Strengthening the Global Care Economy: A Roadmap for the Biden-Harris Administration

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Abstract

In calling for large-scale investment in the United States’ care economy, the Biden-Harris administration has taken an unprecedented step in recognizing and addressing the constraints that American families, and particularly women, face in juggling paid and unpaid work within their own country. The administration now has an opportunity to translate its positioning of care as essential infrastructure within the US context into a complementary foreign and international development policy agenda. This can be done through (1) supporting existing global partnerships aimed at enabling families’ access to quality, affordable care services, and (2) complementing existing efforts through a US government-led initiative dedicated to strengthening the global care economy.
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In calling for large-scale investment in the United States’ care economy, the Biden-Harris administration has taken an unprecedented step in recognizing and addressing the constraints that American families, and particularly women, face in juggling paid and unpaid work within our own country. The administration now has an opportunity to translate its positioning of care as essential infrastructure within the US context into a complementary foreign and international development policy agenda. This can be done through (1) supporting existing global partnerships aimed at enabling families’ access to quality, affordable care services and (2) complementing existing efforts through a US government-led initiative dedicated to strengthening the global care economy.

**Background and rationale for US government leadership**

Pre-COVID, the disproportionate unpaid care and domestic work that women and girls shouldered already limited their educational opportunities, labor force participation and productivity, and advancement within the workforce and broader society. Now, a growing evidence base suggests that the COVID crisis has only exacerbated their care and domestic responsibilities. Women spent three times as much time as men providing additional unpaid childcare last year—and in turn lost an estimated $800 billion in income. The gender gap in childcare provision has been even wider in low- and middle-income countries (LMICs): for example, in India, women provided 10 times as much unpaid childcare as men did.

This reality is driven in part by the fact that accessing childcare support is even more difficult in LMICs than in the United States. Across the globe, over 40 percent of children below primary school entry age do not have access to childcare. In LMICs, that number increases to nearly 80 percent. And in a low-income country, a child is nearly five times less likely to have access to childcare than a child in a high-income country. Even pre-COVID, in 2018, over 600 million working age women were unable to join the formal labor force due to childcare responsibilities, while only 41 million men cited the same reasons.

Of course, childcare is just one form of broader care and domestic work: women and girls globally also disproportionately perform care work to support older people, as well as those living with disabilities or illnesses, with these forms of caregiving anticipated to increase in the coming years. Over the next decade, the population of individuals 70 years of age and

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above in low-income countries is predicted to climb from 285 million to 442 million, and
the infrastructure needed to support this population's care needs is sorely lacking.\footnote{UN Department of Economic and Social Affairs Population Dynamics. (2019) World Population Prospects 2019. Available at https://population.un.org/wpp/Download/Probabilistic/Population/} The ILO forecasts that, across 45 countries, an additional 50.8 million long-term care workers are needed by 2030 to meet demand, with much of the demand in China and India as well as higher-income countries.\footnote{International Labor Organization. (2018) Care Work and Care Jobs. For the Future of Decent Work. Available at: www.ilo.org/global/publications/books/WCMS_633135/lang--en/index.htm.}

Improving care infrastructure in LMICs could have a major impact on women's economic standing, both from the perspective of supporting unpaid caregivers and of expanding and improving employment opportunities for care workers, with women the majority of each group. Women's labor force participation has been proven to boost businesses' productivity, increase countries' economic diversification, and improve income equality.\footnote{Secretariat, UN Secretary-General's High-Level Panel on Women's Economic Empowerment. (2016) Report of the UN Secretary-General's high-level panel on women's economic empowerment. United Nations. Available at https://www.empowerwomen.org/-/media/files/un%20women/empowerwomen/resources/hlp%20briefs/unhlp%20full%20report.pdf?la=en} Increasing women's formal labor market participation and improving the quality of jobs they occupy would benefit the global economy as a whole—but lower-income countries, facing ever-rising fiscal constraints in the COVID context, will be limited in their ability to drive this agenda in isolation.

