

Financing the Care Economy in the Global South:

Investment Opportunities and Pathways



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AVPN is the largest network of social investors in Asia, comprising over 600 diverse members across 33 markets. Our mission is to increase the flow and effectiveness of financial, human, and intellectual capital in Asia by enabling members to channel resources towards impact. As an ecosystem builder, AVPN connects, learns, acts, and leads across key pillars and improves the effectiveness of capital deployed; bringing to bear the local field needs, regional expertise, and policy insights.

For more information about AVPN and our work, please visit our [website](#) and read our latest [Annual Review 2021/22](#).

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Founded in 2008, TSIC is a global network of consultants specialised in social impact assessment, impact investment and equity and inclusion, with offices across London, Hong Kong, India, Ghana, Saudi Arabia and Singapore. It has supported over 300 foundations, charities, social enterprises and impact investors in 30 countries. Clients include British Council, Wellcome Trust and the Children's Investment Fund Foundation. It is one of the 62 founding B Corps in the UK and its work has been featured by Financial Times and Fast Company.



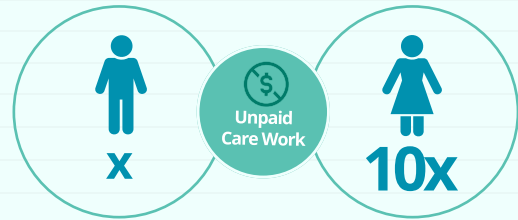
The International Development Research Centre (IDRC) is a Canadian Crown corporation that funds research in developing countries to create lasting change on a large scale. IDRC supports local organizations in the Global South to generate the evidence that is relevant in their context. We provide financial resources, advice, and training to researchers in developing countries to help them find solutions to local problems, and encourage knowledge sharing with policy-makers, researchers, and communities.

EXECUTIVE SUMMARY

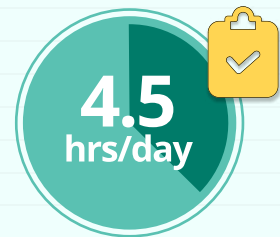
The main aim of the report is for investors and policy-makers to understand the opportunity and pathways in driving investment into the care economy, in emerging markets in Asia. This paper also provides recommendations on channelling more capital into the care economy.

Care work, which includes childcare, eldercare, and domestic work, is vital to the full functioning of society. However, a significant portion of it is unpaid, informal and invisible.

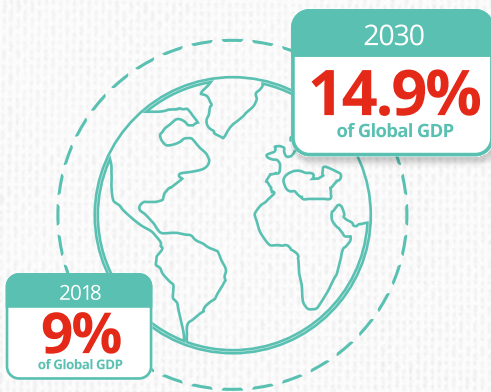
Women and girls carry most of the burden for unpaid care work, spending two to ten times more time on unpaid care work as [men](#).



Globally, they spend on average 4.5 hours a day on domestic chores and [care activities](#).

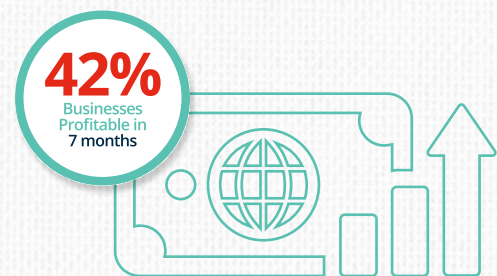


Investing in the care economy will advance economic empowerment of women, and build thriving and sustainable economies. Market-based solutions and the private sector can complement the provision of care by families and governments, and can support the shift from unpaid caregiving to paid care work.



There is demand for more paid care, and paid care work is growing as a market. Paid care work contributed 9% to global GDP in 2018, and this is predicted to rise to 14.9% in [2030](#). The demand for care work only stands to increase as the global population ages and the climate crisis worsens. With more governments enacting favourable policies and providing better infrastructure for care, the care economy is poised to grow.

The number of enterprises working in the care economy is small, but rapidly growing. Globally, around 42% of existing businesses became profitable within 7 years and the remaining 55.5% have plans to achieve break-even in the next [3-5 years](#). This shows that investing in the care economy is also promising not only in terms of impact but also financial returns.



Three pathways to grow the CARE ECONOMY



Investing in both direct and indirect care enterprises

These are enterprises directly providing products and services related to care activities such as childcare, eldercare, domestic chores, nursing hospice, and palliative care; as well as those facilitating care activities such as transportation, education, healthcare and insurance. Emerging areas of need include early childhood education and care, time- and energy-saving technologies and equipment, as well as upskilling care workers.



Conscious investment in carer-friendly enterprises

Most employees have some degree of care responsibilities and data from International Finance Corporation (IFC) shows that there are tangible business benefits for employers to provide care support for their employees. By proactively choosing to invest in enterprises that have carer-friendly policies and practices, such as shared parental leave and paid care leave, flexible working and working from home, investors signal their value to the economy.



