30 minutes for men. Moreover, these gaps are far more pronounced in urban areas, where women spend 9.6x more time on unpaid care work, versus 8.2x for rural women. Consequently, women are less likely to spend time on employment, education, learning activities, and even leisure than men.

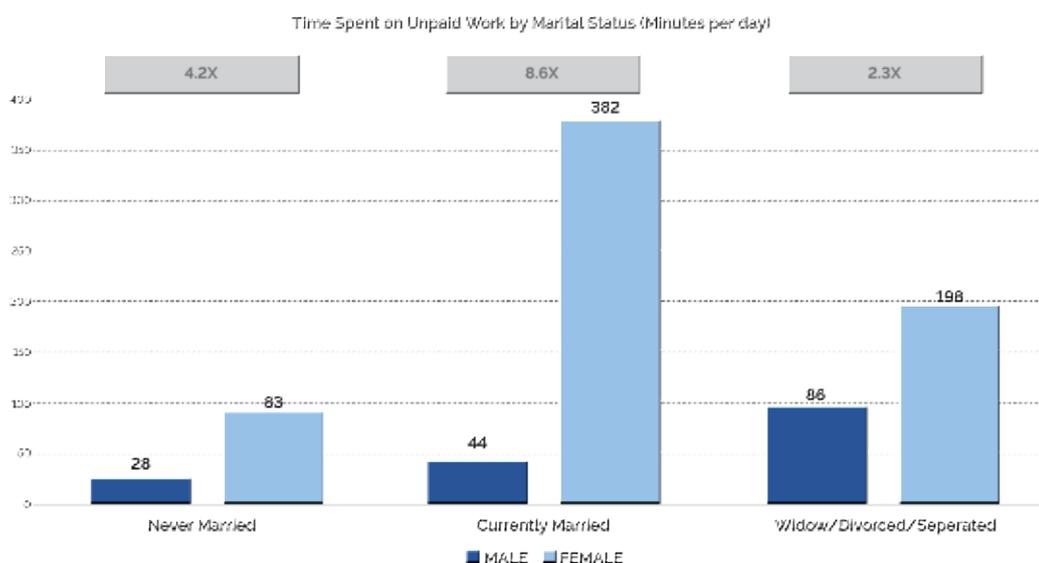
³ International Institute for Population Sciences and United Nations Population Fund, "India Ageing Report 2023", 2023, https://india.unfpa.org/sites/default/files/pub-pdf/20230926_india_ageing_report_2023_web_version_.pdf

Education does not appear to even out the distribution of care work between Indian males and females (aged 6 and above), with the disparity remaining high across all levels of education. Even though the ratio of time spent in care work is lowest between non-literate females and males, it widens as the education level increases. Females with higher educational qualifications spend a marginally higher amount of time on unpaid care work, on average, than non-literate females. It is also notable that males with secondary education or higher spend less time on unpaid care work when compared to non-literate males.

Women in paid employment take on approximately 6X more unpaid care work than employed men. Women engaged in the workforce experience the double burden of balancing paid work and unpaid care work responsibilities, performing up to 5.9X more unpaid care work than employed men. Almost 93 percent of working women as per the TUS, 2019 sample performed unpaid domestic services for household members, against only 31 percent of working men. Despite this, undertaking paid work significantly improves the gender balance in the distribution of unpaid work, as women outside the labour force undertake 11.5X more unpaid work than their male counterparts.

Figure 2: Time Distribution for Men and Women (15-59 Age Group)





Source: Author's calculations based on unit-level data of NSO TUS, 2019

Our estimates suggest that the economic value of women's unpaid domestic and care work in India ranges between 15% - 17% of GDP. Using a standardized input-value method well-established through the Time Use Survey literature⁴, we estimated the economic value of women's unpaid domestic and care work in India. This estimate is derived by multiplying hours spent on unpaid care work with (i) minimum wages; and (ii) weighted average wages, with the proportion of workers engaged in salaried work, self-employment, and casual labour considered as 'weights'. A detailed description of the methodology is provided in the Methodology Appendix below.

Under the minimum wage method, we find that the economic value of women's unpaid care work is around INR 30.7 lakh crores (USD 383.75 billion), close to 5% of India's GDP in 2019-20. It rises up to about INR 34.5 lakh crores (USD 431.25 billion) or 17% of the GDP when valuation is done using weighted average wages, as per nominal wage rates prevalent in 2019-20.

The estimates for India align with recent international figures that quantify the economic value of women's unpaid care and domestic work. The International Labour Organization (ILO) estimates that unpaid care and domestic work by country is valued to be 10–39% of GDP. If the time spent on unpaid care work was valued based on an hourly minimum wage, it would amount to 9% of global the GDP, which corresponds to USD 11 trillion.

The Organisation for Economic Co-operation and Development (OECD), using the replacement cost method, has also estimated that the value of time devoted to unpaid work averages to around 15% of GDP across the OECD countries. This value can rise to as much as 27% of GDP when considering the opportunity costs of workers engaged in unpaid work at home.⁵

Investments in establishing care infrastructure and care services can unlock economic potential for India's economy, creating new business opportunities and generating jobs, especially for women. The care sector offers a vast potential for India's economic growth. Not only does the

⁴ Jooyeoun Suh, Changa Dorji, Valerie Mercer-Blackman, and Aimee Hampel-Milagrosa "Valuing Unpaid Care Work in Bhutan", Asian Development Bank, 2020, <https://www.adb.org/sites/default/files/publication/650896/ewp-624-valuing-unaid-care-work-bhutan.pdf>