COVID has alerted the world to the need for quality, affordable care solutions, but donor countries, including the United States, have not yet made the jump from recognizing the importance of care in their domestic policy agendas to prioritizing it globally. Our review of bilateral donors' investments in care reflects this lack of prioritization.\footnote{Unlike other sectors reflected in CRS data, which capture many subsectors of investments, the only approximate measure of care investments captured by CRS data is in early childhood education. This limits our ability to estimate the total amount of investment in care because early childhood education only represents a portion of total care needs. That being said, what the data does tell us is that early childhood education has historically received very little attention from DAC donors.} According to the latest data, across all DAC donors, only $172 million went to early childhood education (ECE) in low- and middle-income countries.\footnote{OECD. (2021) Creditor Reporting System (CRS) Database. OECD. Available at https://stats.oecd.org/Index.aspx?DataSetCode=crs1} Of that, only $9 million (5 percent) had gender equality and women's empowerment as a principal focus—and it is unclear based on available project data whether this principal focus refers to supporting women as those more likely to be primary caregivers within households, or addressing gender inequities among children within ECE programs. For comparison, in the same year, DAC donors invested a total of $1.4 billion in vocational training, of which $206 million (15 percent) had gender equality and women's empowerment as a principal focus, more than the entire portfolio of investments in ECE from DAC donors.

Figure 1 below shows the total investment in early childhood education from G7 countries from 2010 to 2019, the latest year with data available. With the exception of Canada,
no G7 country has consistently prioritized early childhood education until about the last five years, when countries like Germany, Japan, and the UK started increasing their investments. These projects still only make up a fraction of a percentage of total ODA; for all G7 countries in 2019, investments in early childhood education made up only 0.07 percent of total ODA.

**Figure 1. Total G7 investment in early childhood education programming by year**

![Graph showing total investment in early childhood education programming by year for G7 countries from 2010 to 2019.](image)

*Source: OECD Creditor Reporting System.*

Despite low levels of total investment in ECE—and no systematic reporting of care-focused investments across G7 aid agencies—we do see some examples of projects that support the care economy and consider projects’ impacts on caregivers. In 2017, the German government, through BMZ, invested approximately $58,000 USD to build a daycare for infants of single mothers in Ulaanbaatar, Mongolia.\(^{11}\) Canada’s Women’s Economic Linkages and Employment Development project (WE-LEAD) and Launching Economic Achievement Program (LEAP) identified an absence of childcare as one of the main barriers to women’s increased economic participation in Jordan.\(^{12}\) These projects collectively invest

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$11.51 million CAD to increase women’s employment by addressing access to childcare and by training women to work in childcare, among other activities.

These projects, however, are few in number and not designed to contribute to at-scale reform. In isolation, official development assistance (ODA) channeled to directly fund the construction and operation of care facilities in LMICs will fail to meet the extent of need of hundreds of millions of children, not to mention older people and those living with disabilities or illnesses. Rather, as proposed in more detail below, ODA can be better harnessed through approaches that encourage scalable investments from both LMIC governments and the private sector, rather than displace them. Encouragingly, with new attention on care brought on by the pandemic, the Canadian government has recently announced a $100 million investment in paid and unpaid care work globally. This positive step must now be complemented by efforts from other donors and harnessed to incentivize wider policy and investment momentum.

How has the US government invested in care to date?

Strengthening the global care economy has not been a traditional priority area for US foreign and development policy. Like other G7 aid agencies, USAID has employed an ad hoc approach to investing in childcare rather than a systematic approach. Projects include the Protection and Quality of Care for Children Project in El Salvador; with a total investment of $7.4 million, this project focuses on child protection through reuniting families and training caregivers (both familial and institutional). Another project in Ghana, USAID Partnership for Education: Learning, supports the Ministry of Education to implement programs for kindergarten-age students, and is flagged as having a significant focus on gender equality and women’s empowerment (though it is unclear whether its gender focus refers to impact for students or caregivers).