Integrating a care lens into existing investments

Given the pervasiveness of care responsibilities, all sector or thematic investments can be approached with a care lens. Investors can integrate this within existing investments by asking questions based on a 5R framework i.e. Recognize the value of unpaid and poorly paid care work, Reduce unpaid hours, Redistribute responsibility, Represent the voice of care workers, and Respond to care workers' rights and needs.

Catalysing investment in the care economy requires collaboration

Investing in the care economy is relatively new. Opportunities exist in various sectors and are often cross-cutting, making them difficult to identify, benchmark, and evaluate. Collaboration is key to increasing investment, particularly:



Engaging the full spectrum of capital

Capital providers across the spectrum can partner to address the market gaps in this relatively nascent field, and to invest in care economy enterprises along their scaling journey. Particularly, providers of philanthropic and grant capital play an important role in de-risking, to crowd in more private capital to the care economy. Impact-first capital also ensures that market-based solutions in the care economy can reach the last mile and the most vulnerable.



Sharing data and evidence of impact

Given the cross-cutting nature of the care economy, sharing data can help stakeholders from various sectors come together and build consensus. Evidence of the impact that care economy enterprises have in alleviating the care burden on women, increasing productivity in the broader economy and growing economic empowerment amongst the vulnerable communities for whom care services typically fall. This can also strengthen advocacy efforts towards more favourable care-related policies.



Collaboration between private and public sectors

The government's role is critical in the care economy, as policy heavily influences market dynamics. More dialogue and partnership between enterprises and investors on one hand and the public sector on the other can scale the activities of effective care economy enterprises, as well as to shape a more favourable and responsive policy environment.

BACKGROUND

“The care economy — including childcare, elderly care and domestic work — is vital to society, yet it remains invisible, undervalued, and unevenly distributed. The disproportionate share of care and domestic work that falls on women and girls, especially when it is unpaid, is a key barrier to their [empowerment](#).” – IDRC

The care economy has been defined by [UN Women](#) as “the production and consumption of goods and services necessary for the physical, social, mental and emotional well-being of care-dependent groups, such as children, the elderly, the ill and people with disabilities, as well as healthy, prime working-age adults.”



This definition shows the vast nature of the care economy. It also shows that care work occurs across the human lifecycle and impacts almost every sector of the economy.

The care economy should be situated within the context of relationships between the state, family, civil society and the private sector. In Asia, providing care has traditionally been within a family's domain; and within more developed economies in Asia, many aspects of the care economy are delivered directly by the state. Investment in publicly funded care services and infrastructure are required, but state funding alone will not be enough. Particularly for developing economies in Asia, countries do not have the fiscal resources required to meet the demand for care services.

There is therefore a need for innovative partnerships between the public and private sectors that can offer a range of solutions. In particular, market-based solutions have the potential to complement and enhance the public provision of care. Market-based solutions in the care economy also have the potential to support the shift from unpaid caregiving to paid care work, and from often informal and vulnerable to better and/or more formal work opportunities.

Enterprises are providing market-based solutions in care both directly and indirectly:

Providing products and services directly connected to care activities such as childcare, eldercare, household chores including cooking and cleaning, water and fuel collection as well as the use of assistive technologies. It also includes organisations that provide such services such as children's homes, nursing homes, hospices, and palliative care centres.

Working in the indirect or the supporting markets within the care economy. They include businesses that produce goods and services that enable care such as transportation services, food and grocery delivery services, healthcare, secondary education and financial services like [insurance](#).



CORE MARKETS

Businesses providing products and services that are directly related to care such as child or elder care, care for people with disabilities, cleaning and cooking, water and fuel collection, assistive technologies.



ADJACENT MARKETS

Also referred to as indirect or supporting markets. These are markets with sub-categories. They include financial service providers and businesses providing products and services that facilitate the provision of care such as transportation, food and grocery delivery services, health care and secondary (K-12) education and financial services like insurance.

Source: Gender Smart Investing - note that they refer to core markets (direct) and adjacent markets (indirect)



This report explains the market potential for investing in the care economy in Asia, particularly in emerging economies, and proposes pathways and recommendations for channelling more capital towards the care economy in Asia. Acknowledging the diversity of the region in terms of income levels, geography and development priorities, this report addresses the themes that are broadly applicable across emerging markets in Asia.