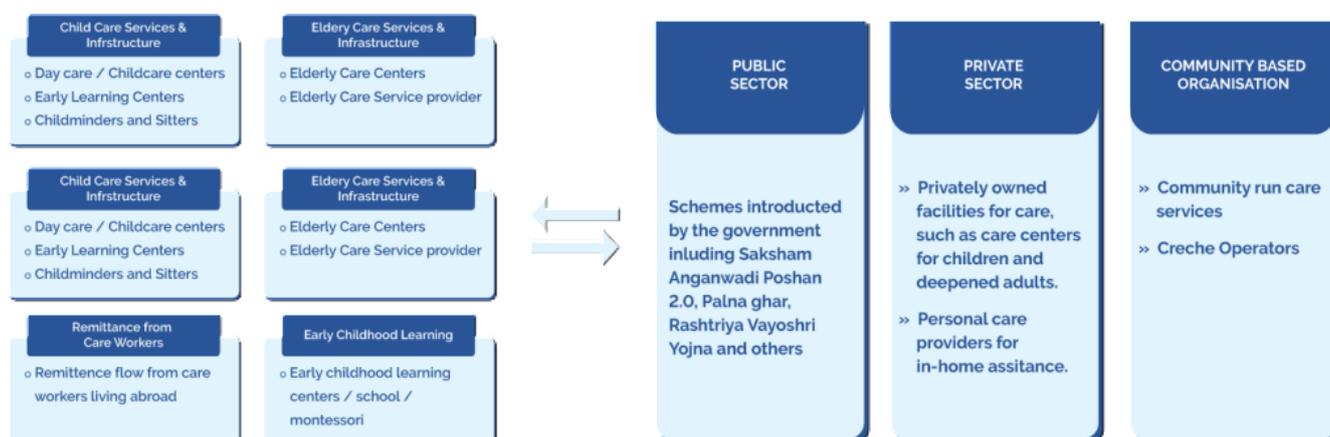
⁵ Kadie Ward, "Time to Care: Recognizing the truth behind the economy of unpaid care", The OECD Forum Network, 2022, <https://www.oecd-forum.org/posts/redefining-reality-the-truth-behind-the-unpaid-care-economy>

availability of care infrastructure and services reduce women's time poverty and enhance female labour force participation rates, but the provision of care infrastructure and services also act as a standalone business opportunity, which is particularly suited for women-led entrepreneurship and women's employment. A report by McKinsey Global Institute claims that the annual global GDP could increase by USD 28 trillion by 2025 if women's participation in the labour force was identical to that of men's. For India, the potential is to increase its GDP by 60 percent if women's labour force participation is increased.⁶

Investments in the care economy can be undertaken across a range of services and sub-sectors.

The care economy landscape includes a range of services including childcare, elderly care, long term care for highly dependent adults, domestic work, and early childhood learning. These services can be performed and provided by Indian workers both domestically and in foreign markets, thus bringing a boost to domestic output through remittances. Moreover, these services need not be provided by public sector alone, but rather can also be delivered by private sector, and Community-Based Organizations (CBOs) - either solely or via public private partnerships.

Figure 3: Care economy ecosystem



Source: Study team

Revitalizing the care economy is therefore critical to realize the vision of women-led development in Viksit Bharat @2047.

India is a rapidly growing economy, which is also undergoing a demographic transition with a substantial dependency burden from children and a growing elderly population. Moreover, India is also experiencing significant gender gaps in unpaid care and domestic work, which constrain women's labour force participation. Women's unpaid care and domestic work in India represents an economic value of almost 15%-17% of the GDP. Thus, going forward, as India enters an era of rapid growth in Amrit Kaal, and embarks on its path of emerging as Viksit Bharat by 2047, there is a pressing need for prioritizing investments from both the public and private sectors in rebuilding the care economy, and realizing new business opportunities in the care sector for women-led development.

⁶ "The Power of Parity: How Advancing Women's Equality can add \$12 Trillion to Global Growth", McKinsey Global Institute, 2015, https://www.mckinsey.com/~media/mckinsey/industries/public%20and%20social%20sector/our%20insights/how%20advancing%20womens%20equality%20can%20add%2012%20trillion%20to%20global%20growth/mgi%20power%20of%20parity_full%20report_september%202015.pdf

Section 3: Insights from Stakeholder Consultations

Complementing the secondary data research, four primary consultations were undertaken by the study team across the country. Our project study team, including the Confederation of Indian Industry (CII), in collaboration with the Ministry of Women and Child Development, Karmannya Counsel, and Nikore Associates (a youth-led think tank), held workshops and stakeholder consultations in four cities – Lucknow, Guwahati, Ranchi and Kochi, to capture a national perspective on the needs for investing in care infrastructure and services.

The roundtables convened key stakeholders to develop policy recommendations in childcare, elderly care, and skill training, and highlighting best practices. The roundtables brought together key stakeholders, including international, national, and state-level experts, officials from relevant Central and State government ministries and departments, representatives from community-led and women-led organizations, as well as private sector care entrepreneurs and industry bodies. These discussions not only facilitated the development of policy recommendations for India in areas such as childcare, elderly care, and skill training for care workers, but also underscored the best practices of grassroots-level organizations. The focus was on public-private partnerships, financial sustainability, and community-led solutions at the city and state level.

"It is essential to acknowledge the care work undertaken by women, encompassing childcare, domestic care, and elder care. Women's inherent strengths in management and multitasking should be recognized and harnessed to enhance their employability, thereby empowering them."



Hon'ble Minister Smt. Baby Rani Maurya

Minister for Women's Welfare, Child Development and Nutrition, Government of Uttar Pradesh

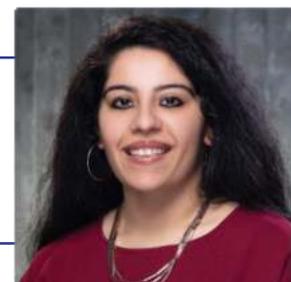


"The care sector requires substantial focus and recognition, as its escalating demand is clearly evidenced by the demographic shift we are witnessing in the country. The population of the elderly and children is projected to grow significantly over the next 30 years, further emphasizing the importance of this sector."

Mr. S. K. Barua

Chairman CII NE Council & CEO, North East Gas Distribution Company Ltd

"Regardless of whether you are a working woman in an urban setting or an entrepreneur or field worker in a rural area, participation in unpaid care activities, such as caring for children, the elderly, or individuals with special needs, remains a constant."



Ms. Mitali Nikore

Founder, Nikore Associates

Childcare infrastructure, services and need for regulation

Safe, affordable, and accessible childcare services were widely highlighted across panelists as the most basic need to facilitate women's labour force participation. The discussions underscored the necessity to increase investments in the establishment of childcare institutions, particularly creches, located near workplaces and work sites. This includes augmenting funding, ensuring the availability of trained personnel, and extending the operational hours of creches. The panelists identified a substantial opportunity for the public sector to collaborate with community-based organizations and the private sector to establish creches and address infrastructure constraints. They also advocated for the formulation of guidelines to set minimum service and infrastructure standards for childcare centers, with a particular emphasis on early learning among children. They further suggested the proactive participation of Civil Society Organizations (CSOs) to establish and operate creches, initiate public awareness programs about the sector, and formalize the care sector to create meaningful employment opportunities, especially for women.

"There is a pressing need for the public and private sectors to collaborate in constructing child-friendly and comfortable creches. Additionally, it would be beneficial to establish a rating system for these creches, based on the facilities and activities they offer for children. Incentivizing these creches could further enhance their quality and service. This would not only provide a safe and nurturing environment for children but also ease the burden on women, ensuring they can confidently entrust their children to these facilities."