Other USAID projects, though not designed with care as a priority at their inception, have indirectly led to the improved provision of care. For example, a USAID-supported gathering of women leaders in Kosovo shed light on the need for childcare among single parents in the country and allowed local leaders to direct constituents to available programs. USAID also funds care investments through larger labor force development projects. Through the

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Women Entrepreneurs and Startup Founders Initiative, USAID funded a childcare center in Macedonia.\textsuperscript{17,18} The primary aim of the project is to invest in women entrepreneurs and build leadership capacity. Of the $1.2 million investment in the initiative overall, it is not clear how much goes to funding care investments. A project in Jordan, the USAID Jordan Workforce Development Project, focuses on increasing private sector employment, particularly for women and youth, and includes early childhood education and training for caregivers.\textsuperscript{19}

As with the G7 projects highlighted above, there have been very few USAID projects with care components relative to those focused on other areas of development, and the projects we do find have not been designed and implemented in a way to drive at-scale policy change and innovation.

**Recommendations**

The Biden-Harris administration now has the opportunity to build on these past investments by taking a systematic approach to strengthening the global care economy. The administration can position itself as a champion for this agenda in two ways. First, it should contribute to nascent global partnerships focused on care, in particular the Early Learning Partnership incentive fund at the World Bank Group and the Global Alliance for Care. Second, it should complement these existing efforts by launching a US-led global initiative focused on care.\textsuperscript{20}

**Work collaboratively with partners, including the World Bank Group and the Global Alliance for Care**

The United States has the opportunity to contribute to the Early Learning Partnership (ELP), housed at the World Bank, which is launching an expansive new work program to increase the quantity and quality of childcare investments in LMICs. The work program will provide small catalytic grants in over 30 countries and match funding of IDA on a 1:1 basis in at least 10 countries, build capacity within countries to scale-up investments in quality childcare, and contribute to the global evidence base through supporting at least 12 impact evaluations and extensive data from household surveys and situation assessments in at least 15 countries. The World Bank’s approach will be multi-faceted, aimed at generating background research.

\textsuperscript{17} USAID. (n/d) Women Entrepreneurs and Startup Founders Initiative. USAID. Available at https://www.usaid.gov/scrbia/news-information/fact-sheets/women-entrepreneurs-and-startup-founders-initiative
\textsuperscript{18} USAID. (2021) More than just a daycare. USAID. Available at https://www.usaid.gov/news-information/ videos/more-just-daycare
\textsuperscript{19} Education Development Center. (n/d) USAID Jordan Workforce Development Project. EDC. Available at https://www.edc.org/usaid-jordan-workforce-development-project
to inform evidence-based, context-specific investments and providing technical assistance to World Bank project teams to ensure childcare investments are well-designed and implemented in addition to substantial financing to countries. To date, the Bill & Melinda Gates Foundation has approved a $10 million commitment and several other foundations and governments are considering contributions. A United States contribution to the fund would help ensure it meets its $100 million fundraising target and achieves its stated objectives.

The Biden-Harris administration can also work through the Treasury Department and the US Executive Director’s Office at the World Bank to ensure that care becomes a priority topic in the Bank’s policy dialogues with client countries, as well as through the upcoming IDA replenishment, and do the same through its leadership positions at regional development banks. There will be a need to push multilateral development banks to account for and measure the impacts of early childhood development programs on caregivers, since our recent review of MDB childcare investments suggests that this dimension of ECD projects is often overlooked. Working through existing multilateral channels is aligned with a core guiding principle of the G7 Build Back Better World (B3W) Initiative, which aims to enhance the impact of multilateral public finance as part of a broader effort to address infrastructure needs in LMICs.

Finally, the United States should join and become a leader in the Global Alliance for Care, launched by Mexico and UN Women as part of the Generation Equality Forum. The Alliance defines care broadly—extending beyond a focus on childcare—and now includes over 40 members. The United States can work in partnership with the champion governments, international organizations, private sector actors, and civil society advocates within the Alliance to ensure its own care-focused efforts avoid redundancies and fill needed gaps.