THE OPPORTUNITY

“Investment in the care economy needs to be doubled to prevent unsustainable care burdens on women and a [global care crisis](#)”

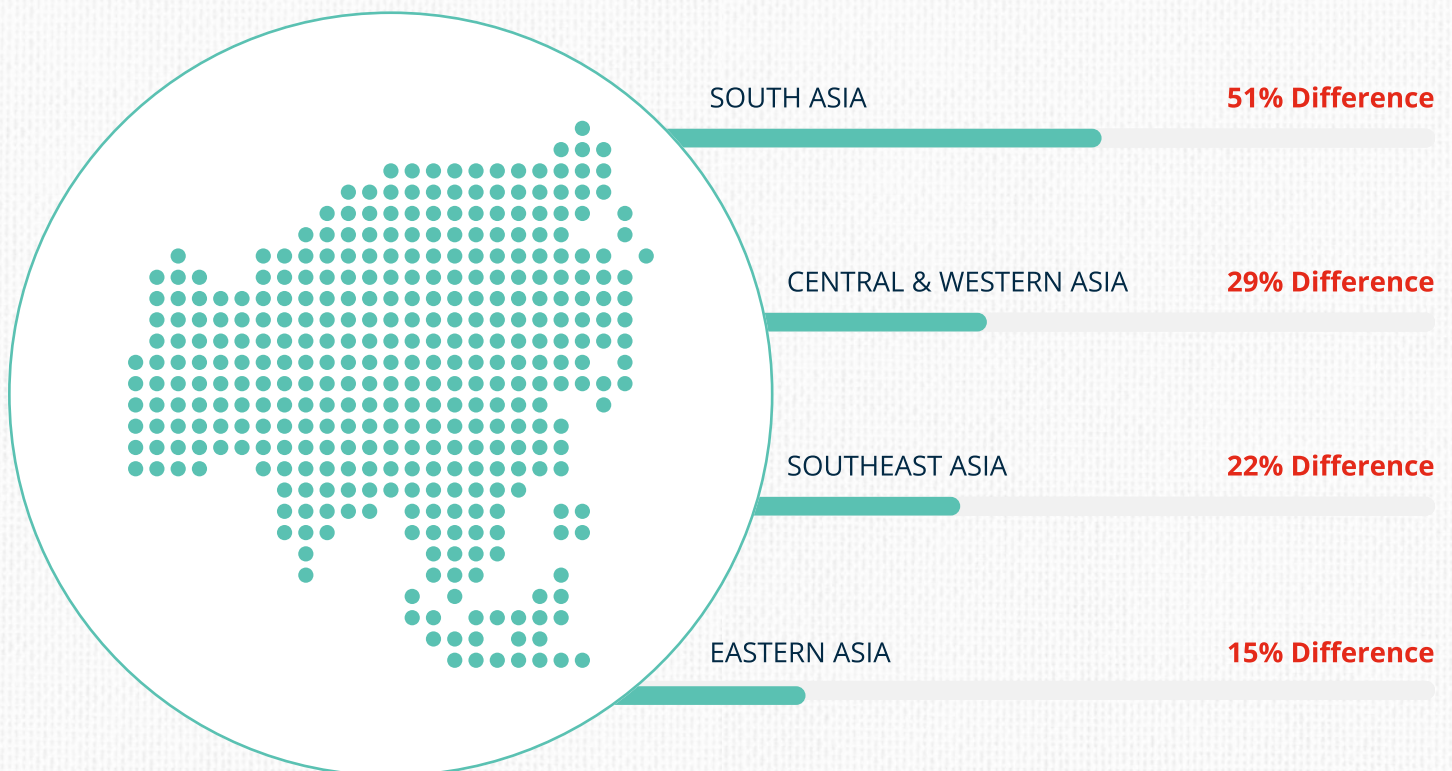
International Labour Organisation (ILO)



SUMMARY OF THE OPPORTUNITY

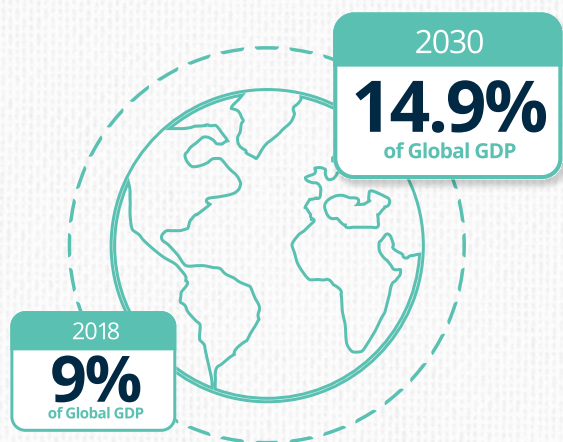
Investing in the care economy advances economic empowerment of women, and builds thriving and sustainable economies. Increased demand for paid care presents market opportunities for investors, with potential to generate positive financial and social returns, accompanied by an increasingly favourable policy environment across Asia.

The Research did not surface any country where there was equal representation of men and women in unpaid care work. In ASEAN countries, women are reported to undertake 3.5 hours more unpaid care work than [men each day](#) leaving them less time for paid work. This contributes to the disparity between female and male labour force participation in Asia.