Mr. Mukesh Sharma, IAS

Secretary, Department of Labour, Employment, Training and Skill Development, Government of Jharkhand



"The perception of early childhood education as a casual pursuit requires a paradigm shift. Its significance should be emphasized as a foundational pillar for future learning."

Dr. Vasavi Acharya

Founder and Managing Director, INNER I Foundation Pvt. Ltd

Case Study 1	Creches developed by Mobile Creches
<i>Country</i>	India
<i>Implementing agency</i>	Mobile Creches
<i>Year started</i>	1969
<i>About the model</i>	<ul style="list-style-type: none"> • Mobile Creches pioneered early interventions for children belonging to marginalized communities, strategically establishing daycare centres within workplace settlements and urban slums. • Through their dedicated childcare services program, they provide a spectrum of care – encompassing health, nutrition, early learning, and care – for children aged birth to 12 years residing at construction sites. This is achieved in collaboration with real estate developers, contractors, other NGO service providers, and the government to facilitate onsite creches. • Additionally, they provide a capacity-building program for specially trained care workers, equipping them to effectively address the diverse needs of the children.
<i>Impact of the program</i>	<ul style="list-style-type: none"> • Mobile creches has impacted 8,67,000 children through its program and trained 6500 women as childcare workers through capacity building. • The organization has set up 1000+ daycare centers to help working mothers.

Source: Mobile Creches

Case Study 2	Sangini Model provided by SEWA
<i>Country</i>	India
<i>Implementing agency</i>	SEWA, Self Employed Women's Cooperative
<i>Year started</i>	1986
<i>About the model</i>	<ul style="list-style-type: none"> • S SEWA caters to the childcare needs of women informal workers through the Sangini cooperative, serving SEWA members across India. • Sangini offers full-time care for 350 children up to six years of age, operating from 9 a.m. to 5 p.m. on weekdays. Each center accommodates a maximum of 35 children and is staffed by two local childcare workers (balsevikas). • Parents are charged a nominal fee, which eases financial pressures and covers only one-third of the total expenses per child. The remaining costs are offset through community contributions, donor grants, and government subsidies.
<i>Impact of the program</i>	<ul style="list-style-type: none"> • The Sangini Childcare Cooperative extends its services to 825 SEWA members, thereby catering to the needs of 3,639 children belonging to these members. • This significant impact underscores the cooperative's considerable contribution in bolstering the support system for working mothers within the SEWA community, consequently enhancing their income.

Source: International Labour Organization

Elderly care – home care, services and institutional requirements

Stakeholders highlighted that the growing elderly population will require a range of professional care services, particularly homecare. Stakeholders shared that the rapidly growing elderly population in India shows a distinct preference for home care services. Encouraging corporate social responsibility funders to expand elder care centres and offer home care services for elders was also suggested by several stakeholders. Moreover, stakeholders highlighted the negative connotations associated with "old age homes" and emphasised the need for community driven multigenerational activity centres, where older and younger persons could interact, engage in sports, and even community service activities together. Several stakeholders also pointed to the need for developing a legal mechanism allowing old age homes to issue death certificates and provide other emergency care, which is missing in several states at present. They also highlighted the need for greater male representation among care workers for elderly persons, due to the high demand from elderly men. Involving college students and young people in elder care was also suggested.

"When discussing elderly care, the focus often falls solely on their health, neglecting their overall wellbeing. It's crucial to remember that most elderly individuals desire a life of dignity and independence. As caregivers, this understanding should consistently guide our actions and decisions."



Mr. Asheesh Gupta

Founder and Managing Director, Samarth Life Management Private Limited



"Our objective is to combat the stigma associated with retirement homes, which are often perceived merely as charitable endeavors undertaken by NGOs or the government. The aim should be to transform old age homes into more habitable spaces, equipped with modern facilities, to enhance the quality of life for the elderly."

Babu Joseph

Chairman, Bless Home

"It would be beneficial to encourage college students to engage in care services as a form of volunteer work."



Dr. Anindita Mukherjee

Development Officer, Happy Parents Home

Case Study 3	Care Services provided by Samarth Life Management Private Limited
<i>Country</i>	India
<i>Implementing agency</i>	Samarth Life Management Private Limited
<i>Year started</i>	2016
<i>About the model</i>	<ul style="list-style-type: none"> • Samarth has been a trailblazer in the eldercare sector in India, establishing a sustainable ecosystem for the elderly. They have adopted a unique and comprehensive caring approach, personalized and proactive, mirroring the peace of mind provided from child to parent, ensuring the complete well-being of the elderly and their families. • Their care services include emergency support, home care, hospitalisation help, assistance in domestic work, guidance on managing payments and finances, social engagements etc. • Samarth's partnerships with Global Fortune 500 companies extend this support to Indian employees and clients worldwide. • Samarth Elder care has operations in 95+ Indian cities and 30+ countries worldwide.
<i>Impact of the program</i>	<ul style="list-style-type: none"> • The organization has been able to reach 10 million Elderly across India.

Source: Samarth Life Management Private Limited

Skill training for care workers – pressing need for a care workforce

Skill training of care workers was observed to be a cross-cutting challenge across different care services and sectors. Stakeholders emphasized that there is a clear need to recognise a care worker as a skilled worker and ensure dignity of labour for care workers, particularly when providing home care services. The panelists advocated for the creation of specialist roles, which recognise the formal and on the job training of care workers. Moreover, they proposed a dynamic two-pronged approach to address workforce retention: firstly, by sensitizing users to the value of the care sector, and secondly, by mobilizing workers who demonstrate a natural aptitude for this work. Furthermore, they suggested the introduction of a comprehensive skill and competency-based framework, and development professional skilling modules in care work, with the National Skill Development Council (NSDC) as lead agency. These courses would not only equip individuals with the necessary skills but also help foster a workforce that is ready and eager to make a positive impact in the care sector.

"When you consider a skilled individual, you're envisioning a trained professional who enhances productivity, delivers efficient work, and exhibits heightened sensitivity to patient needs. Such a care worker, who is both proficient and empathetic, is indeed a necessity in our society today."



Dr. Usha Titus

Chairperson, Additional Skill Acquisition Program, Kerala



"In the realm of care work, there are three key areas that require regulation. Firstly, the identity and safety of the caregiver must be ensured. Secondly, it is crucial that caregivers receive ongoing training and are equipped with the knowledge to handle various conditions associated with elderly care. Lastly, there should be continuous monitoring of the caregiving process to ensure quality and safety."

