

SHAPING THE CARE ECONOMY IN INDIA: LESSONS FROM LATIN AMERICAN MODELS

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Acknowledgements

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Abbreviations

- AWC** : Anganwadi Centres
- AWW** : Anganwadi Workers
- AWH** : Anganwadi Helper
- ICDS** : Integrated Child Development Services
- ECCE** : Early Childhood Care and Education
- SEWA** : Self-Employed Women's Association
- MWCD** : The Ministry of Women and Child Development
- LMICs** : Low- and Middle-Income countries
- VWOs** : Voluntary Welfare Organisations
- ChCC** : Chile Crece Contigo
- FZTF** : From Zero to Forever
- IDB** : Inter-American Development Bank

Executive Summary

India grapples with the absence of a clear policy for the care economy, hampering outcomes such as universal childcare, dignified employment for caregivers, pro-family policies and economic empowerment for women. Improved access to quality childcare, particularly centre-based care, is linked to increased women's labour market participation – an enduring challenge for India. A UNDP study evaluating Chile's care model found that approximately 60% of mothers benefitting from the programme were actively able to seek employment.

Investing in high-quality early childhood care is a strategic imperative for economic development. James Heckman's research demonstrated a remarkable return of \$4 to \$16 for every \$1 invested. These programmes not only enhance worker productivity but also empower caregivers and create employment opportunities. Nevertheless, the challenge persists in scaling up these high-quality programmes to realise substantial returns.

India's progressive initiatives, including Integrated Child Development Services (ICDS) and Early Childhood Care and Education (ECCE), and discussions during its G20 presidency, present a crucial opportunity to lay the foundation for its care economy. This perspective explores successful international care models, offering valuable insights for India to strengthen its care economy with a gender-responsive approach, tailored to address the unique needs of the diverse population in the country.

For instance, **Uruguay's care policies highlight that social protection programmes, especially for women and children, should be designed to ensure that benefits in one life stage are not lost before the beneficiary reaches the next.** This social welfare framework ensures that policies and services actively shape the future, rather than being a passive by-product of industrial development or market needs.

Colombia utilises existing informal care services provided by immediate and extended family members and friends. Governmental regulation of a home-based care system, initiated in the mid-1990s, involved training and certifying caregivers while providing a stipend to cover costs. This approach has led to a significant expansion of childcare coverage, supported by loans and subsidies from the government.

As policymakers and stakeholders navigate the complex terrain of care provision, five integral components – **holistic policies, progressive enabling environment, empowering cadre of workers, universal coverage through innovative models, and governance and accountability** – emerge for the establishment of a resilient and responsive care economy. With a focus on leveraging existing initiatives, refining policies, and fostering collaboration between public and private entities, India has the opportunity to chart a transformative course for its care ecosystem.

Nurturing Progress: Advancing Childcare for Women's Empowerment

Savitaben, a tobacco worker in Rasnol village, Gujarat, entrusts her two young children, both aged under five, to a crèche run by the Self-Employed Women's Association (SEWA) every morning. This trade union, representing over 15 lakh poor, self-employed women workers, operates the crèche, where Sumanben and Shardaben, both farmers-turned-childcare workers, care for the children. Savitaben reflects, "Earlier, agricultural labourers like me would improvise, tying our babies in a sari between two trees. Sometimes they would fall, and we couldn't hear their cries from the field. Now, our children are safe, receive two hot meals a day, and I can work two shifts, earning in peace." Savitaben is just one of the millions of women toiling long hours for meagre wages in India's informal economy, which employs over 90% of its workforce. Despite this, the nation has scarcely recognised the significance of full-day, quality childcare for these women.¹

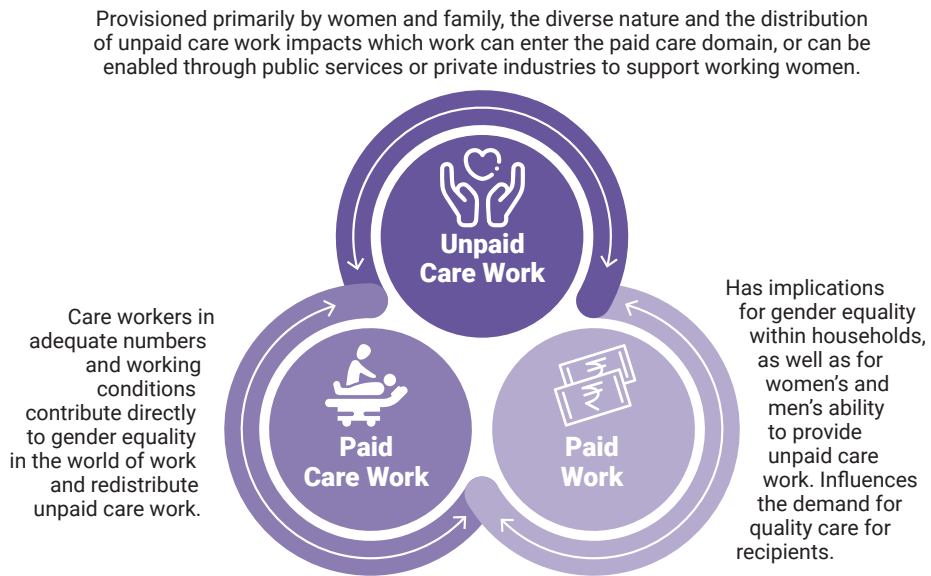
Investing in quality care emerges as a pivotal strategy for unlocking pathways out of poverty, fostering individual potential, and promoting equity – fundamental elements underpinning a nation's economic growth and productivity. The concept of the care economy adopts a holistic approach, underscoring its multidimensional nature, the necessity for cross-sectoral collaboration, and its regional and local relevance.² This paradigm represents a new vision of economics, that recognises the importance of care work, empowerment, and autonomy of women to the functioning of economies, societal well-being, and sustainability of life.