**Based on data from 2016*

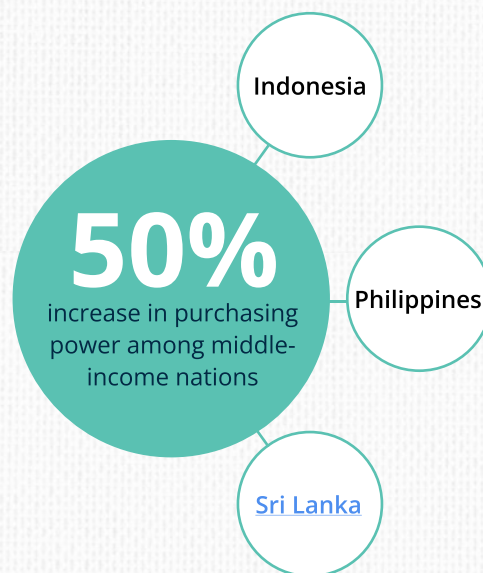
Demand for paid care work is expected to rise. Paid care work accounted for 9% of the [global GDP in 2018](#), but it is predicted to rise to 14.9% in [2030](#). The demand for care work only stand to increase as the global population ages and the climate crisis worsens. Moreover, there is strong desire for the shift from unpaid to paid care to take place.



A global survey by ILO in [2017](#) found that 70% of women would prefer to be in paid work (either only working at a paid job, or combining it with taking care of the family and doing the housework), and 66% of men would also prefer that women worked in paid jobs.

According to The Economic and Social Commission for Asia and the Pacific (ESCAP) report in 2019

Investments into the care sector
(like universal child benefits, cash transfers for unpaid women child providers)



Enabling the shift from unpaid to paid care work will increase female labour participation rate, advance economic empowerment of women, and ultimately lead to more inclusive economic growth. Globally, the ILO estimates that investing in universal childcare and long-term care services could generate a total of 299 million jobs by [2035](#), and 78% of these new jobs will be held by women.

With the increased surge in demand for the care workforce, governments across Asia are enacting more favourable policies as well as infrastructure to support the care economy in their countries. This means that there is increased public investment, channelling more resources into the care sector. For example, In Indonesia, the the Ministry of Women Empowerment and Child Protection has led the development of a road map for the care economy in close collaboration with [ILO](#). The Indonesian government is also investing in care infrastructure and programmes such as the National Program for Community Empowerment (PNPM) to improve access to childcare, health services, and education for low-income families and the expansion of coverage under the National Social Security System (BPJS) to include health services for [older people](#). These policies create market opportunities that enterprises can fulfill.

INVESTING IN THE CARE ECONOMY

The key investment pathways required to scale the care economy include



Investing in enterprises that are providing care products and services directly, as well as those providing indirect infrastructure support



Investing in enterprises with carer-friendly policies and practices



Integrating a care lens into existing investments.

The full spectrum of capital needs to be mobilised, particularly impact-first capital that can ensure that market-based solutions also reach the last mile

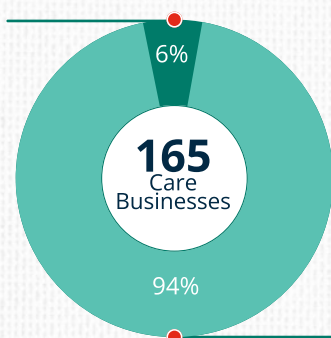
PATHWAYS

The three pathways were derived from stakeholder consultations and desk research. Among investors who are looking for financial and social returns, there was a huge interest in the first pathway of investing in care economy enterprises. However, some investors hesitate to invest directly in the care sector, due to reasons such as the beliefs that care must not be [marketised](#), the limited profit margins of care enterprises. The second pathway - focusing on investing in carer-friendly enterprises across different sectors - is appropriate for investors interested to deliver impact on the issue of care, but those not prepared to invest yet in care as a sector. For investors who want to improve the alignment of their existing investments with the issue of care, they can adopt the third pathway

PATHWAY 1: INVESTING IN CARE ECONOMY ENTERPRISES

Care economy enterprises are those providing products and services directly related to care activities such as childcare, eldercare, domestic chores, nursing hospice, and palliative care; as well as those facilitating care activities such as transportation, education, healthcare, and insurance indirectly. Care economy enterprises are relatively nascent. Specific sectors that have seen a growth of care economy enterprises in Asia include early childhood education and care, time- and energy-saving technologies and equipment, and upskilling care workers.