Ms. Priya Anant

Founder, LifeCircle Home care

"Enhancing the support provided by the government to workers, ensuring access to basic services, fostering community engagement, and raising awareness can significantly contribute to the sustainability of workers in the workforce. These measures not only empower workers but also create a conducive environment that promotes their long-term participation in the workforce."



Dr. Neelima Tirkey

Lead Public Health, Tata Steel Foundation

Case Study 4	Training Programs offered by Tata Steel Foundation
<i>Country</i>	India
<i>Implementing agency</i>	Tata Steel Ltd
<i>Year started</i>	2016
<i>About the model</i>	<ul style="list-style-type: none"> • The vocational training program offered by Tata Steel Foundation (TSF) provides quality training and education to individuals from marginalized and economically disadvantaged communities which enhances their skills and employability. The program aims to create a skilled workforce and promote entrepreneurship, which can create job opportunities and reduce unemployment and poverty. • The foundation promotes inclusivity by offering equal skill development opportunities to individuals regardless of their educational background. • The program provides technical training and skill development in courses such as lab technician training, pediatric care training, geriatric care, and data training etc. They also train the students with soft skills.
<i>Impact of the program</i>	<ul style="list-style-type: none"> • The program guarantees 100% placement guarantee to its students. • The cohort targets to enroll 100 students every year. Currently (as of February 2024) there are 450 students enrolled in the program.

Source: Tata Steel Foundation

Section 4: Reimagining India's care economy and care ecosystems

Bridging the gender gaps in domestic and care work can help in boosting women's labour force participation – not only by reducing gender-based time poverty, but also by creating new avenues of formal paid employment, and entrepreneurship in the care sector.

The agenda of reimagining India's care economy and care ecosystems requires an “all-of-society” approach – which goes beyond governments. Public and private investments are equally essential in building necessary care infrastructure and for provision of care services. Moreover, industry associations and CBOs are also key stakeholders contributing to shifting mindsets around equitable sharing of care work within households.

Based on a review of over 50 interventions for care economy investments and services across G20 countries, complemented by consultations and focus group discussions with over 60 stakeholders in government agencies, private sector, care service providers, and NGOs across India, a roadmap for reimagining India's care economy has been recommended – with five pillars: (i) leave policies; (ii) subsidies for care services; (iii) investment in care infrastructure; (iv) skill training for care workers; and (v) institutional mechanisms for quality assurance.

Figure 4: Five pillars of Recommendations



Source: Study team

Table 1: Key actions under 5 pillar framework for the care economy

Leave Policies	Subsidies for Care Services	Investment in care infrastructure	Skill training for care workers	Institutional mechanisms for quality assurance
Introduce support mechanisms for maternity leave costs at MSMEs and Start-ups	Incentives for SHGs / CBOs providing childcare services	Enhance quantum of public investment to establish childcare centres under Palna scheme	Define skill training frameworks and certification for care workers including job roles, seniority levels, and specializations in line with established norms by National Skill Development Council (NSDC)	Define institutional mechanisms for monitoring service delivery and minimum service benchmarks for private / public / and community-based care services at national level, with provision for tailoring these norms at state level
Introduce parental leave regulations & establish market-based financing options for parental leave	Incentives for SHGs / CBOs providing elder care / long term care services	Introduce centrally sponsored scheme for greenfield / brownfield care infrastructure facilities (e.g. childcare centres, elder care centres, multigenerational activity centres, long term care centres)	Introduce incentive mechanisms for private sector skill training institutes to introduce training modules for care services	Establish institutional mechanisms for regular collection and analysis of gender disaggregated data on paid and unpaid care work
Advisory for employers to introduce care work leave and flexible work options	Corporate tax credit scheme for women-led micro, small, and medium enterprises (MSMEs) providing care services	Mobilize private sector investment in care infrastructure through public private partnership (PPP) mechanisms	Support international collaborations for training and capacity building of skill training institutes for co-creating care services' training modules	Establish sector skill council for care services

Pillar 1: Leave Policies

Studies suggest that providing new parents paid time off for childcare contributes to the healthy development of children, improves maternal health, and enhances families' economic security.

Internationally, parental leave policies are offered as either maternity or paternity leave. All countries in the G20 have legal provisions mandating paid maternity leave, barring the United States of America. Typically, maternity leave varies between 10-20 weeks, with some exceptions. In more than 10 countries, the government also provides some level of financial support for the provision of maternity leave. Most G20 economies also have statutory entitlements for paid paternity leave, which ranges between 2-30 days. Increasingly, there is a shift towards with offering gender-neutral parental leaves in developed economies across Europe. Among the G20 countries, nearly 50% of the countries have legal provisions that offer parental leave and partially fund benefits to the primary caregiver, regardless of their gender.⁷

Case Study 5	Parental Benefits in Sweden
<i>Country</i>	Sweden
<i>Implementing agency</i>	Swedish Social Insurance Agency
<i>Year started</i>	1995
<i>About the model</i>	<ul style="list-style-type: none"> • Each parent in Sweden is entitled to 90 personal days (or more than 12 weeks) of leave with 80 percent of their wages and also entitled to 480 shared days, out of which both parents have 240 days each. • Additionally, during the child's first year, there is an opportunity for both parents to take parental leave benefits during the same period for no more than 30 days (so-called 'double days'). 384 days of parental benefit must be taken before the child's fourth birthday. The remaining 96 days can be saved and taken, at the latest, before the child turns 12 or until the child finishes the fifth grade. • For children born in 1995 onwards, 77 percent of fathers have used parental leave before the child reached 4 years of age.
<i>Impact of the program</i>	<ul style="list-style-type: none"> • Through such policies, Sweden has been able to combine relatively high fertility levels with high female labour force participation rates and low child poverty.

Source: Institute for Future Studies, 2005

⁷ Mitali Nikore, Margo Thomas, Sunaina Kumar, Florencia Caro Sachetti, Gloria Langat, Gala Díaz Langou, Carolina Robino, Mannat Sharma, & Sukriti Anand, "Leveraging Care Economy Investments to Unlock Economic Development and Foster Women's Economic Empowerment in G20 Economies", Think Twenty (T20) India, 2023, <https://t20ind.org/research/leveraging-care-economy-investments-to-unlock-economic-development/>

As per a recent 'Advisory for employers to promote women workforce participation', issued by the Ministry of Labour and Employment (MoLE), employers are advised to:⁸

- *ensure a balance between employment and caregiving responsibilities for both men and women to foster an equitable workplace, including implementing family-friendly measures such as paternity leave, parental leave, family emergency leave and flexible working arrangements.*
- *Take measures that not only encourage women but also men to take up flexible working time arrangements, including teleworking, to participate in care responsibilities.*

Building on this advisory, the Government of India, specifically MoLE, as well as the MWCD can consider introducing regulations around 3 areas: (i) financial support to MSMEs and start-ups for maternity leave; (ii) introducing new regulations around parental leave; and (iii) introducing regulatory frameworks around care work leave and flexible work options. Employers in the private sector who provide innovative solutions for the same can also be recognized by the Government of India.