**Complement existing initiatives through a US government-led signature initiative on care**

The US government can also influence a global care agenda through its own channels, and ideally through a signature initiative under the Biden-Harris administration, to complement

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21 Encouragingly, the IDA20 special theme paper on gender and development includes a childcare-focused target. The inclusion of this target is unprecedented and should now be translated into a prioritization of care-focused investments in final IDA negotiations and the resulting report and measurement framework.


and build on existing efforts at the World Bank and elsewhere. As reflected above, the Bank’s Early Learning Partnership is exclusively focused on childcare. A US-led initiative could complement the ELP’s work in the childcare arena, as well as take a more holistic approach to strengthening the global care economy by leading in repositioning care as a basic investment in social infrastructure and supporting policies and investments that address care needs for children as well as for older people and those living with disabilities and illnesses. This requires documenting the business case for investments in care, assessing care financing needs and defining the role of government and the private sector in sustainable care financing and provision, identifying and scaling good practices in care provision, and tracking progress and measuring impacts with robust and comparable gender metrics. The United States should use both diplomatic and development channels to (1) convey the economic and societal benefits of public investments in care to governments globally and (2) support pilot projects that demonstrate the feasibility and cost effectiveness of care investments.

**Agency-specific efforts**

US development agencies, including USAID, MCC, and DFC, have the opportunity to support programs and investments focused on strengthening the care economy in low- and middle-income countries, including those that support community-based care models, invest in water, sanitation, and energy infrastructure that reduces women’s and girls’ unpaid domestic work, and provide financing and other forms of support to women working in the care sector as entrepreneurs and wage workers. Programs supported by all US development agencies have the opportunity to serve as pilots, providing a proof of concept that care investments can yield measurable impacts and be cost-effective. Across all agencies, a US-led care initiative’s work could take a performance-based financing approach, offering incentive payments to governments, the private sector, and other actors that succeed in meeting the needs of care workers, those receiving care, and their families, including solutions that decrease the time that women and girls spend in providing unpaid care.

In particular, DFC’s 2X Initiative, aimed at promoting women’s economic empowerment, can be harnessed to invest in quality care solutions in low- and middle-income countries, building on the model of CDC Group’s investment in KLAY, an at-scale childcare provider in India. At MCC, there is an opportunity to integrate attention to care into the agency’s Economic Constraints Analyses, which is currently used to identify priority areas for investment.

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25 Research suggests that fiscal spending on the care sector can be recovered through increased employment, especially in women-dominated sectors, and tax revenues. See [https://docs.gatesfoundation.org/documents/evidence_review_of_the_global_childcare_crisis_and_the_roadAhead_for_covid-19_recovery_and_resilience_english.pdf](https://docs.gatesfoundation.org/documents/evidence_review_of_the_global_childcare_crisis_and_the_roadAhead_for_covid-19_recovery_and_resilience_english.pdf).


At USAID, as W-GDP is redefined and broadened in scope as the new Gender Equity and Equality Action Fund, there is an opportunity to ensure that care is a top priority for future programs. In particular, USAID has the opportunity to support local women’s organizations that both provide and advocate for government support for quality care, through investments such as ActionAid’s POWER project, which supports women’s groups in Bangladesh, Ghana, and Rwanda advocating for government action to address women’s unpaid care and domestic work.\(^\text{28}\)

Finally, a US-led initiative to strengthen the global care economy could also incorporate a focus on “beyond aid” channels. Through the State Department’s Office of Global Women’s Issues, the Ambassador and staff can convene policy dialogues to facilitate peer-to-peer learning with other governments, highlighting effective models of good practice and encouraging care as a domestic budget priority among countries of all income levels. As a leader within the G7 and G20, the United States can also push for care to be prioritized as a key infrastructure and development priority, including through the B3W Initiative.

