

THINK PIECE

INNOVATIONS IN CHILDCARE TO ADVANCE WOMEN'S ECONOMIC EMPOWERMENT

Can inclusive Care Entrepreneurship
be a pathway to address gaps in
the childcare sector in Asia and the Pacific?



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ACKNOWLEDGEMENTS

This paper is authored by UN Women Asia and the Pacific in collaboration with Bopinc, Seedstars and Equalis as part of **WeEmpowerAsia (WEA)**, a programme funded by and in partnership with the European Union that is working to increase the number of women who lead and participate in business.

This paper contributes to the broader Global Action Research Programme: Transforming the Care Economy through Impact businesses and Investment (TCEII), which aims to help transform the care economy through impact investing. The programme is co-funded by the International Development Research Centre (IDRC) and the Soros Economic Development Fund. As part of TCEII's implementation in Asia, UN Women and Value for Women will continue to further research insights and recommendations gathered through this paper.

As UN Women's partner and donor, the EU has highlighted the importance of women's economic empowerment and a more equal sharing of care responsibilities. In its Gender Equality Strategy 2020-2025, it states that: **“women and men in all their diversity should have equal opportunities to thrive and be economically independent; women and men should equally share caring and financial responsibilities.”**

This paper aims to contribute to this goal. We are grateful to the authors Katja Freiwald, Women's Economic Empowerment and Migration Lead with UN Women Asia and the Pacific, Amy Baum, International Consultant, Anuradha Mundkur of Equalis, Emily Brearley, Gender Economist, and to the many participating care enterprises in the UN Women Care Accelerator, mentors, experts and peer reviewers who shared their insights.





THE THINK PIECE IN SHORT

The impacts of crises are never gender-neutral, and COVID-19 is no exception: UN Women has documented in real time¹ how the pandemic is rolling back decades of hard-won socio-economic gains.

While everyone is facing unprecedented challenges, women are bearing the brunt of the economic and social fallout of COVID-19.² Across the globe, in economies of every size, existing gender inequalities and socio-economic barriers have only been exacerbated. Along with losing income, women have carried the exponential burden of increased unpaid care and domestic work.³ **It is clear that action must be taken now to stop this backsliding, ensuring women are both the architects and beneficiaries of policies to build back stronger and better.**⁴

Crises can also spur a momentum for catalytic and positive change—this has proved to be the case in terms of childcare in Asia and the Pacific. During the pandemic, across the region governments, small businesses and non-governmental organizations (NGOs) had to scramble to accommodate lockdown mandates. In so doing they also created new partnerships, models, policies and practices for sustainable and affordable childcare that allowed parents to continue working, whilst knowing their children were safe. More advocacy and awareness have been created about the importance of increased investments into the childcare sector. **In fact, the provision of accessible, affordable and quality childcare provides what has been termed a “triple dividend.”⁵ It can: improve female labour force participation rates;⁶ enhance children’s education**

and capabilities; and create decent jobs in the paid care sector in which women dominate. This is also a sector that requires a labour-intensive, skilled workforce that cannot by its nature be automated, and to date is predominantly female.⁷ Thus a scaled childcare ecosystem resourced by foundational investments could provide both quality jobs and quality care for children, bringing exponential benefits for families and the economy.⁸

Necessity can be the mother of invention. Even when governments recognize the public value of childcare, budget constraints and different priorities have precluded investments and limited the speed of delivery of childcare services. This is where Childcare Entrepreneurship, although in its early stages, can be one pathway to help close the persistent supply-and-demand gap in the care sector.

The delivery of childcare services can be supported by several types of structures, including: blended finance between the public and private sectors; the creation of new Care Entrepreneurship business models that leverage local talent and provide community-specific, tailored solutions; and pioneering cross-over tech solutions from other successful industries and impact investing spaces.

DEFINITION: CHILDCARE ENTERPRISE

A childcare enterprise here is taken to mean one that provides and/or facilitates paid childcare work. Such enterprises may provide a variety of products and services, including on-demand or centre-based childcare services for families and corporates. The products and services provided reduce time and labour spent on unpaid care or provide training and decent work opportunities to professionalize caregiving, thus enhancing the quality of childcare. Products and services may also include technology and digitally enabled platforms that, for example, provide secure matchmaking between employers (including both corporates and private customers) and care workers.

Can inclusive Care Entrepreneurship help close gaps in childcare in Asia and the Pacific?

This is the question at the centre of this Think Piece. Although the ecosystem is nascent, and early childhood care and education are still predominantly unpaid and carried out in the home, there are some promising models emerging in the region that could be replicated and scaled to fill childcare gaps.

This would in turn contribute to efforts to rebuild economies, and to reconsider the care economy as a public good with economic and social impact potential. **Now is the time to seize the momentum, since never before has the problem been so visible, and to so many.** This is an opportunity to identify challenges and opportunities and reach beyond the usual audience, to all the players in the ecosystem including governments, businesses, care enterprises and investors.

UN Women supports the creation of a dynamic Childcare Entrepreneurship ecosystem with ever more stakeholders to spark new ideas, design pilot projects, and provide insights into how to leverage and scale innovation to close the care gap. After all, the problem is so large that innovation is a vital policy lever for governments to reverse the gendered effects of Covid-19 and build resilient, inclusive economies where women can equally participate.