The lack of proper daycare services is often a deterrent for women to go out and work. A simulation conducted in Turkey revealed that investing in early childhood care and education (ECCE) could yield 2.5 times more jobs than an equivalent investment in construction, with 73% of these jobs benefitting women, including more decent work opportunities.⁷

India's childcare schemes cover only 48% of children in the 0-6 years age group, leaving millions behind. Shockingly, the most vulnerable and marginalised groups, constituting 20% of the total child population aged 3-5 years, remain unenrolled in any formal public childcare centres. As a result, small children are often left in the care of an older sibling, usually a girl, who then forgoes school.

Recognising and valuing the contribution of unpaid caregivers is pivotal for several reasons. Firstly, it acknowledges the essential role they play in sustaining the well-being of individuals and families, contributing immeasurably to societal welfare. Secondly, creating mechanisms within the care economy that support and uplift unpaid caregivers is a moral imperative, aligning with principles of social justice and equity.

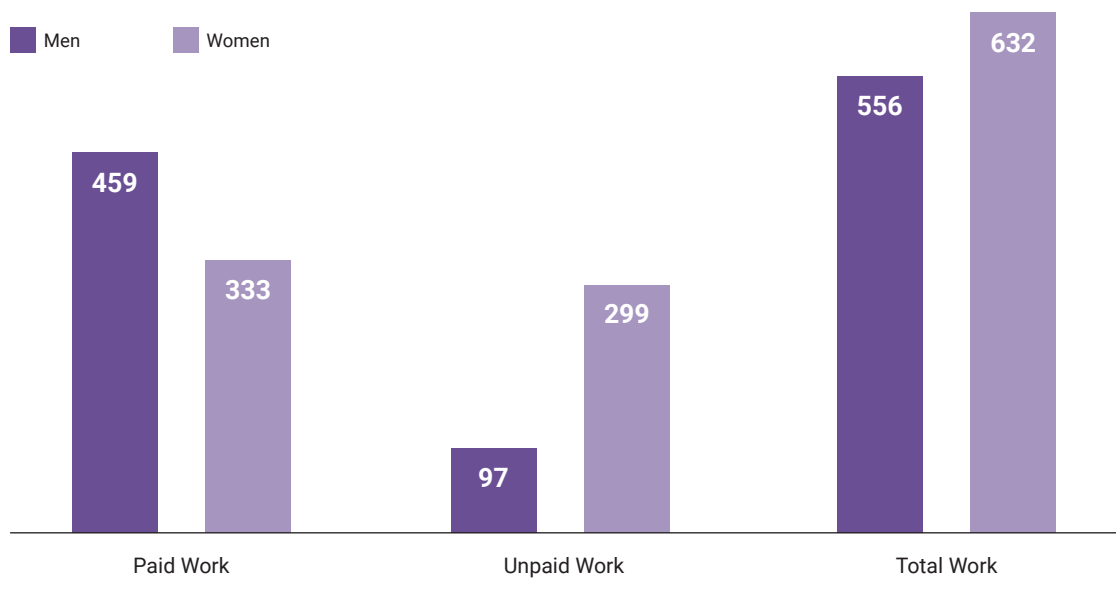
Figure 1: Influencers impacting the value and arrangement of care work³



Inspired by the ILO Circle of Care Work

A striking 75% of care work is borne by women, and this disproportionate burden adversely impacts their health, well-being, and economic prospects. In India, women spend around 7.2 hours daily in care work, compared to men's 2.8 hours. It should also be understood that care can be tiring and emotionally demanding, emphasising the need for a support system, for example, community spaces for caregivers or childcare services for a few hours. Hence, prioritising caregivers should be a central agenda for the care economy.

Figure 2: Time use analysis in Paid, Unpaid and Total work⁴ (hours per year)



Reducing gender gaps in the market by 25%, promoting gender equality, and women's economic empowerment are at the top of the W20 India agenda. Ensuring universal access to quality care, investing in building a care economy centred around the needs of caregivers, and creating dignified opportunities for care providers are essential to influence outcomes related to the development of children and facilitate women's participation in the workforce.

Furthermore, the increasing demand for non-parental care services is no longer merely a consequence, but an essential solution to meet the changing needs of families and individuals. These changes are occurring within an era characterised by dynamic shifts in family structures and employment patterns, particularly among women. Sustainable public responses involving the State, the market and communities are urgently needed in India.

This perspective explores successful international care models, offering valuable insights for India to strengthen its care economy with a gender-responsive approach, tailored to address the unique needs of the diverse population in the country.⁵

The Childcare Ecosystem in India

The landscape of early childhood care in India encompasses a holistic blend of care, health, nutrition and early learning within a nurturing environment. The National Early Childhood Care and Education Policy (ECCE) presents a comprehensive roadmap, prioritising care and early learning for every child while recognising the interconnected nature of health, nutrition, and psycho-social needs. Acknowledged as a cost-effective strategy, it acts as a transformative tool to break the intergenerational cycle of disadvantages and cultivate long-term social and economic benefits.