(i) Financial support to MSMEs and Start-Ups for covering costs of Maternity Leave.

Under the current legal framework, employers are mandated to provide six months of paid maternity leave to their staff. In the short run, to ease the cost of maternity leave on small enterprises, the Government of India may consider introducing financial support for registered MSMEs and Start-ups to support costs of maternity leave. This is in line with international practices, where, in more than ten G20 countries such as Japan, France, and Canada, governments provide employers with financial support and bear part of the maternity leave costs.

(ii) Introduce parental leave regulations and establish market-based financing options.

Currently, as per prevailing regulations, women are entitled to six months of employer-funded maternity leave in India, and men receive two weeks of paternity leave. MWCD and MoLE may revisit the length of these leave entitlements from a gender-neutral lens and consider mandating a more gender balanced combination of maternity, paternity and gender neutral parental leaves in India, which can be availed by either parent of any gender. Gender neutral parental leaves are currently being offered in at least half the G20 countries, and countries such as Finland, Sweden, and Norway have entirely migrated towards gender neutral leaves, as opposed to maternity and paternity leaves.

Moreover, the Government of India may institute a strong regulatory framework to support the establishment of market-based instruments for financing maternity, paternity, and gender-neutral parental leave. For instance, Government of India agencies, or insurance companies could introduce innovative parental leave insurance products – wherein individuals (men and women) and employers could co-pay for parental leave insurance out of their monthly salaries while in employment, and access monthly payouts when they take their parental leave. In the medium to long term, all employers could shift to this model of gender-neutral parental leaves, as opposed to the current model of 100% employer funded

⁸ Ministry of Labour & Employment, Government of India, “Advisory for Employers to Promote Women Workforce Participation”, 2024, https://labour.gov.in/sites/default/files/012524_booklet_ministry_of_labour_employment_revised2.pdf

maternity leave. Government of India could also consider bearing a part of the parental leave monthly contribution for low-income earners.

(iii) Advisory for employers to introduce care work leave and flexible work options.

Employers can consider introducing gender-neutral, job-protected, paid, or unpaid care work leaves. These may be of short or medium duration / sabbatical style leaves that facilitate return to the same employer for career growth. Additionally, gender neutral flexible work arrangements, including reduced working hours and telecommuting options can be introduced to nurture a more inclusive and accommodative culture towards the care work burden on women while encouraging men to share the responsibility of domestic work.

While several of these provisions are already included in the recent Advisory issued by the MoLE, the MoLE and MWCD may form a joint task force with industry bodies, such as the CII, FICCI, and others at national and state levels to encourage the implementation of these initiatives, especially amongst MSMEs and Start-ups. This task force may establish a monitoring dashboard to track the initiatives, and also highlight key success stories and best practices of employers who introduce such measures.

<i>Case Study 6</i>	<i>Parenthood Policy by Vedanta in India</i>
<i>Country</i>	Mumbai, India
<i>Implementing Agency</i>	Vedanta Limited
<i>Year Started</i>	2024
<i>About the Model</i>	<ul style="list-style-type: none"> • Under the parenthood policy, women have the option to take a sabbatical leave of up to 12 months post-birth, with the assurance of job security from the organization. • Additionally, women who wish to continue working immediately after maternity leave have the flexibility to work from home or choose flexible working hours. This benefit can be availed from four weeks before the expected delivery date until the child turns two. • The policy's unique benefits are inclusive and extend to all employees. This includes single parents and LGBTQIA+ individuals who are legally commissioning or adopting a child. • For caregivers (women/single parent/LGBTQIA+) of a child under one year, there is an option to avail 12 weeks of leave. This leave can be used 30 days before the commissioning/adoption date and up to 90 days after the date. • The policy provides career assurance during maternity leaves with additional support for career growth.
<i>Impact of the Program</i>	<ul style="list-style-type: none"> • The umbrella of employees covered under the policy reaffirms its commitment towards equity and inclusion while celebrating workplace diversity.

Source: Vedanta Limited

Pillar 2: Subsidies for Care Services

Globally, subsidies for availing care services take the form of individual tax credits for parents and tax concessions for businesses to offer childcare benefits to employees. For instance, parents in the USA are eligible for various tax credits and deductions depending on the child's age. While tax subsidies are more common in developed countries, they are slowly being introduced in developing countries. For instance, in Brazil, employers have the option to offer additional maternity leave of two months and deduct the amount paid during this period from their corporate income tax. In Argentina, tax deductions are available per child for each household paying income tax.

<i>Case Study 7</i>	<i>Subsidies for Care Services in Australia</i>
<i>Country</i>	Australia
<i>Implementing agency</i>	Australian Government Department of Health and Aged Care, Department of Education
<i>Year started</i>	Multiple programs commencing in different years <ul style="list-style-type: none"> • The Child Care Subsidy (CCS) is the primary way the Australian government assists families with child care expenses such as daycare and after-school care. The amount of subsidy is determined by the household income.
<i>About the model</i>	<ul style="list-style-type: none"> • The Australian Government provides subsidies for each individual who is a recipient of government-funded aged care. These subsidies are directed towards approved providers of services such as home care, residential aged care, and flexible care. • Additionally, the government offers supplements to assist with the expenses associated with addressing specific care requirements.
<i>Impact of the program</i>	<ul style="list-style-type: none"> • In the first year of its implementation, child care services that were sanctioned to receive the Child Care Subsidy (CCS) were accessed by 1,316,250 children from 931,030 families. • According to the Australian Institute of Health and Welfare (AIHW), in the 2019-20 financial year, over one million people were accessing aged care services in Australia.

Sources:

Australian Government Department of Health and Aged Care; Australian Institute of Health and Welfare

In India, subsidies and incentives for care services are typically offered through central or state government schemes. One such scheme is the Mission Shakti, an umbrella program for the safety, security, and empowerment of women. It includes two key components – Sambal, for the safety and security of women; and Samarthyaa, for the empowerment of women. Palna, the country's flagship centrally sponsored scheme for care services provision, providing financial support for establishing creches at Anganwadi centres is a part of the Samarthyaa component of Mission Shakti. As of December 2023, the Government of India is targeting to establish 17,000 new Anganwadi cum creches in 2024-25 under the Palna Scheme.