The Think Piece is grounded in existing policy and guiding frameworks, namely:

- ➔ **Sustainable Development Goal (SDG) 5**, which calls for the recognition and valuing of unpaid care and domestic work through public services, infrastructure and social protection policies, and the promotion of shared responsibility within the household and the family as nationally appropriate (target 5.4);⁹
- ➔ **The 2030 Sustainable Development Agenda and the Decent Work Agenda**, which includes commitments to acknowledge and resolve the challenges of providing formal, quality care services;¹⁰
- ➔ **The UN Secretary-General's High-Level Panel on Women's Economic Empowerment**, which states that providing care is fundamental to human development;¹¹
- ➔ And the **International Labour Organization's (ILO) 5R Framework for Decent Care Work**, which maps out a high road for care work with gender equality.¹²

More recently, the Generation Equality Action Coalition on Economic Justice and Rights (AC EJ) convened by UN Women includes as its vision "a care economy that equitably shares and values care and domestic work."¹³ The AC EJ has also established the Global Alliance for Care,¹⁴ which can be a powerful vehicle also in Asia-Pacific to re-think the care economy in a more holistic and multi-stakeholder approach.

This Think Piece is the first in a series on the care ecosystem, to show how Childcare Entrepreneurship could address gaps in the sector. It captures insights from various case studies, an ecosystem landscaping exercise, employer surveys, and a pilot programme: the UN Women Care Accelerator (CA), which is funded by the European Union.¹⁵ The CA is a concept for Asia and the Pacific that illustrates how an ecosystem approach can bolster Childcare Entrepreneurship and strengthen market-based solutions to provide affordable, accessible and quality childcare. We hope it sparks new ideas, encourages new actors to contribute to the Care Entrepreneurship ecosystem, and helps produce solutions that respond to a vital and as yet unmet need, and in turn unleash the opportunity of Care Entrepreneurship to accelerate yielding the triple dividend of childcare for economies and societies in Asia and the Pacific.

While the CA is a first-of-its-kind programme in Asia and the Pacific, the number of care entrepreneurs is increasing around the globe and more efforts are being made to make these solutions visible. In 2022, as part of the global TCEII research initiative, 175 businesses with promising models operating in the care economy were researched and documented on the Care Economy Knowledge Hub.¹⁶

In Conclusion:

Care Entrepreneurship can be one pathway to address gaps in the childcare sector in Asia and the Pacific. In fact, the business case for investing in affordable, accessible and quality Childcare Entrepreneurship solutions is pro-women, pro-children and pro-poor. However, the Think Piece also shines a light on the urgency of collective action and investments to ensure a concerted implementation that emphasizes the benefits and minimizes the risks involved in some Care Entrepreneurship solutions.

1 UN Women (Jul. 2020). *Unlocking the lockdown: The gendered effects of COVID-19 on achieving the SDGs in Asia and the Pacific*. Link: <https://data.unwomen.org/publications/unlocking-lockdown-gendered-effects-covid-19-achieving-sdgs-asia-and-pacific>

2 UN Women (Sep. 2020). *COVID-19 and its economic toll on women: The story behind the numbers*. Link: <https://www.unwomen.org/en/news/stories/2020/9/feature-covid-19-economic-impacts-on-women>

3 UN Women (2020). *Asia and The Pacific Gender Outlook*. Link: [https://data.unwomen.org/publications/Asia and the Pacific-gender-outlook](https://data.unwomen.org/publications/Asia%20and%20the%20Pacific%20gender%20outlook)

4 UN Women (2020). *From insights to action: Gender equality in the wake of COVID-19*. Link: <https://www.unwomen.org/en/digital-library/publications/2020/09/gender-equality-in-the-wake-of-covid-19>

5 UNICEF (Jun. 2021). *Where do rich countries stand on childcare?*. Link: <https://www.unicef-irc.org/publications/1203-where-do-rich-countries-stand-on-childcare.html>

6 Blau, F. & Kahn, L. (2013). *Female Labor Supply: why is the United States falling behind?* *American Economic Review*, 103 (3), pp. 251-5.

7 Gathmann, C & Sass, B. (2018). "Taxing Childcare: Effects on Family Labor Supply and Children". *Journal of Labor Economics*, University of Chicago Press, 36(3) pp. 665-709

8 Mateo Diaz & M. Rodriguez-Charmussy, L. (2012). *Childcare and women's labour participation: evidence for Latin America and the Caribbean*. IDB Technical Note 586.

9 Kashen, J. Potter, H. & Stettner, A. (2016). *Quality Jobs, Quality Childcare. The case for a well-paid, diverse early education workforce*. *The Century Foundation*. Link: <https://tcf.org/content/report/quality-jobs-quality-child-care/>

10 World Bank (Dec. 2020). *Better Jobs and Brighter Futures: Investing in Childcare to Build Human Capital*. Link: <https://openknowledge.worldbank.org/handle/10986/35062>

11 UN n.d. Goal 5: Achieve gender equality and empower all women and girls. Link: <https://sdgs.un.org/goals/goal5>

12 UN n.d. Goal 5: Achieve gender equality and empower all women and girls. Link: <https://www.un.org/sustainabledevelopment/gender-equality/>

13 UN Secretary General's High Level Panel on Women's Economic Empowerment. Link to website: <https://hlp-wee.unwomen.org/en>

14 ILO (2018). *Care and Care Jobs for the Future of Decent Work*. Link: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_633135.pdf

15 UN Women (2021). *Action Coalitions Global Action Plan*. Link: <https://forum.generationequality.org/sites/default/files/2021-06/UNW%20-%20GAP%20Report%20-%20EN.pdf>

16 UN Women (Jun. 2021). *Global Alliance for Care: an Urgent Call to Action*. Link: <https://forogeneracionigualdad.mx/7740-2/?lang=en>

17 Seedstars, Bopinc and WeEmpowerAsia (23 Apr. 2021). UN Women launches new programme to foster women's economic participation in the care industry (Blog Post). *UN Women*. Link: <https://asiapacific.unwomen.org/en/news-and-events/stories/2021/04/un-women-launches-new-programme-to-foster-womens-economic-participation-in-the-care-industry>

18 The Care Economy Knowledge Hub. Link to website: <https://www.the-care-economy-knowledge-hub.org/>

THINK PIECE INSIGHTS

We have argued that entrepreneurship is an important lever to fill the childcare supply gap. The way to do this is to build a holistic ecosystem that can reap a triple dividend: increased female labour-force participation; better early childhood education quality; and an increased number of quality jobs for women and women-led companies.