At the forefront of India's endeavours stands the Integrated Child Development Services (ICDS), the world's largest programme mandated to provide ECCE. Operating through an extensive network of 1.4 million Anganwadi Centres (AWCs), it has been instrumental in reaching over 89 million mothers and children in 2021. The Ministry of Women and Child Development (MWCD) plays a central role in ECCE activities, providing free integrated child development services in health, nutrition, and education to children from rural areas, minority groups, slums, and underdeveloped areas through AWCs since 1975.⁶

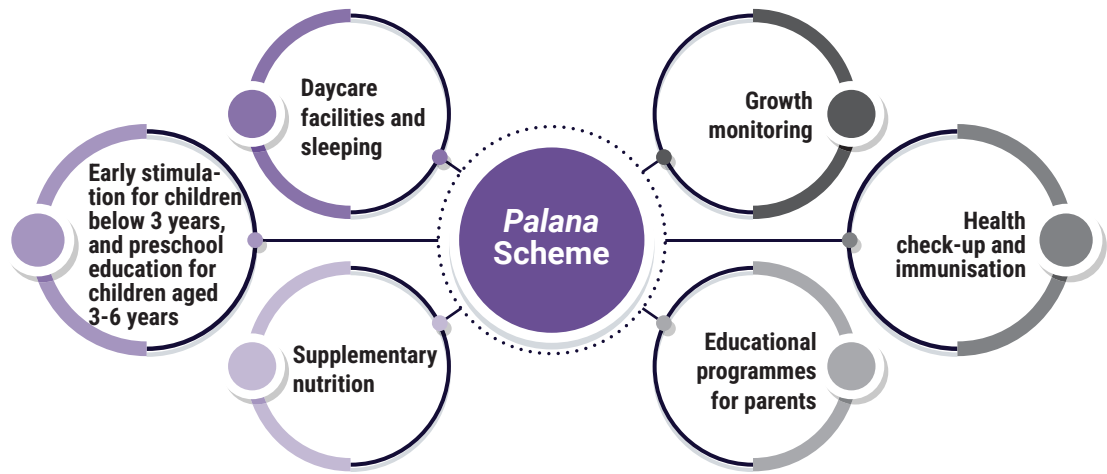
Objectives of ICDS:

- Lay the foundation for proper psychological development of a child
- Improved nutritional and health status of children
- Reduce incidence of mortality and morbidity, malnutrition and school drop-outs
- Achieve effective coordination among various departments

Childcare Infrastructure

With the universalisation of the ICDS, the National Crèche Scheme for the Children of Working Mothers (earlier called Rajiv Gandhi National Crèche Scheme; now known as *Palana* Scheme) was launched on January 1, 2006. It was launched to primarily nurture children aged between six months and six years, of mothers belonging to low-income groups, who go to work for at least fifteen days in a month. The subsidised facilities charge ₹20 per child for a month for families below the poverty line, and between ₹100-₹200 for other families.

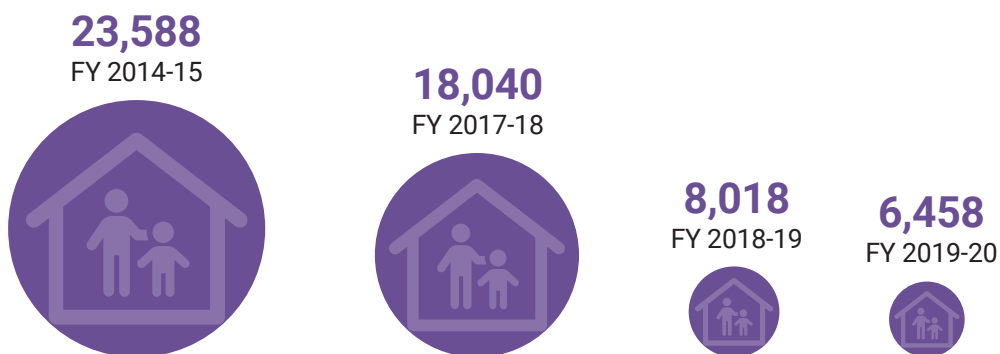
Figure 3: Features of *Palana* scheme



Despite the commitment to ICDS and its significance, we have not been able to provide universal coverage and complete adoption of current infrastructure.

Despite the increased allocation for the ICDS Scheme, rising from ₹16,334 crores in 2018-19 to ₹19,427 crores between 2019 and 2022, access to these schemes remains restricted, covering only 48% of children in the 0-6 years age group. The most vulnerable and marginalised groups, constituting 20% of the total child population aged 3-5 years⁶, remain unenrolled in any formal public childcare centres.

Figure 4: Decline in Operational creches under the erstwhile Rajiv Gandhi National Creche Scheme



Childcare Benefits and Rights of Women

Women working in the organised sector can avail daycare facilities for their children, which their employers are obliged to provide under various legislations such as the Factories Act 1948, Mines Act 1952, Plantation Act 1951, and Inter-State Migrant Workers Act, 1980. On the other hand, the needs of children of the women working in the unorganised sector still remain largely unaddressed. MGNREGA is the only act in the country that legislates support for childcare in the unorganised sector, by including the provision for crèches.

The Maternity Benefit (Amendment) Act, 2017 (hereafter referred to as the 'Maternity Act') is a landmark law which has enhanced the maternity benefits under the parent Maternity Benefit Act, 1961. The Act has increased the duration of paid maternity leave available to working mothers from 12-26 weeks. However, women who already have two surviving children, are only entitled to a paid maternity leave of 12 weeks. It has also introduced provisions for adopting mothers and commissioning mothers, who are entitled to a maternity leave of 12 weeks from the date on which the child is being handed over to the mother. An important provision in this Act is that any establishment which has 50 or more employees shall have a crèche facility.