Beyond-aid channels can also include migration pathways. According to the US Bureau of Labor Statistics, the highest growth in labor demand in the United States between 2019 and 2029 will be for home health and personal care aides.\(^\text{29}\) Migrant workers can play an important role in addressing labor shortages, and a US-led initiative focused on strengthening the global care economy could include expanding pathways for women to migrate to the US to work in the care sector. The Regional Economic Development Immigrant Visa Pilot Program, as proposed in the US Citizenship Act of 2021, could serve as a valuable tool in opening up quality employment opportunities for women who migrate to the US, particularly in health and eldercare.\(^\text{30}\) The new visa category would enable local communities to submit applications for additional labor in certain sectors and sponsor migrants who have passed the requisite checks to fill those jobs.\(^\text{31}\)

**Bringing it all together**

How could all of these separate threads across agencies come together? An approach modeled on the Research on Improving Systems of Education (RISE) Program could ensure that the various agency-specific efforts proposed above are brought under a central umbrella and harnessed towards at-scale policy reform and investment in LMICs.\(^\text{32}\)

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32 RISE. (n/d) About RISE. RISE. Available at https://riseprogramme.org/about-rise
The RISE Program, which focuses on identifying evidence-based solutions to improve the quality of education in low- and middle-income countries, takes a country-by-country approach to carrying out underlying research, implementing interventions, and working with governments to scale and sustain progress. In the context of strengthening the global care economy, the United States and its partners could prioritize support for champion countries, such as those who recently made care-focused commitments through the Generation Equality Forum (including Tanzania, Costa Rica, Panama, Mexico, Bangladesh, and Argentina). Within these countries and others, the initiative could support local research teams to carry out political economy analyses, including national care needs assessments that map the size of the sector; the range of providers; work conditions; the accessibility, affordability, and quality of services; and projected economic benefits that investments in care infrastructure would have. Then, alongside implemented interventions within partner countries, the initiative could support rigorous impact evaluations to pinpoint evidence-based solutions and engage in policy dialogues with governments to encourage their continued support and scale through domestic budgets.

Modeling the RISE Program, this country-by-country research effort, coordinated through a central secretariat and accompanied by a global community of practice, would cost approximately $50 million—which could comprise one component of a wider US government-led initiative focused on strengthening the care economy in LMICs. To harness additional financing, the Biden administration could lead the organization of a care-focused program as part of the G7 B3W Initiative, which places gender equity and equality as one of four core priorities alongside health, climate, and digital technology in its objective to strengthen infrastructure in LMICs. The B3W initiative could dedicate a core part of its investments to strengthening the global care economy.

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33 One starting point to inform this country-level access is Oxfam’s Care Policy Scorecard. See https://oxfamlibrary.openrepository.com/bitstream/handle/10546/621287/bp-care-policy-scorecard-240921-en.pdf?sequence=17.

34 The RISE partnership is currently supported by the United Kingdom, Australia, and the Gates Foundation. The funds from these donors support country-level work in seven countries as well as global coordination efforts.
**Conclusion**

As schools and childcare centers closed over the past two years, and people around the world fell ill with COVID-19, the crisis has only exacerbated the unpaid care work burdens that were already disproportionately borne by women in LMICs, hindering their ability to enter and advance within the paid workforce on an even playing field with men and broader economic empowerment and equality. The global care economy has never received significant investment from G7 and other OECD donors, but fortunately, the Biden-Harris administration has prioritized investment in the United States’ domestic care economy—and now has the opportunity to translate this focus into its international development and broader foreign policy agenda.

The United States can contribute to strengthening the global care economy by supporting existing partnerships such as the Early Learning Partnership at the World Bank and Global Alliance for Care, as well as complementing these efforts through its own signature initiative on care, defining care holistically as inclusive of care for children, older people, and those living with disabilities and illnesses. Ideally in partnership with other G7 countries through the B3W initiative, the United States could lead the organization of a global partnership, including one that harnesses the United States’ own bilateral aid, investment, migration, and diplomatic channels, including by supporting a RISE-style partnership to generate foundational research, evidence-based interventions, and policy dialogues aimed at positioning care as essential infrastructure for inclusive development.