The following insights are intended to spark further discussion and catalyse actions to build the **Childcare Entrepreneurship ecosystem in Asia and the Pacific**:



1

Care Entrepreneurship can support a shift from unpaid to paid childcare that is affordable, accessible and of high quality.

Market-based solutions through Care Entrepreneurship have the potential to complement and enhance the public provision of care and/or support the delivery of public-supported childcare.

2

Technology not only helps to fill information gaps, but can be leveraged to provide other complementary services.

Like other online 'labour' platforms in the region (e.g., Gojek, Grab), online childcare businesses have an important function as marketplaces that match care workers with consumers more quickly than conventional, offline platforms.

3

To build the new Childcare Entrepreneurship ecosystem, foundational finance, capacity building and development are needed;

From ideation, incubation, to acceleration programmes supporting ecosystem building to co-develop integrated approaches. Blended finance can mitigate the perceived risks of childcare businesses, which are not always viewed as financially viable or interesting investments; furthermore, not all childcare businesses wish to be 'unicorns'—beyond equity financing, these businesses seek other forms of investment and non-financial support.

4

Models to reach the base of the pyramid market exist, but they are few and often informal.

They tend to be run as micro-enterprises and receive limited financing. There are possibilities to grow this segment through franchise models or models supported by NGOs and blended investment in ways that serve low-income communities. More research is needed, including country-specific studies, to identify existing models in other entrepreneurship ecosystems in Asian countries. Cross-sectoral learning can support efforts to create new ideas that embrace a multi-stakeholder approach.

5

Not all care enterprises are impact-driven or gender-inclusive.

Childcare enterprises in the region have limited awareness of gender equality, and only a few have policies and practices that promote inclusive business conduct and decent work opportunities. Further, many do not yet consider themselves social-impact businesses.

6

Data is scarce.

Given the emergent nature of this space, there is limited data available on the size of the Childcare Entrepreneurship market; and well-established data platforms, such as the Global Entrepreneurship Monitor (GEM) do not capture such segmented data. Equally, no sex-disaggregated data is available on the ownership of enterprises, nor is any other data on the size of these enterprises.

To build an inclusive Childcare Entrepreneurship ecosystem, all players must contribute.

For governments



- ➔ Enable new delivery mechanisms for childcare entrepreneurs to close the gap between care supply and demand
- ➔ Provide structural investments, blended finance, subsidies and/or (tax) incentives for employers to provide childcare
- ➔ Strengthen legal protections for children, parents and employees
- ➔ Simplify business processes for care entrepreneurs
- ➔ Collect data on the hidden economic burden of childcare

For business corporations (employers)



- ➔ Learn the lessons of COVID-19 and embrace flexible, family-friendly policies to increase productivity and retain workers
- ➔ Create partnerships with care enterprises to provide flexible on- and offsite childcare solutions for employees

For (care) entrepreneurs



- ➔ Take advantage of the range of business models for childcare services: From B2C (business-to-consumer), B2B (business-to-business) and B2G (business-to-government), there are now a range of approaches that can be deployed and that offer business development opportunities
- ➔ Take advantage of digital and tech-enabled platforms to expand customer base and make new solutions available
- ➔ Embrace impact-driven and gender-inclusive business approaches
- ➔ Look for entrepreneurship support programmes for knowledge exchange, network building and access to investments

For investors and entrepreneurship organizations (including NGOs)



- ➔ Remember that entrepreneurs need different kinds of support along the way
- ➔ Build ecosystem capacity on gender-smart practices and equality to make Care Entrepreneurship a source of women's empowerment for founders, employees, and beneficiaries
- ➔ Leverage existing and established entrepreneurship support organizations and raise awareness on the business and investment case in care

For donors, academics, civil society organizations (CSOs) and NGOs



- ➔ Investments in the care sector are pro-poor and pro-women, yet often still risky for private investors; donors can support blended-finance approaches
- ➔ Research must be laser-focused on what entrepreneurs really need and research needs to be gender-responsive
- ➔ Donors can invest to bring together different stakeholders to accelerate efforts to build an inclusive Care Entrepreneurship ecosystem

1 METHODOLOGY

This Think Piece is informed by a number of primary data sources and expert interviews:

- i. Care Entrepreneurship landscaping study (undertaken by UN Women's regional programme WeEmpowerAsia)¹⁷
- ii. WEA Employer Survey on childcare
- iii. The UN Women Care Accelerator (CA)¹⁸
- iv. Rapid assessment of childcare and entrepreneurship policies by Equalis



The Landscaping Study (2021)

This involved desk research to shortlist existing care enterprises, resulting in 81 child and elderly care organizations identified in Asia, Europe and the US (66 per cent in Asia and the Pacific). Eleven of these enterprises, mainly from Asia and the Pacific, were interviewed to better understand their successful business practices and challenges.

WEA Employer Survey (2021)

UN Women conducted a digital employer-supported care survey (Survey Monkey) aiming to understand current employer's perceptions and how they are willing to contribute to the provision of affordable and qualitative childcare services for their employees. The survey consisted of 30 questions (15-20 min estimated response time). In total, 68 employers from 14 countries in Asia and the Pacific participated. The countries with the highest number of respondents were India (18), Indonesia (15), Malaysia (9) and Thailand (10).