Care Providers in India

Majority of the persons engaged in care work operate in an informal capacity, lacking coverage or protection as well as a standardised level of training or guidance.

Domestic Workers: Hiring a domestic worker to care for a child while also undertaking cleaning and cooking tasks may be the preferred childcare option for infants and toddlers. This option is available primarily to middle-and high-income households who can afford to pay for a domestic worker. Yet, high rates of informality among domestic workers globally means that this form of childcare work is often low-paying, and without the necessary labour and social protections. The gaps in the care systems became apparent during the pandemic, as childcare workers were left without adequate social or health protection measures while serving as ad-hoc care workers for many dependent households. Notably, these women act as a support system for many urban women to participate in employment.

Anganwadi Workers and Helpers (AWWs and AWHs): Women workers who are at the forefront of implementing ICDS play a vital role in advancing child nutrition, health, and education in their communities. Anganwadi Workers and Anganwadi Helpers are "honorary workers" from the local community who come forward to render their services in the area of childcare and development. The Government of India revises the monthly honorariums for AWWs/ AWHs from time to time (for AWWs at main-AWCs from ₹3,000 to ₹4,500; AWWs at mini-AWCs from ₹2,250 to ₹3,500; AWHs from ₹1,500 to ₹2,250).⁸ However, they often face challenges due to high workload and limited resources. There is a significant variation in the implementation of ICDS across the different regions and the level of skills of Anganwadi workers. Recently, social security schemes have been introduced for the AWW and AWH

under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), which covers life risk, death due to any reason, to AWWs/ AWHs in the age group of 18-50 years, and the Pradhan Mantri Suraksha Bima Yojana.

Challenges in the Early Childhood Care Landscape

Existing childcare services under the ICDS play a pivotal role as the foundational element for the establishment of a robust and comprehensive public care system in India. Despite its crucial role, the current landscape of early childhood care faces substantial challenges that demand immediate attention. Addressing these challenges is imperative to expedite progress towards a thriving care economy in India.

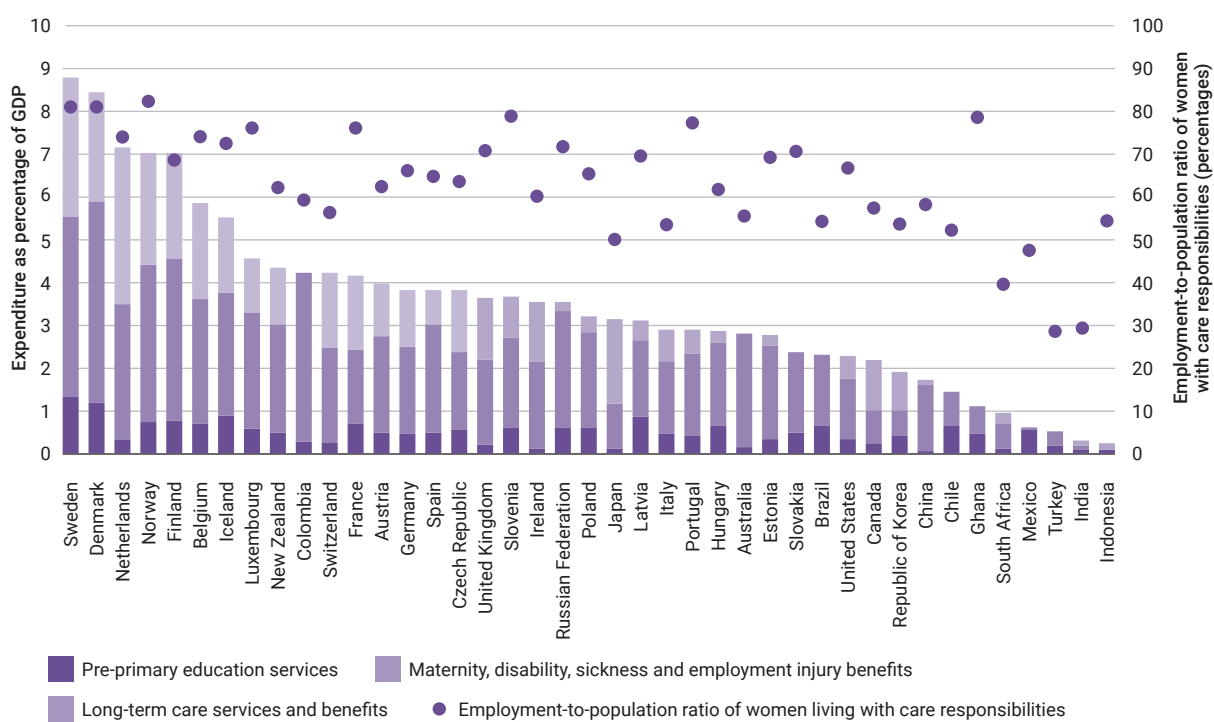
- **Lack of public spending, leading to underfunded and insufficiently supported childcare:** India currently dedicates just over 0.1% of its GDP²³ on ECCE. Insufficient and delayed allocation of funds has remained a key hindrance to the scheme's functioning. Revised budget estimates for NCS were brought down to ₹65 crores from ₹200 crores. Out of the revised budget allocation of ₹4 crores in FY 2022, no money was spent in the same year.
- **Nonfunctional facilities resulting in underutilisation:** In November 2017, states were stipulated to fund 40% of the budget, as a part of the overall government plan to increase the state's share in welfare programmes, and to provide greater autonomy to the states, which translated to increase in share for supporting the functioning of the crèches. NGOs (that are main crèche operators) are still expected to contribute an amount equal to 10% of the running costs as before. However, since the change, payments to crèches have been delayed and the existence of thousands of crèches across the country is jeopardised.
- **Lack of universal coverage:** The public sector provisioning of ECCE services through Anganwadis and the pre-primary sections in government schools covers only 31.4 million, of the eligible 99 million children. As per the NSS 75th round report, around 37 million children do not avail of any ECCE services, whether in public or those provided by private aids.²⁵
- **Lack of comprehensive care policy:** India lacks a comprehensive policy that recognises the care economy as an economic sector. There is no overarching policy coherence to ensure and support the care economy in India. Currently, it is tacked on to social welfare schemes, where the care workers themselves are not adequately recognised and protected.
- **Lack of gender-responsive, family-friendly, age-appropriate policies:** While the National Crèche Scheme has been enabled to support mothers and families, existing childcare policies do not recognise them as integral stakeholders, and hence fail to influence outcomes for their empowerment.