In a mature phase



In an early stage or expansion phase

42%

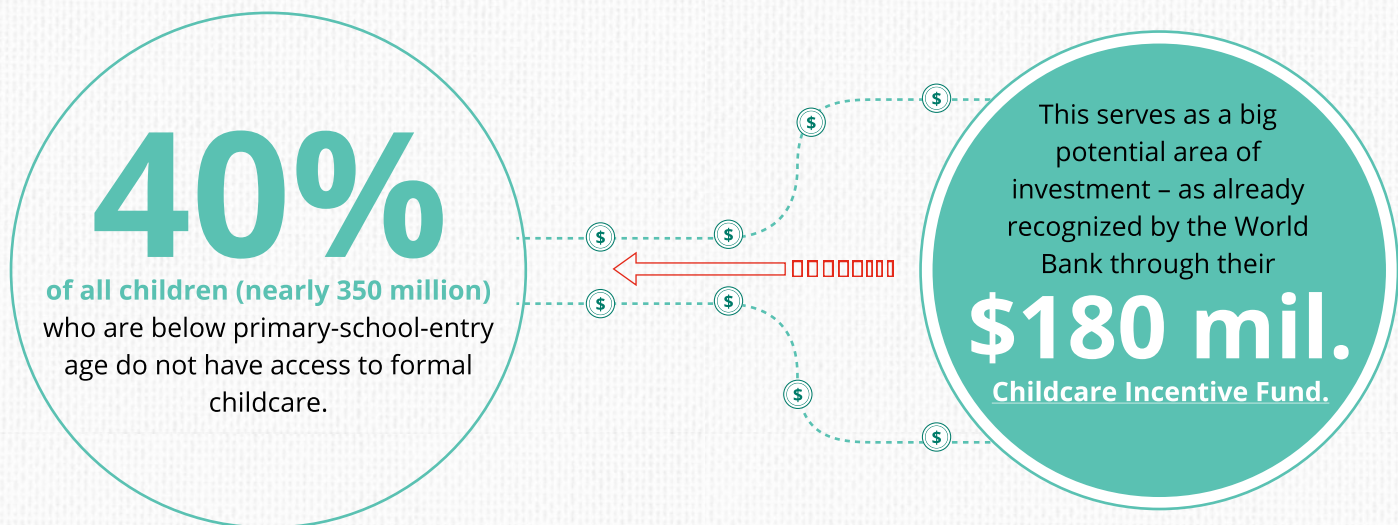
of businesses were already profitable, and are expected to grow.

Specific sectors that have seen a growth of care economy enterprises in Asia include early childhood education and care, time- and energy-saving technologies and equipment, and upskilling care workers.

EARLY CHILDHOOD EDUCATION AND CARE



Early childhood, defined by children's charity [UNICEF](#) as the period from birth to 8 years old, is a critical time for a child's cognitive, physical, social, and emotional development.



However, within Southeast Asia, early childhood care and education still remains the most underfunded sector in most [countries](#). UNESCO reports that there is a dearth of pre-primary educational professionals across Southeast Asia due to low remuneration, poor working conditions, and few workplace [benefits](#) and [protections](#).

Investing in early childhood education and care, in capacity building as well as enhancing human capital development, can be critical to building vital systems that support children's growth and development while allowing women to return to the workforce in confidence that their children are being taken care of.

Example: Phulki

Founded in 1991, Phulki is a non-profit enterprise that provides affordable daycare facilities and preschool education for children of low and middle-income households in urban areas of Bangladesh. To reach more low-income households, it has opened 21 childcare centers in low-income areas, and it provides vocational training to women and girls in low-income urban settlements for free. They have a diversified funding model - funded by grants and donations, Phulki also charges garment factories and corporations to operate on-site day care facilities and to train daycare personnel on early childhood development (B2B) and charging parents for childcare services in Phulki-operated daycare facilities (B2C). As a result, low-income households pay subsidized fees for accessing childcare. Phulki employs over 270 people and is financially sustainable, reporting a revenue of USD 901,952 in 2021.



UPSKILLING CARE WORKERS

Asia possesses 41% of the world's domestic workers, and 83% of them are [women](#).



Currently, care workers, especially migrant domestic workers, face a lack of decent work and sustainable livelihoods, and other [inequalities](#). Many migrant domestic workers are trapped in what is effectively forced labour when they are unable to leave a job or seek better working conditions because of debt accrued in the recruitment process.

In order to secure employment abroad, domestic workers often use employment agencies charging excessive and/or illegal recruitment fees upfront. As a result, workers take out high-interest loans, often in the range of at least 4 to 6 times their monthly salary.

It is estimated that 83% of Hong Kong's migrant domestic workers, majority from the Philippines and Indonesia, are in [debt](#). Local domestic workers face other challenges. Due to low literacy and awareness levels, domestic workers usually do not sign labor contracts with employers and therefore their rights are not protected.



In Vietnam only
10%
of domestic workers
sign contracts with
their employers.

*In Vietnam, a study indicated **only 10% of domestic workers sign contracts with their employers**. Upskilling care workers is part of formalizing the care workforce, and will be accompanied by better pay and better labor conditions for care workers.*

Moreover, there is demand for domestic workers to upskill, to fulfil more complicated care responsibilities. While domestic workers primarily perform roles in the home such as assisting with chores and shopping for households with a rapidly ageing Asia, with 1 in 4 people in the region expected to be 60 years old by [2050](#), there will be a larger number of individuals living with multiple health conditions, including comorbidities. There will be increased demand for trained care workers, and domestic [workers](#) may need to [upskill](#).

There is a worldwide scarcity of trained care workers, and the shortage is even more acute in Asian countries where there is significant economic migration such as the Philippines and Indonesia. Providing more avenues for accredited training would help improve the attractiveness of care work as a profession, thereby increasing the supply of would-be care workers.