The UN Women Care Accelerator (CA) (2021/2022)

The first UN Women Care Accelerator was an online-based acceleration and support programme for businesses led by or supporting women in the care industry. The team collected both qualitative and quantitative data throughout the six-month period to gain information on the efficacy and key features of the programme from participants, trainers and other partners including investors and mentors. Some of the results from those early surveys are presented here, but more data will be forthcoming as participants continue to grow their businesses and represent a panel for further study. In the near term, a deeper post-programme impact survey is currently being conducted to better understand the digital improvements made by participants.

Rapid Policy Assessment of Childcare Entrepreneurship (2020-2021)

This rapid policy overview looked at care service policies with a focus on childcare. It examined the legislations and regulations governing the provision of privatized childcare (including licensing and caregiving requirements and funding modalities) in India, Indonesia, Malaysia, Philippines, Thailand and Viet Nam.

¹⁷ We Empower Asia, UN Women. Link to website: <https://asiapacific.unwomen.org/en/focus-areas/women-poverty-economics/weempowerasia>

¹⁸ Seedstars, Bopinc and WeEmpowerAsia (23 Apr. 2021). UN Women launches new programme to foster women's economic participation in the care industry (Blog Post).

UN Women. Link: <https://asiapacific.unwomen.org/en/news-and-events/stories/2021/04/un-women-launches-new-programme-to-foster-womens-economic-participation-in-the-care-industry>

2 DEFINITIONS AND GUIDING FRAMEWORKS

2.1 Definitions

- ➔ Unpaid care and domestic work in this paper pertains to the direct care of dependents/children, family members who are sick, older persons and persons living with a disability—as well as indirect care tasks, such as cooking, cleaning, domestic work and the collection of fuelwood and water.¹⁹
- ➔ Childcare is one of these types of care, and here in this paper is often used synonymously with early childhood care and education (ECCE).²⁰
- ➔ **A childcare enterprise here is taken to mean one that provides and/or facilitates paid childcare work. Such enterprises may provide a variety of products and services, including on-demand or centre-based childcare services for families and corporates (employers). The products and services provided reduce time and labour spent on unpaid care, or provide training and decent work opportunities to professionalize caregiving and thus enhance the quality of childcare. Products and services may also include technology and digital enabled platforms that, for example, provide secure matchmaking between employers including both corporate and private customers and care workers.**
- ➔ The care economy is defined as paid and unpaid labour that provides care in all its forms, including cooking, washing, cleaning, or taking care of family members, including children, the elderly, and those who are ill or have disabilities. Paid care work and unpaid caregiving are both invisible—in that they don't often appear in national statistical measurements like gross domestic product (GDP); and undervalued—in that they are often not remunerated.²¹

2.2 Policy and guiding frameworks






The policy groundwork for the paper lies in the Sustainable Development Goals (SDG-5; the UN Secretary-General's High-Level Panel on Women's Economic Empowerment, and other coalitions and norms formulated by the international community (see table 1 below)). The ILO's 5R Framework for Decent Care Work is grounded in the understanding that care work is not only vital to humanity and to economies but also, that quality care is at the heart of development in terms of health, education, economic growth, gender equality and well-being. As such; it is vital that the redistribution of unpaid care work is shifted to remunerated services, especially since this sector is an important source of employment for women.

19 UNESCAP, ASEAN (Oct. 2021). *Addressing Unpaid Care Work in ASEAN*. Link: <https://www.unescap.org/kp/2021/addressing-unpaid-care-work-aseanf>

20 UNESCO (Mar. 2020). *Strengthening Costing and Financing of SDG 4.2 in the Asia-Pacific Region*. Link: <https://bangkok.unesco.org/content/strengthening-costing-and-financing-sdg-42-asia-pacific-region#:~:text=Strengthening%20Costing%20and%20Financing%20of%20SDG%204.2%20in%20the%20Asia%20Pacific%20Region,-10%20Mar%202020&text=The%20object%20is%20to%20equip,and%20compulsory%20pre%2Dprimary%20education.>

21 The Care Economy Knowledge Hub. Link to website: <https://www.the-care-economy-knowledge-hub.org/>

The ILO's 5R Framework for Decent Care Work ²²

Main policy areas	Policy recommendations	Policy measures
 <p>Care policies</p>	<p>Recognize, reduce and redistribute unpaid care work</p>	<ul style="list-style-type: none"> • Measure all forms of care work and take unpaid care work into account in decision-making • Invest in quality care services, care policies and care-relevant infrastructure • Promote active labour market policies that support the attachment, reintegration and progress of unpaid carers into the labour force • Enact and implement family-friendly working arrangements for all workers • Promote information and education for more gender-equal households, workplaces and societies • Guarantee the right to universal access to quality care services • Ensure care-friendly and gender-responsive social protection systems, including floors • Implement gender-responsive and publicly funded leave policies for all women and men
 <p>Macroeconomic policies</p>		
 <p>Social protection policies</p>	<p>Reward: More and decent work for care workers</p>	<ul style="list-style-type: none"> • Regulate and implement decent terms and conditions of employment and achieve equal pay for work of equal value for all care workers • Ensure a safe, attractive and stimulating work environment for both women and men care workers • Enact laws and implement measures to protect migrant care workers
 <p>Labour policies</p>		
 <p>Migration policies</p>	<p>Representation, social dialogue and collective bargaining for care workers</p>	<ul style="list-style-type: none"> • Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life • Promote freedom of association for care workers and employers • Promote social dialogue and strengthen the right to collective bargaining in care sectors • Promote the building of alliances between trade unions representing care workers and civil society organizations representing care recipients and unpaid carers