Childcare Models Across the Globe

Governmental commitments to care policies can yield the most fitting solutions. In this segment, we delve into the factors that have facilitated the effective expansion and implementation of childcare programmes in low- and middle-income countries (LMICs). We emphasise the pivotal role played by various nations in prioritising caregiving, integrating childcare and education, and empowering all caregivers through innovative social initiatives spanning policy, service delivery, and financing mechanisms.

It is important to note that these countries still have inadequate public spending on childcare, and women in these countries still dedicate more than three times the amount of time to care compared to men. However, there is a concerted effort to place caregiving policies at the forefront of national agendas. While none match the scale at which India is delivering childcare services, there exist inspiring practices and innovative models in these countries that can be studied and potentially applied within the Indian context.

Figure 5: Public Expenditure on Selected Care Policies as a Percentage of GDP and Employment-to-Population Ratio¹¹



It is to be noted that immense diversity exists across countries. Local conditions profoundly influence the actual choices and opportunities for well-being, empowerment, and social mobility. Consequently, the design of service delivery must be tailored to address the specific needs of children and primary caregivers, considering the unique dynamics of their interactions with the internal and external environments.

Country	Care Model (Click to go to section)	Key Highlights	Observable impact on economic empowerment of women
Chile 	Chile Crece Contigo (ChCC): A Comprehensive Approach to Child Protection and Maternal Employment Support	<ul style="list-style-type: none"> • Fostered emergent behaviour in child development through political will, evidence-informed advocacy • Consensus-based policy development, and • Use of existing functional systems 	A study carried out by UNDP found that about 60 percent of mothers benefitting from the programme were able to search for employment.
Colombia 	Transformative Childcare Strategies: Colombia's Informal Network Revolution	Hogares Comunitarios de Bienestar (Community Well-Being Sites), currently caters to more than 1.7 million children, establishing Colombia as the nation with the most extensive coverage for newborns to four-year-olds in the region.	Research indicates that this programme, characterised by more flexible hours, increased the likelihood of mothers working outside the home by a notable 25%.
Mexico 	Empowering Women: Home-based Childcare Fills the Gaps in Mexico's Government Initiatives	In Mexico, the Programa Estancias Infantiles para Apoyar a Madres Trabajadoras y/o Padres Solos (PEI), established in 2007, aimed to support women's workforce participation by providing childcare services for those not registered in the social security system.	The evaluation showed that mothers who benefitted from the programme increased their proportion of employment by about 6%, and hours worked per month by 24 hours.
Uruguay 	Uruguay's Integrated Care System: A Holistic Approach to Social Welfare and Human Rights	In Uruguay, the approach to care transcends the confines of the private and familial sphere, positioning it as a collective societal issue and a matter of human rights. The Comprehensive National Care System (SNIC), is designed to foster a co-responsible model of care involving families, the State, the community, and the market. This model is underpinned by the fundamental principles of care as a universal right and gender equality as a cross-cutting principle.	Higher wages for childcare practitioners



Chile Crece Contigo (ChCC): A Comprehensive Approach to Child Protection and Maternal Employment Support

The Republic of Chile introduced the ‘Chile Grows With You’, or ‘Chile Crece Contigo (ChCC)’ child protection scheme in 2006, aimed at guaranteeing a healthy environment for children’s development that upholds their rights to reduce the incidence of poverty, malnutrition and right to receive care.

The government actively acknowledges its responsibility in supporting maternal employment and fostering child development through the provision of centre-based childcare and pre-primary programmes. The centre-based childcare initiatives are integral components of larger national programmes dedicated to children. The ChCC programme provides a universal platform that supports the development of under-fives, bringing together education, health, social and community services to help children and their families. Over the last decade, Chile has taken an intersectional approach to policy making to decrease socioeconomic inequality and improve health outcomes.⁹

One of the key objectives of Chile’s childcare policy is providing an integrated system of benefits, interventions and social services to support the child and his/her family to develop their maximum potential, to create development opportunities.

The government-funded ChCC, despite its relatively high costs (more than \$10 bn for the first two years alone) indicates strong cross-party political commitment. The service cost per child comes up to \$1,800.¹⁰ However, Chile’s strategy is based on a centralised and formal public model, supported by higher governance capacity, development levels and fiscal space, and hence is unlikely to gain the same traction in larger, poorer Latin American countries.