Moving forward, the MWCD may consider enhancing the financial support for provision of care services under Mission Shakti leveraging women-led Self-Help Groups (SHGs) and CBOs, as well as widening the support to go beyond childcare by introducing: (i) incentives for SHGs / CBOs providing childcare services; (ii) incentives for SHGs / CBOs providing elderly care / long term care

services; and (iii) corporate tax credit scheme for women-led MSMEs providing care services. Most importantly, government can prioritize and direct greater financial support towards rural and underserved areas to support SHGs / CBOs providing innovative care solutions.

- (i) **Incentives for self-help groups (SHGs) / NGOs providing childcare services:** Pioneered by the Self-Employed Women's Association (SEWA), the SHG movement in India dates to the 1970s. The Government of India has supported SHGs through various schemes like the SHG-Bank linkage program (1992), the Swarnjayanti Gram Swarozgar Yojana (SGSY) (1999), and the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) (2011). Today, India has nearly 12 million SHGs, with 88% run entirely by women. SHGs have diversified from traditional sectors such as food processing, and textiles towards green industries. SHGs were even at the forefront during COVID-19, producing almost 170 million masks and personal protective equipment.

Given this strong entrepreneurial spirit of the SHGs, going forward, financial incentives can be introduced either under the Palna scheme or as a new centrally sponsored scheme to support SHGs who wish to run creches and provide childcare services in rural areas, or for urban poor. Similar financial incentives may also be offered for non-governmental and Community-Based Organisations. This would allow SHGs and NGOs to operate creches and childcare facilities even outside of the Anganwadi network to serve a wider population. Incentives may be offered to both existing SHGs / NGOs already providing childcare services, as well as to start-ups by SHGs / NGOs that wish to enter the sector.

- (ii) **Incentives for SHGs / NGOs providing elderly care / long term care services:** Moving beyond childcare services, financial incentives can also be provided for SHGs / NGOs that run social enterprises providing elderly care / long term care services in rural areas, or for the urban poor – potentially through a new centrally sponsored scheme. In order to formalize the scheme, a comprehensive list of elderly and long-term care services, including care provided at an elderly care facility as well as home-based care would need to be defined. Incentives may be offered to both existing SHGs / NGOs already providing elderly care services, as well as to start-ups by SHGs / NGOs that wish to enter the sector. This can also be extended to establish multigenerational activity centres, where the elderly can interact with younger persons, and engage in leisure or sports, or even community service activities.

- (iii) **Corporate tax credit scheme for women-led MSMEs and co-operatives providing care services:** The MWCD, Ministry of MSMEs and Ministry of Cooperation, can consider introducing a new centrally sponsored scheme to provide corporate tax rebates to registered MSMEs and / or Cooperatives providing childcare, elderly care or long term care services across the country. Women-led MSMEs / Cooperatives in the care services sector can be provided additional benefits. In order to formalize the scheme, a clear definition of what constitutes "women-led" in the context of care sector MSMEs would need to be delineated. In addition, a complete list of eligible childcare, elderly care, and long-term care services, including care provided at a care facility as well as home-based care would need to be defined.

Case Study 8	Life Circle Model for Home Care and Elder Care Needs
Country	India
Implementing Agency	Life Circle Pvt. Ltd.
Year Started	2014
About the Model	<ul style="list-style-type: none"> Operating as a subscription-based model, Life Circle provides professionalized caregiving and home nursing services for the elderly. Life Circle provides a platform for families that connects home healthcare workers to seniors in need of care. It harnesses the strength of the young workforce and migrants of the country by providing them with the right training and skills to make them equipped geriatric home care workers. The objective of the organization is to build a dignified workplace for caregivers.
Impact of the Program	<ul style="list-style-type: none"> Life circle has trained 4,900 home care workers and 1,000 young people to become geriatric care givers. It has provided 600,000 days of care services to the elderly across 5 cities in India.

Source: Life Circle

Pillar 3: Investment in care infrastructure

Expanding access to safe, better-quality, affordable, and easily accessible care facilities for children and the elderly, necessitates increased investments, from both the public and private sector towards building care infrastructure and services, particularly in rural and underserved areas.

In 2018, G20 countries were spending between 1%-4.1% on selected care infrastructure and services. Amongst the developed countries, investment as a percentage of GDP ranged between 2% to 4.1%, and for the developing countries, it ranged from less than 1% to 3.9%. Among the 41 countries analyzed, those with the largest expenditure on care infrastructure are the European Union members. In recent years, few emerging economies have also been actively investing in care infrastructure to build a resilient care ecosystem. For instance, in the People's Republic of China, the Government plans to undertake a public investment of USD5.1 billion for building retirement facilities.

In India, the Saksham Angandwadi and POSHAN 2.0, Mission Shakti's Samarthyaa sub-scheme, Atal Vayo Abhyuday Yojana, and the National Social Assistance Program are the major central government schemes for provision of care infrastructure and services. Overall, the total budget allocation of these schemes stood at about 0.73% of the total budget expenditure for the year 2023-24. At the state level, there are only a few states with dedicated schemes for the creation of childcare, elderly care and long-term care infrastructure, such as Child Care Institutions (Maharashtra), Koosina Mane (scheme for building creches in Karnataka), Sandhya Surksha Scheme (scheme for providing financial aid to senior citizens in Karnataka), and Aswasakiranam Scheme (scheme aimed at providing financial aid to caregivers in Kerala). Thus, going forward, it is recommended that public and private sector investments, particularly through centrally sponsored schemes, can be enhanced in the sector.

- (i) **Enhance quantum of public investment to establish childcare centers under Palna scheme:** As noted above, the MWCD is targeting to establish 17,000 new

Anganwadi cum creches under the Palna Scheme in 2024-25. Out of these nearly 5,000 have already been committed. It is recommended that building on the learnings from the first year of implementation, targets for establishing Anganwadi cum creches may be increased, with a commensurate increase in public funding for expansion of the scheme.