Sustainable Development Goal (SDG) 5, Target 4



The Sustainable Development Goals (SDGs) were adopted at the UN Summit on Sustainable Development in September 2015. SDG 5 calls for the recognition and valuing of unpaid care and domestic work through public services, infrastructure and social protection policies, and the promotion of shared responsibility within the household and the family as nationally appropriate (Target 5.4).²³ In addition, Target 4.2 states, “by 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education”. Accordingly, a **Framework for Action** was established, which includes strategies aimed at achieving the target of “putting in place integrated and inclusive policies and legislation that guarantee the provision of at least one year of compulsory and free quality pre-primary education, paying special attention on reaching the poorest and most disadvantaged children through ECCE services”.



Addressing the skewed care burden has been identified as a key priority, and resulted in the launch of the **Global Alliance for Care**,²⁴ an initiative launched by the National Institute of Women in Mexico in alliance with UN Women to address the burden of care that hinders economic opportunities for women. It seeks to reduce inequalities and promote a cultural transformation by guaranteeing the recognition, reduction, remuneration and redistribution of domestic and care work among every co-responsible actor.

²² ILO (2018). *Care work and Care Jobs: For the Future of Decent Work*. Link: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_633135.pdf

²³ UN n.d. Goal 5: Achieve gender equality and empower all women and girls. Link: <https://www.un.org/sustainabledevelopment/gender-equality/>

²⁴ UN Women (Jun. 2021). *Global Alliance for Care: an Urgent Call to Action*. Link: <https://forogeneracionigualdad.mx/7740-2/?lang=en>

3 THE IMPACT CASE FOR CHILDCARE ENTREPRENEURSHIP

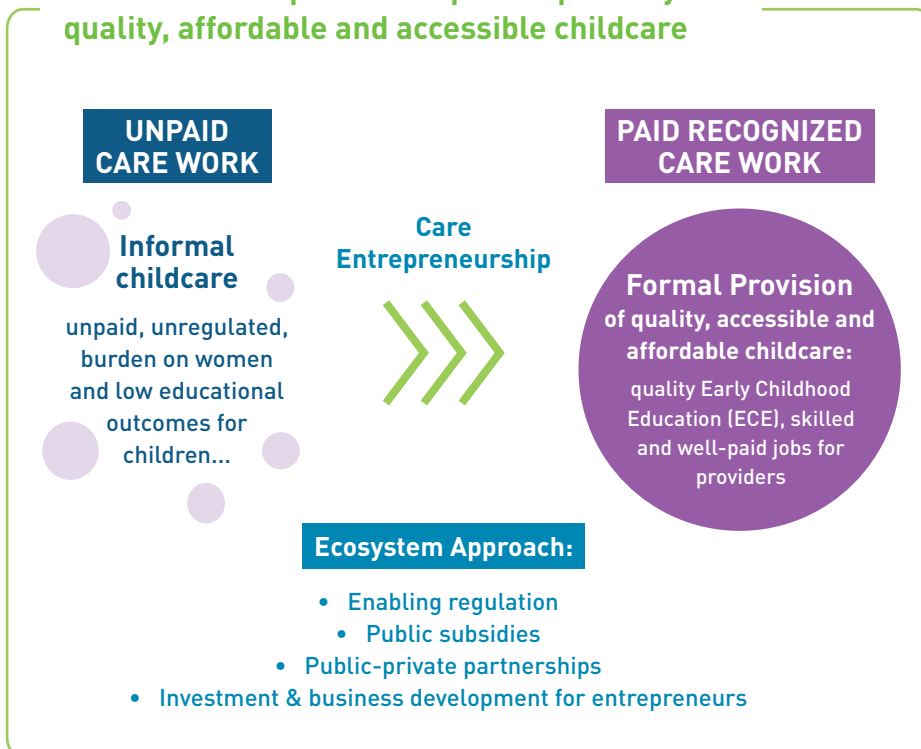
Childcare Entrepreneurship can ignite the sector with fresh ideas...



- ➔ to improve the range of and quality of care services through competition and innovation;
- ➔ to bring down costs to serve low-income or geographically diverse populations;
- ➔ to increase the size of the sector and the economic value of care work;
- ➔ to generate new kinds of jobs especially for women; and business opportunities for women-led and run companies; and
- ➔ to provide solutions for company-sponsored childcare

The childcare ecosystem can be visualised as a continuum with the informal provision of care at one end (unpaid care provided by family, close relatives, friends and neighbours, or independent low-paid care workers hired on an ad-hoc basis with no protection); towards more decent work opportunities and/or formalized care employment at the other end.

Childcare Entrepreneurship - one pathway to quality, affordable and accessible childcare