The expansion in early education did not yield an immediate surge in mothers joining the labour force; instead, the professional advantages for women manifested only in later stages. The initial programme had certain inflexible features that posed challenges for mothers entering the job market, such as incongruent schedules between regular working hours and daycare opening hours. Research indicates that a substantial increase in female labour supply occurred only when childcare centres extended their operating hours. The proportion of female workers witnessed a noteworthy rise, from 38% to 52% over a decade.¹² A study carried out by UNDP in order to evaluate ChCC’s impact on female labour market participation found that about 60% of mothers benefitting from the programme were able to search for employment.

Factors contributing to the success of ChCC

- ChCC leveraged **existing systems that facilitate collaboration among the health, social protection, and education** sectors in Chile. With around 80% of babies born in public hospitals and receiving follow-up care within the public health system, these established systems provided a natural entry point for mothers and children.

- The creation of a **coordinating body within the Ministry of Social Development** played a crucial role. This body, experienced in managing social networks and promoting social development policies, ensured better coordination across various sectors. Rather than focusing solely on health or education activities, this approach promoted a holistic perspective. Additionally, the budget for ChCC implementation is allocated to the Ministry of Social Development, which then distributes funds to the ministries of Health and Education, as well as directly to municipalities, based on performance standards and indicators.
- There was a strong emphasis on **community-driven programming through municipal networks**. ChCC programmes and services necessitate flexible and locally adapted communal networks that are well-coordinated with local actors. Granting financial and technical autonomy to municipalities allows them to implement core services tailored to local systems and population differences. This approach facilitates the responsiveness of ChCC initiatives to the unique needs of different communities.



Transformative Childcare Strategies: Colombia's Informal Network Revolution

Colombia, rather than creating a formal structure for early education, opted to leverage existing, albeit more informal, care services – often provided by immediate and extended family members and friends. Commencing in the mid-1990s, the government initiated the regulation of a home-based care system. This involved training and certifying caregivers while providing them with a stipend to help cover costs. This approach led to a dramatic expansion of childcare coverage. Loans and subsidies were provided by Government's Instituto Colombiano Bienestar Familiar (ICBF)¹³, in the form of:

- Zero-interest loans to the caregiver for refurbishments, with parents paying a monthly fee directly to the caregiver
- Money to parents association at the community level (partial salary of the caregiver, supplementary nutrition)

The programme, known as Hogares Comunitarios de Bienestar (Community Well-Being Sites), currently caters to more than 1.7 million children, establishing Colombia as the nation with the most extensive coverage for newborns to four-year-olds in the region. **Research indicates that this programme, characterised by more flexible hours, increased the likelihood of mothers working outside the home by a notable 25%.**

Furthermore, it created employment opportunities for women, including mothers, with lower levels of education. Childcare providers are only required to possess a high school degree and complete a 40-hour training course before opening a centre. **Presently, approximately 80,000 women are employed in the public childcare service programme.**

Until 2014, caregivers earned less than half the minimum wage with no accompanying benefits. It took over two decades of social pressure before the Colombian Constitutional Court ruled that care workers must receive the minimum wage. Presently, caretakers still earn approximately 28% of the average public sector monthly wage.

The centre-based child care initiative, 'From Zero to Forever (FZTF)'¹⁴ is also an integral component of larger national programmes dedicated to children. A specific ministry, either in social development or education, serves as a central governing body for the programme. The country has designed the ECCE and centre-based interventions to increase enrolment of the number of children in pre-primary schools.



Uruguay's Integrated Care System: A Holistic Approach to Social Welfare and Human Rights

Uruguay has historically been progressive in formulating social protection measures and translating them into effective government responses. In the beginning of the 20th century, it approved maternity leave, a groundbreaking social legislation at the time.

After a series of debates on the activities regarding care which were already taking place in the country, regional challenges, the diagnosis of care needs and services, **the country implemented the National Integrated Care System in November 2015.**¹⁷

In Uruguay, the approach to care transcends the confines of the private and familial sphere, positioning it as a collective societal issue and a matter of human rights. The comprehensive National Integrated Care System (SNIC), is designed to foster a co-responsible model of care involving families, the State, the community, and the market. This model is underpinned by the fundamental principles of **care as a universal right and gender equality as a cross-cutting principle.** Notably, childcare and education are distinct policy areas, both falling under the purview of the national government.¹⁸

The oversight of the SNIC is entrusted to the National Care Board, comprising key ministries such as Social Development, Economy and Finance, Public Health, and Labour and Social Security. The Planning and Budget Office, Public Education National Administration, Child and Adolescent Institute (INAU), Social Security Bank (BPS), and the Congress of Mayors also play integral roles.

The SNIC includes a diverse range of childcare and individuals in a situation of dependency, with a focus on early childhood (0-3 years). This includes Childcare and Family Centres (CAIF), Early Childcare Centres (CAPI), care spaces in study centres, socio-educational services, Care Community Houses, Socio-Educational Inclusion Scholarships, and credit lines for private kindergartens to enhance service quality.

These centres are staffed with social educators, psycho-physical therapists, teachers, nutritionists, and psychologists. Many centres operate on the same campus as schools and polyclinics, offering comprehensive services for children and families in the neighbourhood. The share of children in formal childcare is highest in Uruguay. The initiative is funded by the State, with a 25-year-term \$50 million loan by IDB, while Uruguay provides \$15 million counterpart funding.

It is important to note that Uruguay applied social welfare frameworks to ensure that their policies and services are enabled to create powerful societal mechanisms that can shape the future and that are not only a 'passive by-product of industrial development'. The role of government is to enable the redistribution of society resources to reduce inequity gaps. Social policy is a precondition for economic efficiency and enabling individuals to participate effectively as citizens.