- (ii) **Introduce centrally sponsored scheme for greenfield / brownfield care infrastructure facilities:** The Palna scheme specifically targets the establishment of Anganwadi cum creches or *Palna ghars* within existing Anganwadi facilities. However, to cover a wider range of care requirements such as childcare facilities for differently abled children, elderly care facilities, and long-term care facilities for highly dependent adults, and a larger geographical area, the MWCD may consider supporting the establishment of multipurpose care facilities through a new centrally sponsored scheme. These multipurpose care facilities can be established in partnership with State governments, offering a range of affordable care services, along with home care services, particularly for elderly persons.
- (iii) **Mobilize private sector investment in care infrastructure through Public Private Partnership (PPP) mechanisms.** Like other infrastructure sectors such as road transport, railways, and energy, MWCD can devise policy and regulatory frameworks, and model concession agreements to operationalize PPPs for creating greenfield/brownfield care infrastructure. The MWCD can also develop a common framework for PPPs that can be used across States in the care sector, including model concession agreements for care infrastructure facilities. In addition, the MWCD can also develop PPP models which involve concession agreements where private sector / SHGs or NGOs operate government funded care facilities. These frameworks should identify risk mitigation mechanisms and financing models relevant to the care sector and define key performance indicators.

Case Study 9	The OFSTED Model, United Kingdom
Country	United Kingdom
Implementing agency	Office for Standards in Education, Children's Services and Skills
Year started	1995
About the model	<ul style="list-style-type: none"> • OFSTED is the government regulatory agency responsible for inspecting and regulating educational and childcare institutions in the United Kingdom. OFSTED conducts inspections of various educational settings, including schools, colleges, early years providers, and social care services. • OFSTED employs a four-point rating system to assess institutions. These categories are: "Outstanding", "Good", "Requires Improvement", and "Inadequate". Schools rated "Outstanding" or "Good" are inspected less frequently, while those rated "Requires Improvement" or "Inadequate" are inspected more frequently to monitor progress and provide support. • OFSTED merged four predecessor organizations to become a single inspectorate for children and learners.
Impact of the program	<ul style="list-style-type: none"> • The primary aim of the organization is to elevate the standards of education and care provided, implement 'right touch' regulation, and above all, ensure the safety of children.

Source: Government of United Kingdom

Pillar 4: Skill training for care workers

India's 2.5 million Anganwadi Workers (AWWs), Auxiliary Nurse-Midwives (ANMs), and Accredited Social Health Activists (ASHAs),⁹ alongside domestic workers, whose number ranges between official estimates of 4.2 million to unofficial estimates of over 50 million,¹⁰ form the backbone of care services across the country. Even when care and domestic services are performed by these workers, it may be characterized by a high degree of informality, and low wages, especially among women workers.

Care workers are expected to have high levels of patience and empathy, while managing the physical health and mental well-being of their dependents. Despite this, care work is often not accorded dignity of labour and respect. For instance, anecdotal evidence from focus group discussions and consultations shows that home-based care workers are often asked to undertake domestic work, even if they are highly specialized care-givers. In addition, there is a high demand for care workers across developed economies, leading to international migration amongst experienced care workers. Thus, stakeholder consultations suggest that given the arduous nature of the work, challenging working conditions in India, and growing opportunities to migrate abroad for higher wages, a massive supply-demand gap is emerging for care workers in India. This gap is even more pronounced amongst male care workers, as workers in this sector are predominantly female.

To accelerate human capital development, there is a need to focus on skilling, reskilling and upskilling of youth to create a trained care workforce that can not only meet the demand of the domestic market in India but can also contribute towards India becoming the global care workforce capital, thereby contributing to the Indian economy through remittances and global linkages.

- (i) **Define skill training frameworks and certification for care workers including job roles, seniority levels, and specializations:** Under the Skill India Mission's umbrella program, Prime Minister Kaushal Vikas Yojana (PMKVY) 4.0, which is being implemented from 2022-23 to 2026-27, there is an expanded focus on flexible, inclusive, technology-oriented, market driven trainings, resulting in better employability. The focus on recognition of prior learning (RPL) and on-the-job trainings has also been expanded.¹¹ Given this expanded focus, the Ministry of Skill Development and Entrepreneurship (MSDE), and National Skill Development Council (NSDC) may undertake a detailed, national skill gap study on the care sector.

Based on the results of this study, the NSDC may consider devising a full set of job roles, seniority levels, and specializations across the different dimensions of care work, be it childcare, elderly care, or long term care for highly dependent children / adults. Moreover, for each of these job roles, the NSDC may devise skilling modules for training of care economy workers. They may also introduce short term training-based, as well as on-the-job training based / RPL-based certifications to institute seniority levels and specialisations amongst care workers. This would enable more qualified and experienced care workers to obtain skill premiums through better wages and working conditions. It would also signal to freshers joining the workforce that this sector offers a clear growth path and values skill training and specialization.

⁹ Mitali Nikore, Margo Thomas, Sunaina Kumar, Florencia Caro Sachetti, Gloria Langat, Gala Díaz Langou, Carolina Robino, Mannat Sharma, & Sukriti Anand, "Leveraging Care Economy Investments to Unlock Economic Development and Foster Women's Economic Empowerment in G20 Economies", Think Twenty (T20) India, 2023, <https://t20ind.org/research/leveraging-care-economy-investments-to-unlock-economic-development/>

¹⁰ The National Domestic Workers' Movement, "Domestic Workers", 2021, <https://ndwm.org/domestic-workers/>

¹¹ Ministry of Skill Development and Entrepreneurship, Government of India, "Guidelines for Pradhan Mantri Kaushal Vikas Yojana 4.0", 2023, <https://www.msde.gov.in/sites/default/files/2023-11/PMKVY%204.0%20Guidelines.pdf>

- (ii) **Introduce incentive mechanisms for private sector skill training institutes to introduce training modules for care services:** The mechanism for partnerships and accreditation of private sector skill training institutes is clearly laid out in the PMKVY 4.0 guidelines. The MSDE may consider introducing a new scheme to further incentivize private sector skill training institutes to introduce training modules on care services for a limited period, in order to increase the initial uptake of the newly introduced courses.
- (iii) **Support international collaborations for training and capacity building of skill training institutes, and for co-creating care services' training modules.** The MSDE through its International Cooperation Division, NSDC, Directorate General of Training (DGT) and other implementing organizations in coordination with the Ministry of External Affairs (MEA), works to facilitate the supply of a skilled Indian workforce abroad. This is done through harmonization of skill qualifications, mutual recognition of certificates, accreditation of training providers, through both Government to Government (G2G) memorandums of understanding and Business to Business (B2B) partnerships with skill training and certification agencies. The NSDC may leverage this ongoing mechanism to prioritize both G2G and B2B partnerships in the care services sector, offer international accreditation to Indian trainees, and even co-create training modules with Indian private skill training institutes to embed international best practices in care sector training and capacity building programs.