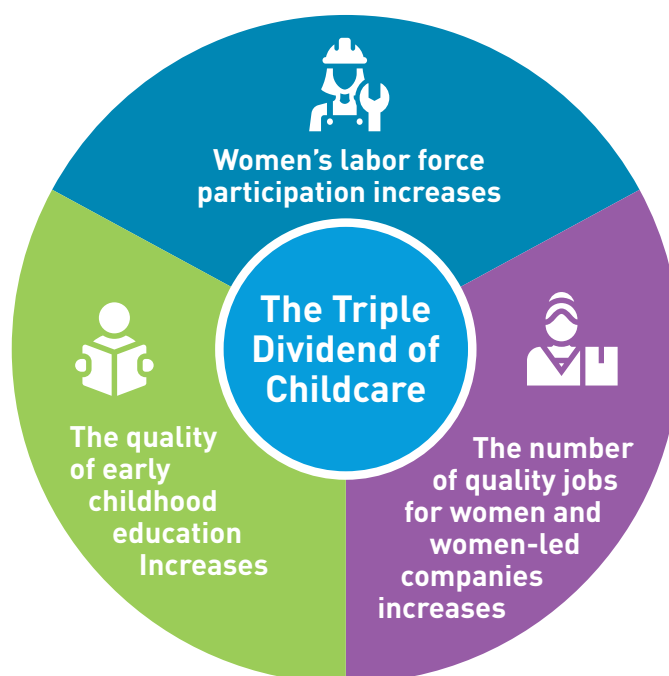
UN Women advocates for the principle of state responsibility for social protection policy and implementation and also recognises the opportunity for Childcare Entrepreneurship as a vital option to fill supply gaps and move childcare along the route to more decent work opportunities and formality in the care sector. When childcare services are not sufficiently provided by the public sector, demand for care services does not disappear.

Provision of services by, for example, the private sector can therefore provide complementary opportunities in building up a dynamic and effective ecosystem that can ensure the delivery of accessible, quality and cost-effective childcare.

The McKinsey Global Institute calculates that reaching gender parity could boost the collective GDP of the Asia and Pacific region by \$4.5 trillion annually by 2025.²⁵ The provision of childcare is positively correlated with female labour-force participation and empowerment. In fact, the business case for childcare is so strong that the absence of supply can only be viewed as a market failure,²⁶ one that has only been exacerbated by the pandemic. The evidence presented shows that women in Asia and the Pacific have been more likely to face reduced work hours due to lockdowns and have borne the brunt of increased unpaid domestic work.²⁷

Childcare Entrepreneurship is pro-women, pro-children, and achieves a triple dividend, as explained below.²⁸ It is estimated that the expanded provision of childcare infrastructure in Asia and the Pacific could create an additional 182 million jobs by 2030,²⁹ many of them for women.³⁰ Proportionately, low- and lower-middle-income countries stand to benefit the most from expanded childcare ecosystems, since on average, women workers' incomes double when they have access to childcare.³¹ Formalized childcare ecosystems not only release women from unpaid care duties, they can also achieve: greater economies of scale and efficiency; early childhood learning outcomes; economic growth;³² and the creation of employment opportunities for women.

To achieve the triple dividend governments must create a policy environment that incentivizes private sector innovation and entrepreneurial creativity. The following sections in the piece outline interesting developments across Asia and the Pacific to build this ecosystem, including early insights from the **UN Women Care Accelerator**, which aims to identify and promote women-led and/or women-impacting enterprises to build childcare businesses.



The goals of the UN Women Care Accelerator are to:

- ➔ **Take a first step** towards building a Childcare Entrepreneurship ecosystem to improve accessibility, affordability and quality of childcare;
- ➔ **Provide gender-inclusive access** to finance, networks and capacity building;
- ➔ **Raise awareness** of the broader market potential in the care economy;
- ➔ **Influence and build interest** of the broader entrepreneurial ecosystem in the care economy;
- ➔ **Build** more sustainable childcare business models that are gender-inclusive;

25 McKinsey (Apr. 2018). *The power of parity: Advancing women's equality in Asia Pacific*. Link: <https://www.mckinsey.com/featured-insights/gender-equality/the-power-of-parity-advancing-womens-equality-in-asia-pacific>

26 Institute of Developmental Studies (Oct. 2022). *Towards Gender Equality with Care-sensitive Social Protection*. Link: <https://www.ids.ac.uk/publications/towards-gender-equality-with-care-sensitive-social-protection/>

27 ADB, UN Women (2022). *TWO YEARS ON: The lingering gendered effects of the COVID-19 pandemic in Asia and the Pacific*. Link: <https://asiapacific.unwomen.org/en/digital-library/publications/2022/06/two-years-on>

28 UN Women (2015). *Gender equality, child development and job creation: How to reap the 'triple dividend' from early childhood education and care services*. Link: <https://www.unwomen.org/en/digital-library/publications/2015/12/gender-equality-child-development-job-creation>

29 ILO (2018). *Care work and Care Jobs: For the Future of Decent Work*. Link: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_633135.pdf

30 The World Bank (2020) *Better Jobs and Brighter Futures: Investing in Childcare to Build Human Capital*. Link: <https://openknowledge.worldbank.org/bitstream/handle/10986/35062/Better-Jobs-and-Brighter-Futures-Investing-in-Childcare-to-Build-Human-Capital.pdf?sequence>

31 Blau, F., Kahn, L. (2013). Female Labor Supply: Why is the United States falling behind?. *American Economic Review*. 103 (3). pp. 251-56.

Gathmann, C., Sass, B. (2018). Taxing Childcare: Effects on Family Labor Supply and Children. *Journal of Labor Economics, University of Chicago Press*. 36(3). pp. 665-709.