Quality of care and word of mouth has led to high adoption of the services. Uruguay has recently developed an app to nudge parents to take their children to centres instead of using family arrangements for childcare. Mercedes Mateo Díaz, an education specialist at the Inter-American Development Bank urges other governments in the region to explore these tools moving forward.

Recognising Childcare Needs of Informal Workers

In impoverished urban areas, the absence of accessible childcare services has profound repercussions for millions of women and families. It results in income loss, greater caregiving responsibilities and emotional stress, significantly affecting the quality of care provided to children. Centre-based care, synonymous with nurseries, crèches, or daycare centres, is a critical need for the working poor. These facilities are situated in informal settlements, rural communities, or on or near worksites and can be run by a range of diverse actors, including government, workers' organisations, nongovernmental organisations (NGOs), community and private providers and employers. The type of childcare impacts not only the parents and children using the service, but also the childcare workers who provide the service. This section details models of care which have a high potential for impact and can be adopted by the public and private sector to enable the economy for care work.



Empowering Women: Home-Based Childcare Fills the Gaps in Mexico's Government Initiatives

In Mexico, the Programa Estancias Infantiles para Apoyar a Madres Trabajadoras y/o Padres Solos (PEI), established in 2007, aimed to support women's workforce participation by providing childcare services for those not registered in the social security system. It caters to low-income households with working or studying women, single mothers, or

guardians, covering children aged 1-3 years and 11 months, and children with disabilities aged 1-5 years and 11 months. The government pays a monthly fee directly to childcare workers, with parents contributing the remainder, up to 950 Mexican pesos (MXN; equivalent to \$45) per month per child (or MXN1,800 (\$92) for children with disabilities). Parents are expected to pay the remainder of the monthly fee. By 2017, the PEI included 9,399 home-based and community childcare services, supporting 310,968 parents and reaching 327,854 children.

The PEI also offers a subsidy to women or community groups who want to set up their own home-based or community childcare service. They can apply for a government grant of MXN70,000 (\$3,550) to convert their space at home, buy educational and learning materials, pay for insurance and cover other costs. To qualify for the grant, women must complete their secondary education, receive a national accreditation as a childcare provider, and pass a psychological test. Home-based childcare workers can have a maximum of ten children in their care, but must hire an assistant once there are more than eight children. As a comparative figure, the average earnings of women and men using the childcare service in 2010 was MXN2,865 (\$244).²⁰ This points to several challenges with the programme in terms of staff training, remuneration and quality provision. In 2019, the government announced a funding reduction, potentially impacting the programme's sustainability and the ability of parents to cover full user fees for home-based childcare centres.

SEWA's Sangini Child Care Workers' Cooperative: Shaping Inclusive and Quality Childcare Services

In response to the demands of its union members, the Self-Employed Women's Association (SEWA), a trade union representing nearly two million women workers in India's informal economy, established the Sangini Child Care Workers Cooperative in Ahmedabad in 1986. This cooperative manages 13 childcare centres, providing care for 350-400 children aged 0-6 years. The centre adopts an integrated approach to childcare, ensuring that children receive basic education, develop social skills, receive adequate nutrition, and have access to basic health services. Operating from 9 am to 5 pm, the centres align with parents' working hours. As a result, 64% of working mothers who utilise the SEWA centres reported an increase in their working hours, facilitated by support from the childcare centre.²¹

The cooperative's shareholders include childcare workers (*balsevikas*) and mothers whose children attend the centres.²¹ With 624 members, including childcare teachers, helpers, and children's parents, the cooperative operates democratically, ensuring quality and building trust with service providers. Each centre accommodates up to 30 children, with at least two childcare providers per centre. On average, running one of these centres costs ₹20,000-25,000 (\$300-400) per month, covering expenses such as facilitators' salaries, rent, supplies, supervision, and administrative costs. Additionally, setup costs are approximately ₹25,000 (\$400), which includes initial community consultations and the purchase of necessary equipment like cradles, toys, and educational materials.²⁰

Balsevikas, who are both SEWA members and residents in the communities where the centres operate, foster considerable trust among parents. The cooperative extends its impact beyond childcare, serving as a public service access point for vaccinations, primary health care, and nutritional advice for parents. With continuous on-the-job training, *balsevikas* also play a crucial role in training public childcare providers within the Integrated Child Development Scheme (ICDS) and advocating for improved quality and accessibility of public services for women workers in the informal economy.

Addressing Childcare in India's Informal Economy with Mobile Crèches

Mobile Crèches is an NGO that works in partnership with estate developers and contractors, other NGO service providers, and the government to set up and run childcare services for children of construction workers. These construction workers, most of whom are migrants, are dependent contractors. The Mobile Crèches model of childcare services on construction sites is an important example of construction companies contributing to the costs of childcare provision for self-employed workers in the informal economy.

As a result of the advocacy led by Mobile Crèches, the Government of India passed the Building and Other Construction Workers' Act in 1996. This Act provides for the collection of a 'cess', which is a levy of one to two per cent of project turnover, to fund specific initiatives for workers and their children. This means construction companies are legally obligated to provide childcare facilities for workers even though they are outside a standard employment relationship. Mobile Crèches collaborates with construction companies to train childcare providers if a company wants to set up its own crèche, or supports them to outsource some components of the provision to Mobile Crèches and other NGOs, while still providing funds, infrastructure, and management supervision. This example demonstrates that where an employer is identifiable within the informal economy, legal obligations can be made for the provision of childcare services for self-employed workers and their children. The State has a role in regulation and ensuring that the employers' contribution (as part of business turnover) plays a funding role in childcare provision for low-income households.