Case Study 10	Workforce Polices for Foreign Care Workers in Japan
<i>Country</i>	Japan
<i>Implementing agency</i>	Government of Japan and Japan International Trainee & Skilled Worker Cooperation Organization,
<i>Year started</i>	Multiple programs commencing in different years
<i>About the model</i>	<ul style="list-style-type: none"> • The Technical Intern Training Program for care workers: It is a unique initiative that welcomes talented young individuals from various countries to Japan. The initiative seeks to benefit developing nations by embracing its citizens and imparting skills through On-the-Job Training (OJT) in Japan. It encourages international collaboration by transferring the skills, techniques, and information acquired by technical interns to underdeveloped countries. This will not only contribute to develop human resources, but it will also promote economic growth in the aforementioned locations. • Kaigoryugaku Scheme: Also known as the students' pathway for foreign care workers, enables foreign students to change their visa status to "care work", after completing a two-year care work training program.
<i>Impact of the program</i>	<ul style="list-style-type: none"> • TITP will not only contribute to developing human resources, but it will also promote economic growth in the said regions. • This development paved the way for the active recruitment of foreigners as students of care work.

Sources:
Institute of Developing Economies; Japan International Trainee and Skilled Worker Cooperation Organization

Pillar 5: Institutional mechanisms for quality assurance

Care services provision, be it in publicly run or privately operated facilities, requires institutional oversight and continuous monitoring. This is to ensure that the infrastructure is well-maintained, and care services are provided with satisfactory quality. In some countries there are formal regulatory mechanisms to maintain defined minimum standards of infrastructure and service provision in care facilities. For instance, in the United Kingdom, the Office for Standards in Education, Children's Services and Skills (OFSTED) inspects and regulates care services for children and young people. In a similar vein, there is a need for institutional mechanisms in India for quality assurance of care service provision.

- (i) **Establish institutional mechanisms for monitoring care service delivery:** There is a need to establish minimum service levels, and infrastructure benchmarks for private / public / and community-based care service providers. These service level benchmarks may be established at national level by the MWCD, with provision for tailoring these norms at State level, and even District levels. Moreover, there is a need to define institutional responsibilities for monitoring of care service delivery and quality assurance of care services at the national, State and District levels – which may be assigned to either existing institutions, or to new institutions created dedicatedly for the purpose of monitoring care service delivery and quality standards.
- (ii) **Establish institutional mechanisms for regular collection and analysis of gender disaggregated data on paid and unpaid care work:** The Ministry of Statistics and Program Implementation (MOSPI) undertook the last Time Use Survey in 2019-20. There is a need to undertake more frequent data surveys, to track gender disaggregated trends in unpaid care work. Additionally, there is a need to undertake gender disaggregated data collection and analysis of the work performed by paid care workers, their wages, and gender gaps in care workforce participation. Therefore, institutional responsibility and mechanisms may be established at the national level to regularly track these gender gaps.
- (iii) **Establish Sector Skill Council for Care Services.** In order to develop a skill training framework for the care sector, to formulate skilling modules, and to undertake partnerships with international skill training institutes, there is a need for a dedicated Care Sector Skills Council. This Council can also set standards for care worker qualifications, wage bands, and minimum care service performance standards.

Conclusion

The unequal distribution of unpaid care work responsibilities, high cost of child and elderly care, and insufficient social and public infrastructure together act as a significant barrier to female economic empowerment. This policy brief advocates for a holistic regulatory approach to address the pressing imperative of investing in the care economy in India. The burden of invisibility and undervaluation of care work, borne predominantly by women, not only creates economic inefficiencies but also affects women's participation in the workforce, limiting their socio-economic development.

However, strategic and targeted investments in the care economy, by both public and private sector, have the potential to bridge the persistent gender gaps, foster inclusive growth, and create new opportunities for women's employment and entrepreneurship. The 5-pillar roadmap detailed in this policy brief: (i) support for parental leave policies; (ii) subsidies for care services; (iii) public and private investments in building care infrastructure; (iv) mechanisms for skill training for care workers; and (v) mechanisms for monitoring service quality and benchmarks; offers a comprehensive framework for addressing the gender disparities in care and domestic work and boosting women's labour force participation.

Methodology Appendix

The policy brief has been prepared using a mixed methods approach, including detailed analysis of the Time Use Survey, 2019, extensive secondary research and literature review for identifying global best practices, mapping of current public expenditure on care economy, key informant interviews with policy makers as well as four roundtables and focus group discussions organized in Lucknow, Guwahati, Ranchi, and Kochi.

As part of this study, an estimation of the Economic Value of the care economy was calculated using an inputs-based method, as outlined in a similar valuation exercise carried out for Bhutan by the Asian Development Bank.¹² Using data on minimum wages, and hours spent on unpaid care work across States and Union Territories, an economic value is assigned to care work for each state and union territory. The estimation exercise employs two methodologies: minimum wage method (*with casual wages as a proxy for minimum wages*) and weighted average wage method (*with the proportion of workers engaged in salaried work, self-employment, and casual labour considered as 'weights'*).

Step 1: Population estimates for female population in India under three categories - employed, unemployed, not in the labour force – was taken from the Periodic Labour Force Survey (PLFS) 2019-20. Initial population data, as of 01 March 2019, was sourced from the Population Projections Report, 2020.

Step 2: For each category, the time spent on unpaid care work was taken, from the Time Use Survey, 2019.

Step 3: Average wages earned by women from regular/salaried employment, casual work, and self-employment were calculated from the PLFS 2019-20. Percentage distribution of women employed in each category was also taken to calculate the weighted average wage.

Step 4: Under the minimum wage method, minimum average wages per hour (assuming an eight-hour work day) were multiplied by the hours spent on unpaid care work to calculate the per day economic value. This was then multiplied by the population estimates to calculate the total economic value. Under the weighted average wage method, the weighted average wage per hour (assuming an eight-hour work day) were multiplied by the hours spent on unpaid care work to calculate the per day economic value. This was then multiplied by the population estimates to calculate the total economic value.

This is followed by identifying and exploring best practices across G20 countries and conducting a deep dive to highlight key strategies for implementation. Extensive secondary research was carried out to explore government, private and community-based care economy models in India, along with mapping budgetary expenditure on care related policies in India, and identifying State and Central level best practices.

¹² “Valuing Unpaid Care Work in Bhutan”, Asian Development Bank, 2020, <https://www.adb.org/sites/default/files/publication/650896/ewp-624-valuing-unpaid-care-work-bhutan.pdf>



Formulating a Strategy for India's Care Economy: Unlocking Opportunities

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