32 UNESCAP, ASEAN (October 2021). *Addressing Unpaid Care Work in ASEAN*. Link: <https://www.unescap.org/kp/2021/addressing-unpaid-care-work-asean>

4 CHILDCARE ENTREPRENEURSHIP IN ASIA AND THE PACIFIC

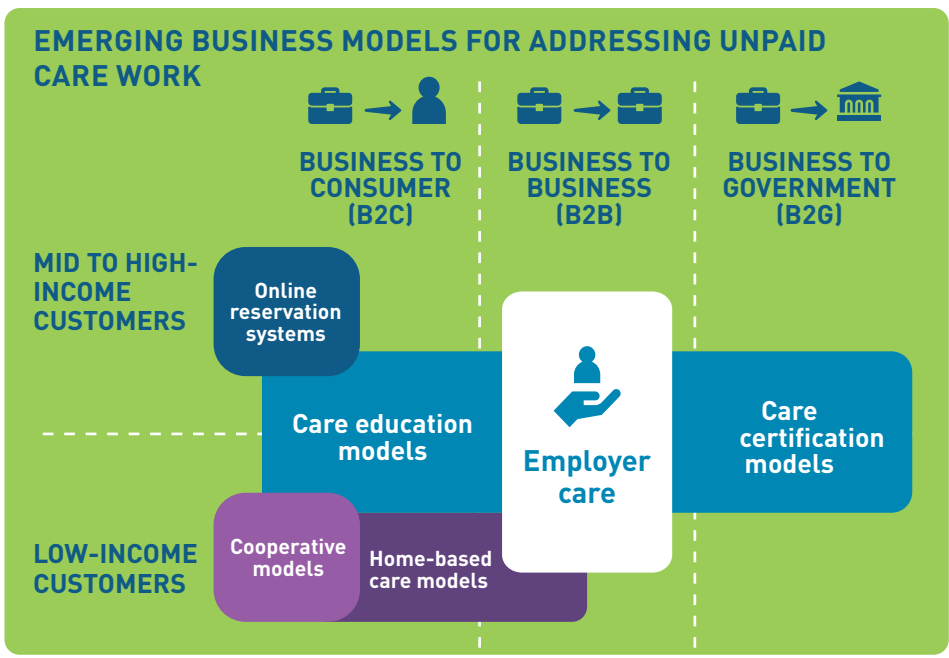
The Childcare Entrepreneurship ecosystem shifted into overdrive during the pandemic, as companies and small businesses scrambled to come up with creative solutions to pressing and ever-changing care needs.

Across the board, companies made technological advances in a matter of months that previously would have taken years—and childcare was no exception. To capture this innovation and give a bird’s-eye view of the ecosystem, UN Women conducted several mixed-method studies that are presented in this section.

“Our initial research has shown an emergence of innovative business models that can (partly) address unpaid care work. Acceleration through financial support and training is required to ensure they can grow and be replicated. UN Women’s Care Accelerator is a great opportunity to bring entrepreneurs together and jointly scale entrepreneurial solutions to unpaid care work.”
 — Emile Schmitz, BOP Inc Managing Director.

4.1 Care Entrepreneurship landscaping study

The landscaping study involved desk research to shortlist existing care enterprises, resulting in 81 childcare organizations identified, majorly in Asia and the Pacific (66 per cent) with a few examples from Europe and other regions . Eleven of the enterprises from the region were interviewed to better understand their business practices, opportunities and challenges.