Insights from Local and Global Practices

While the government of India has implemented various care schemes, the fragmented implementation and closures of crèches have left numerous children without childcare coverage and families without any support. Building a robust care economy will require consolidation of India's current efforts to enable early childhood care, mapping out areas which can be strengthened.

Through our detailed study of global models, we have mapped five key levers which are critical for strengthening institutional response, expanding the scope of care policies in

India, and laying a strong foundation for building an economy for care work. This section acknowledges that local conditions impact real choices and opportunities of empowerment, social mobility and well-being. Thus, tailoring services and policies to local needs and culture will be important.

Figure 6: Pillars for a Robust Care Economy



- **Holistic Policy Design:** Uruguay's integrated care system rests on the fundamental principles of care as a universal right and gender equality as a cross-cutting principle. Its policies are designed on the 3R's approach (Reducing, Recognising and Redistribution) of care work and driving economic empowerment for women. Uruguay applied social welfare frameworks to ensure that their policies and services are enabled to create powerful societal mechanisms that can shape the future and that are not only a 'passive by-product of industrial development'.
- **Relevance for India:** Uruguay's model presents a progressive view for approaching public policies and their design, as it allows for expansion of a policy's use case to different stakeholders. Care policies focus on the primary receiver of care but give equal importance to the caregivers, families, care workforce and the society at all. We can take these learnings to orient the ICDS policy such that diverse concerns and needs are taken into account. The outlook that the government should enable the redistribution of resources to reduce societal inequity, can play a significant role in building a strong care economy. We should build care policies to enable women/caregiver and worker empowerment as well.

- **Building a Progressive Enabling Environment to Break the Status Quo:** Uruguay's enabling environment; the quality of data and effectiveness in communicating results; and motivation for, and the nature of, policy change – all contributed to its success. Further the dynamic advocacy to address women's unpaid care work and need to spur female labour force participation drove swift action to build a holistic care policy. Such an approach in Uruguay led to legislative measures including an overall equality of opportunity and rights policy and a more specific care framework; a call to measure unpaid work; and fiscal regulations for backing the implementation of a national policy with government budget allocations.

 - **Relevance for India:** India can pave the way for inclusive gender commitments, and strengthen its foundation for a care economy, by ensuring that the rights of children to access quality care are met, and that family-friendly, gender-responsive policies and programmes are enabled. Furthermore, by supporting innovation in service delivery models and building capacities of care workers in India, it can create a demand for better quality care, and in turn, better career trajectories for caregivers. The government could also leverage this ecosystem to mobilise development funding for childcare and women empowerment. India can also enable the meaningful participation of key stakeholders in the care economy – including trade unions and informal worker organisations, child and older persons' rights advocates and women's rights organisations – in the design and implementation of care policies.

- **Empowering the Cadre of Care Workers:** Chile is at the forefront of recognising that human resources are the key to improving the quality of centre-based childcare. Through its iterative approach, it realised that professional development opportunities influence the motivation of the workers, which in turn impacts performance and quality. Hence, it introduced Un Buen Comienzo, a two-year programme that provides professional development to early childhood care professionals.

 - **Relevance for India:** In India, Mobile Crèches and SEWA both have detailed pre-work training components, along with apprenticeship, that encourage a peer-to-peer learning format, and emphasis on career development. India could also look to strengthen its long cadre of AWWs, giving them opportunities to enhance their agency through specific career upgradation programmes and introduce mechanisms to enable decent and dignified opportunities for women in public care roles and make this role aspirational.

- **Universal Coverage through Innovative Models:** Aside from the centre-based child care initiative, Colombia also utilised existing, albeit more informal, care services – often provided by immediate and extended family members and friends.

 - **Relevance for India:** Community networks have always played a significant role in India. The Government of India can play a significant role in promoting innovations in care delivery by leveraging existing ecosystem interventions across child development. The potential role of NRLM/SRLM in establishing rural childcare centres, supplementing the existing ICDS model on the same lines as the HBC

model, can be explored. Drawing insights from Chile, where both centre-based childcare for children under six and after-school programmes for children aged 6-14 showed incremental impact on mothers' employment, adds further weight to the consideration.

- **Governance and Accountability:** Chile's approach is supporting the well-being of women and children as a unified entity, referred to as the “women-child dyad”. Policies are designed with an awareness of the importance of a mother's economic empowerment, her role, and the developmental requirements of the child. Chile has established robust organisational frameworks that span various administrative levels (horizontally and vertically). These structures efficiently use data to integrate efforts, ensuring responsibility and accountability in their programs and initiatives aimed at supporting women and children.
- **Relevance for India:** The establishment of strong organisational structures across administrative levels, both horizontally and vertically, is a vital learning. India could focus on streamlining and coordinating efforts between state and central authorities to ensure a more integrated approach to childcare and women's support. Recognising the shared responsibility of both state and central government in childcare and women's support is crucial. India could adopt a more collaborative approach between these entities, ensuring that responsibilities are clearly defined, resources are efficiently allocated, and accountability is upheld.

Conclusion

Building India's care economy requires sustained commitment and active collaboration among government agencies, businesses, donors, civil society, think tanks, and international organisations. Realising the Sustainable Development Goals (SDGs) necessitates increased public spending on the care economy, prioritising outcomes like child development and women's empowerment. Mobilising development finance and fostering public-private partnerships will be crucial for addressing market failures and ensuring the long-term sustainability of the care economy in India.

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