UPSKILLING CARE WORKERS

Case study: Fair Employment Foundation (FEF)



FEF builds market-driven solutions to address forced labour migration in Asia. It has three main entities:



In Hong Kong, FEF's Fair Employment Agency (FEA) ensures high quality employment opportunities and client services to employers. Since 2014, FEA has placed nearly 8,000 workers in Hong Kong, with a 90%+ satisfaction rate among employers and workers. Job seekers are not charged any fees for placement.



In the Philippines, FEF's Fair Training Center (FTC) trained 900+ domestic workers from 2016 to 2022, with hard skills including cleaning, cooking and life skills including communications, financial planning, and awareness of their rights.

honestjobs

FEF also created Honest Jobs, based in Hong Kong, to invest in mission-aligned recruiters in Southeast Asia, leveraging on Fair's operational experience.


FEF is concurrently pursuing opportunities for growth through its various platforms. At FEA, this includes expanding its customer base of employers in Hong Kong, providing additional support services and looking into engaging more trained domestic workers from Indonesia. At FTC, the life skills training is now being offered to migrant workers in adjacent sectors, such as seafaring and fishing. At Honest Jobs, FEF continues to build an ecosystem of ethical recruitment partners to set a higher standard of professionalism and transparency for the industry.

FEA is largely self-sustaining in its operational costs, while FTC is largely supported through grant funding, though FTC is starting to pilot a consultancy model. To date, Honest Jobs has two investees – one in Malaysia and one in Singapore.

TIME- AND LABOUR-SAVING INNOVATION AND TECHNOLOGY

Innovation and technology can have a significant impact on the time and intensity of unpaid domestic care [activities](#). Access to clean-energy cookstoves, grinding mills, washing equipment and machines, dishwashers, gas cylinders and vacuum cleaners can significantly lift the burden of domestic work on women and young girls. Being able to access affordable services to perform household tasks, can also free up time from women and girls.

Covid-19 has seen some advances in the use of technology in the provision of care – which has reduced costs and increased the quality of care. Therefore, tech-enabled care economy enterprises, including digital marketplaces to match care workers with customers, and apps that make care work more efficient, are being prioritized by investors.



Example: Sayurbox

Sayurbox is a tech-enabled fresh produce delivery service in Indonesia. Sayurbox sells over 5,000 items ranging from fresh produce, poultry, meat, snacks, and ready-to-eat dishes. Its service can save women time in buying groceries and cooking. It has around 1 million customers in Indonesia, many of whom are women. In 2022, it received [US\\$120 Million](#) in Series C funding. In 2021, they raised \$15 million in Series B funding led by local corporate investor, Astra.

PATHWAY 2: INVESTING INTO CARER-FRIENDLY ENTERPRISES

All enterprises employ people who have responsibilities in care. Investors can support the growth of the care economy by investing in enterprises that have carer-friendly policies and practices, such as shared parental leave and paid care leave, flexible working and working from home arrangements, and workplace care facilities. Evidence from the [International Finance Corporation \(IFC\)](#) shows that employers benefit from providing childcare services for employees, including better retention, productivity and diversity in the workforce. Signalling interest in these as part of an investment strategy can also incentivise shifts in the behaviour of potential invitees.

As there is currently no international best practice for family-friendly policies in the private sector, investors will need to be discerning in evaluating various companies' efforts in this space. Some Asian economies have introduced recognition schemes such as the "Good Employer Charter" in Hong Kong to incentivise employers to be carer- or [family-friendly](#). Though not specific to care economy, investors can also look at signatories to the UN Women's Empowerment [Principles](#), which offer guidance to businesses on how to empower women in the workplace, marketplace, and community.



PATHWAY 3: INCORPORATING A CARE LENS INTO INVESTMENTS

Using a care lens allows investors to influence care policies in existing portfolio companies, as well as to screen potential investees within existing investment strategies. Global Affairs Canada has developed a framework for addressing care work in their own [programming](#), and this has been reproduced to help investors navigate incorporating a care lens.



Investors can start by raising these questions with potential investees, to help them think about the role of care within their enterprises, which can present both opportunities and challenges. As the table below demonstrates, care work is relevant to all aspects of business, including the business model, supply chain, human resources and other domains.

| Entry points for addressing care work in investments | Questions for investors to address with investees | Relevant areas for the investees |
|--|--|---|
| Recognising the value of unpaid and poorly paid care work | Are the investees' business activities made possible by unpaid and poorly paid care work? If yes, have the investees recognized such value and compensated for it? | Business model; supply chain; Internal policies and employees |
| Reducing drudgery and hours spent on unpaid care work | Can the investees contribute to an enabling infrastructure and time and labour-saving technology for care work? | Business model |
| Redistributing responsibility for care work more equitably, both within the household and outside it | Do the investees provide equitable policies and support to their employees and people in their supply chain shouldering the care burden, and increase their retention and participation at work? Have the investees' business activities inadvertently added to the care burden? | Supply chain; Internal policies and employees |
| Ensuring unpaid and paid care workers are represented and have a voice | Do the stakeholders of investees include unpaid and paid care workers? If so, do the Board and leadership of the investees listen to their voices? | Supply chain; Internal policies and employees |
| Responding to the rights and needs of unpaid and paid care workers | Have investees responded to the specific needs of unpaid and paid care workers among their stakeholders? | Business model; supply chain; Internal policies and employees |

Source: Global Affairs of Canada; authors' own content

The care economy lens is intricately linked with other thematic investment approaches:



Labour lens investing

Labour lens investing is an analysis of investment models that directly address labour exploitation and forced labour. The care economy agenda is intricately linked with decent work, as unpaid and paid care work often has poor working conditions, and limit the job and education prospects for unpaid carers, particularly [women and girls](#).



Gender lens investing

The care economy is a lever for gender equality, by enabling women to join and remain in the workforce, including supporting employee welfare and productivity. It also enables women and girls to become entrepreneurs, fund managers, and take on [leadership positions](#). The [AVPN's Gender Principles](#) can be used to guide investors' practices.



Climate investing

The global care crisis is being exacerbated by the global climate emergency, particularly severely in resource-based economies and in the [Global South](#). For example, with increasing drought, women and girls take more time to fetch water, adding to their care burden. Climate investors, especially those working in climate adaptation, can also create leverage and impact in the care economy, if adopting a care lens.

INSTRUMENTS

The care economy spans across various sectors, and includes enterprises that can meet a range of financial and impact expectations of investors. Some technology-enabled businesses may be able to offer market-rate returns, while some may cater to low-income populations and will require concessionary capital. Two examples of care economy enterprises requiring different kinds of capital are as below:

Example: Home and Community Care Ltd (HCCL)

HCCL is a Bangladesh-based care provider which aims to create a safe and convenient environment at home for effective care and clinical management of adult patients, especially the elderly, thus providing care solutions for those with homebound-recovery needs. HCCL sources, hires, and trains caregivers to provide these services. Clients can book a short window such as for 1 week after surgery or a general ailment if the family requires respite care. HCCL has been adaptive in its growth, and developed into a one-stop delivery solution bringing a variety of healthcare services such as care giving, internationally trained Behavior Specialist, certified Therapists, Clinical Counselors, Psychiatrist, and Psychologist. It also invested heavily in developing apps that allow families to monitor and report on the care their loved ones are receiving. As of 2023, HCCL has supported more than 600 unique patients, most staying on as long term clients. It has also trained over 300 caregivers as of 2023.

HCCL is a spin-off of SAJIDA Foundation. The family's ownership of hospitals and other medical companies allows HCCL to tap into a broader healthcare infrastructure in the three cities in which it is active.

Example: JupViec



JupViec.vn is Vietnam's largest digital platform that provides customers with housekeeping services such as cleaning, washing, cooking and [child care](#). From 2012 to 2023, more than 100,000 domestic workers were trained and linked to employment, and more than 300,000 customers have been served through the platform. They reached USD\$3.8 million in revenue in 2022, and as of 2023, they operate in Vietnam's two largest cities and have over 50 full-time employees and 20 part-time employees. According to its investor, Patamar Capital, JupViec provides "female Vietnamese cleaners with increased income and improved working conditions".

While it is not profitable yet, they are planning to become profitable within 3 years. They have received impact investment from venture capital firms, including CyberAgent Ventures (in 2015), Patamar Capital (in 2018) and STI (in 2020).

Beyond bringing in a range of capital providers with different return expectations, it is also important for the different capital providers to work together.

The care economy space is vast and fragmented, and there are not many investors known to be active "care economy" investors. Investors may be approaching this from a specific theme, such as gender, early childhood; or a specific sector, such as healthcare, nursing homes. It is therefore hard for enterprises and investors to identify each other from the broader "care economy" perspective.

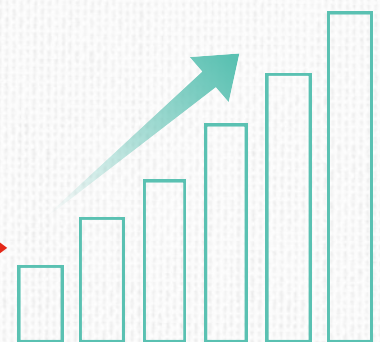
Blended finance can be helpful in this regard. Blended finance is the use of catalytic capital from public or philanthropic sources to increase private sector investment in [sustainable development](#). Foundations and donor agencies can play the role of de-risking, providing guarantees and catalytic first loss or subordinated debt capital.



De-risking is particularly important given the nascency of the care economy field, which means that there are gaps between supply (investors) and demand (enterprises), deal sizes tend to be smaller with fewer successful precedents and exits. More supply of risk-taking, and catalytic capital can accelerate the flow of funds towards the care economy.



PHILANTHROPIC SOURCES
STRATEGIC PUBLIC INVESTMENT



Increase private sector
investment in sustainable
development.

Example of blended finance instrument



According to Natasha Garcha, Senior Director of Innovative Finance at Impact Investment Exchange (IIX), IIX has created a blended finance product, the Women's Livelihood Bond ([WLB Series™](#)), which is listed on the Singapore stock exchange, focused on financing gender equality initiatives.

The WLB Series has invested in clean cookstoves, which sought to alleviate the time burden on women for care work with important climate co-benefits. The WLB Series complies with the [Orange Bond Principles](#)—the first asset class focused on investing in gender equality where the Global South has an equal seat at the table. The Principles are three-fold:



**Gender-Positive
Capital Allocation**



**Gender-Lens Capacity and
Diversity in Leadership**



**Transparency in the
Investment Process and Reporting**

Given the clear mission alignment, Orange Bond is well positioned to finance initiatives in the care economy as well.



Finally, the care economy space requires more impact-first capital, from philanthropic, public and public sources. Care economy enterprises already tend to have lower profit margins and require longer investment horizons, particularly as their business models may also be dependent on changes in policy.

Impact-first capital may be more aligned with the financial and impact returns of care economy enterprises. Moreover, impact-first capital will also enable market-based solutions in the care economy to reach the last mile, and mitigate against the risks of marketisation.

RECOMMENDATIONS

To channel more capital into the care economy in Asia, investors, funders, governments, care enterprises, and civil society need to work more closely together. This section summarises the recommendations for different stakeholder groups.



FOR INVESTORS AND FUNDERS



Allocate more capital to the care economy in a collaborative manner

Investing in the care economy may seem vast but investors can choose three different, concrete pathways depending on their risk and return appetite: from directly investing into care as a sector, to investing into carer-friendly enterprises, to integrating a care lens into investments. Investors providing different types of capital could work more closely together, so that care economy enterprises can access different types of capital along their scaling journey.



More impact-first, concessionary capital to deepen impact of the care economy

The care economy can address many social issues in society, including gender equality, quality education for children, poverty alleviation; as well as ensuring equitable, inclusive economic growth. Providers of philanthropic and grant capital - from foundations, donor agencies and governments - should recognise the impact potential of the care economy and channel more philanthropic and grant capital to this space. Purely market-based solutions may be limited in their reach to low-income communities, and philanthropic and grant capital can fund complementary activities. Balancing the affordability of paid services with financial viability and growth of the enterprise is essential. Philanthropic and grant capital can also play a powerful role in de-risking, through blended finance structures, to crowd in private capital seeking market-rate returns. Finally, philanthropic and grant capital can also fund sector-wide activities, such as the UN Women's Care Accelerator, to strengthen the pipeline of investible enterprises - care economy enterprises and carer-friendly enterprises.

FOR POLICY-MAKERS



Policy-makers to work more closely with the private sector

The government's role in the care economy extends beyond policy shaping. It plays a crucial part in incentivising families and communities, subsidising caregivers, and improving working conditions. National-level action plans and roadmaps are thus vital for coordinating efforts and ensuring a comprehensive approach. More active engagement from the public sector with the private sector can advance efforts in the care economy.

More dialogue and partnerships between the private sector (enterprises and investors) and the public sector can scale the activities of effective care economy enterprises, as well as shape a more favourable and responsive policy environment to address the care crisis. Investors and enterprises could collaborate more with the public sector, through participating in public-private partnerships and sharing data and insights to advocate for changes in care policies.

SECTOR-WIDE



More cross-sector, regional convenings to enable awareness and collaboration

Care economy is emerging as an umbrella term to bring disparate actors across sectors together, but it encompasses many sectors that are disjointed. Actors in this space have traditionally been operating in their silos, be it geographical (within a country), thematic (on a social issue), or sectoral (or industry). The care economy is an opportunity to bring different stakeholders together, but there have been limited convenings to date. The Asia-Pacific Care Economy Forum, held in Kuala Lumpur in June 2023, which informed the development of this report, is an example of a cross-sector, regional convening that led to concrete collaborations and investment opportunities. There could be more convenings, to enable investors to become familiar with the care economy. Moreover, a lot of the care issues are cross-border - particularly given the flow of migrant labour for care work. Regional convenings can enable stakeholders to facilitate cross-border care work.



Sharing of impact and data of investments in the care economy

While there have been some efforts, through funding by IDRC, to map care economy enterprises, more work needs to be done as more care economy enterprises emerge. Sharing of data about the types of enterprises and investors working in this space, can help stakeholders navigate this field.

Apart from a lack of data about investment opportunities, there also is not a standardised method/framework of measuring impact within the care economy. Evidence about the impact of care economy enterprises can also strengthen advocacy efforts with governments to provide more favourable policies related to care.

INCREASING AWARENESS AND CHANGING NORMS TOWARDS THE CARE ECONOMY



Increasing awareness and changing norms towards the care economy

As part of narrative-building, presenting care economy as an economic opportunity rather than a cost can garner support and encourage investment. Presenting the care economy as not only the government's job, but a concerted effort across public and private sectors, can encourage more involvement from the private sector.

Highlighting the overlap between investing in the care economy, with other investment themes, particularly gender lens investing, can also increase the awareness and perceived relevance of care economy to investors.

The media, as a powerful influencer of public discourse, can play a significant role in shaping perceptions and influencing government action. Media campaigns can challenge toxic masculinity and promote the role of men in providing care, empowering women, and dismantling traditional gender roles.





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