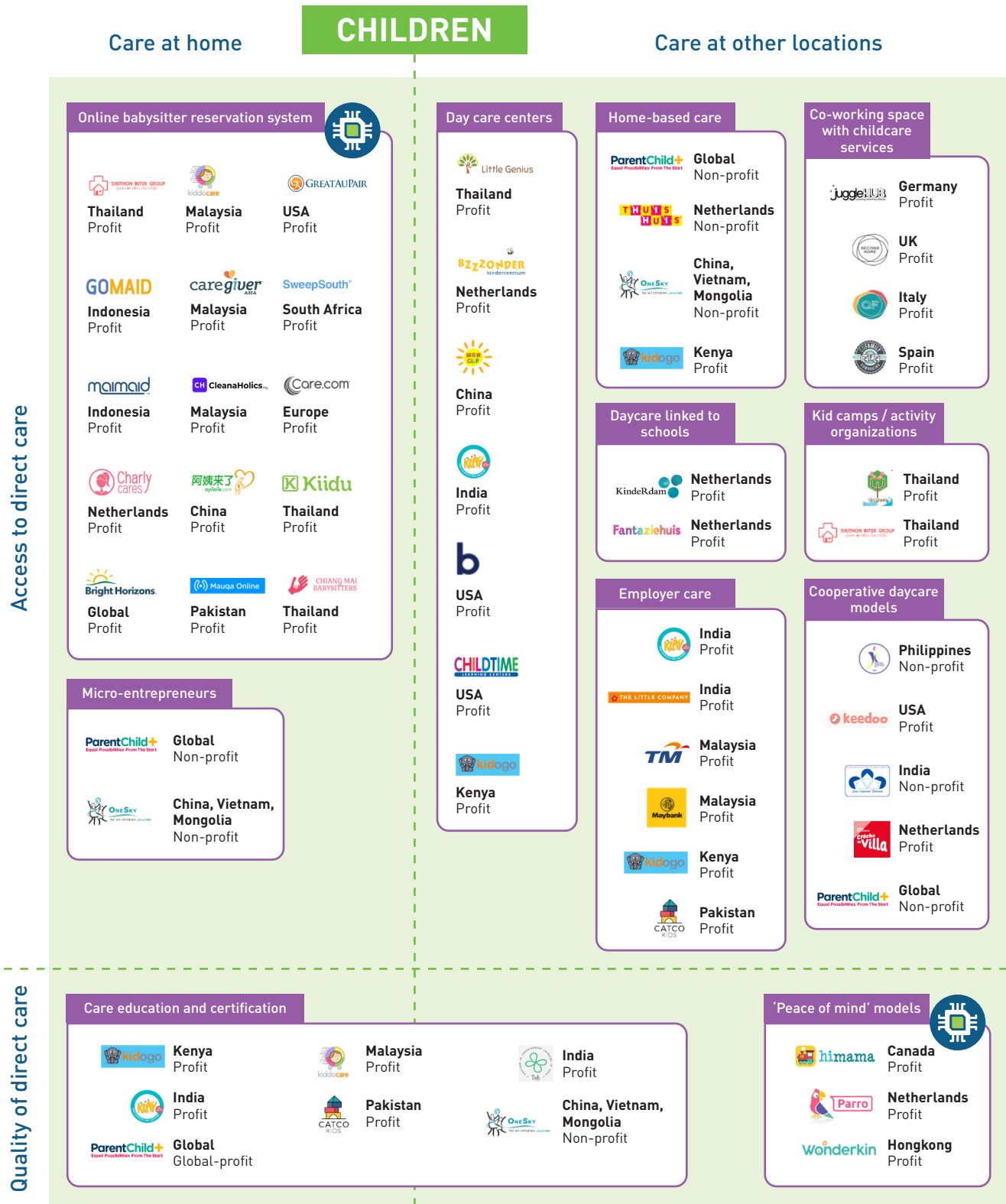


These models serve different customers, with a large difference noted for low-income families who have a harder time accessing any type of formal care. The predominant model is B2C, followed by B2B; however in practice, it was noted that there is actually a lot of overlap between these types of models. This feature will continue to shift as the nascent childcare sector expands and is impacted by government legislation, differentiated sources of funding, and increased employer-provided childcare benefits.

Source: UN Women

Using a matrix to visualise the different childcare enterprise models, the landscaping study distinguishes between services provided at home and services provided in another location on the x-axis. The y-axis differentiates between care-enterprise models focused on improving the quality of direct care and those more focussed on access to direct care. The blue icon indicates care enterprise models using

technology as a core part of their service delivery (e.g., websites, apps, video calling, monitoring or robots), which often means using tech-based platforms to connect care workers and employers. The landscaping study identified 22 different care enterprise models across the childcare and elderly care sector.



Types of childcare business models in Asia and the Pacific



Business model #1: Online reservation platforms

While traditional brick-and-mortar services continue to proliferate, COVID-19 lockdowns have encouraged care enterprises to look at online models to connect directly with consumers (B2C). Care enterprises use an online platform or app to match care workers with families seeking at-home childcare services. These enterprises often perform security checks on the care workers, and families can request an interview before the final match. These care enterprises either employ their workers directly, or work with freelance care workers. The market for these services tends to be middle- to high-income families, mainly in urban areas.

While some of these care enterprises are solely focused on matching care workers with clients, some are expanding their business models. In addition to connecting care workers with clients, some enterprises also train care workers. Others are addressing safety concerns by arranging transportation for workers from their homes to their place of work or using a safety feature on their apps that care workers can activate if they feel unsafe, which directly connects them with the police.

B2C: Examples from the region

- **Kiddocare in Malaysia** uses an app to connect parents with babysitters. Their platform also uses data and artificial intelligence (AI) technology to personalize the support required. One of the main value propositions is providing a better quality of care by offering care workers opportunities to upskill through training. At the same time the company's digital performance rating system allows the care workers on their platform to earn benefits, such as for example increased contributions to pension funds. To protect care workers, the Kiddocare App has also developed "safety emergency" buttons connected to direct support services (e.g., police). In another great example of entrepreneurs' agility and innovation abilities during the pandemic, the business expanded its solutions to meet the increased demand for flexible, part-time care support services, supported the provision of childcare services to frontline healthcare workers, and re-skilled women in impacted sectors, such as tourism, to become care workers.
- **Nannyz.com in Singapore** is a website that helps families find childcare professionals. One of the unique features is a nanny map for an easy location-based care worker search. Its payment model differs from similar enterprises as it uses a pay-as-you-go model, where customers and care workers pay to access contact information. Nannyz.com includes an important feature of vetting and IP-address checks of its users.
- **Kiidu in Thailand** is a reservation platform that also offers training for their care workers. They have an extremely user-friendly interface that supports short-term and long-term care-giving service bookings. Care workers have personal profiles, including videos and descriptions of their skills and child-minding styles. This outsources the matching accuracy onto the customer without the need for complex AI algorithms, and increases match satisfaction.
- **JobNukkad in India** has moved its marketplace from being offline to online, making it easier for care workers to promote their services. Instead of physically searching for suitable vacancies, care workers can now use the online job board to find employment quickly. The online reservation tools help customers book services, including at short notice. The platform is designed in a way that low-income care workers can send an SMS expressing interest in finding work. JobNukkad then responds without charging the care workers. This allows them to minimize costs and risks in searching for work.



Business models #2 and #3: Home- and community-based care models

We consider these two business models together, since they both work with a blended approach to providing services at home or in communities. They are also centred around working closely in communities; most often, these care enterprises service families in low-income communities, charging low fees (if at all) to ensure affordability. Some of these entrepreneurs expand this reach to provide services to corporations that support employees who have caring responsibilities. The business models range from externally funded non-profits, to blended models that combine external funding with low fees, to for-profit franchise business models.

Home- and community-based care models: Examples from the region

- **OneSky in Viet Nam³³** is an entirely not-for-profit enterprise dependent on external funding from corporate donors, private foundations and individual donors. OneSky supports home-based care entrepreneurs close to industrial zones who take care of children of, for example, migrant workers, by providing training and education on caregiving and setting up an enterprise. In addition to training care workers, OneSky supports parents with parenting skills and early childhood development training. At the invitation of the Vietnamese Government, OneSky's Home-based Care Provider training is being introduced in 16 Vietnamese provinces over the next several years.
- **SEWA in India³⁴** is an example of a care enterprise that combines both home-based and community-based care models; it is a blended finance model. As a well-established cooperative, it provides childcare services for families in low-income communities, charging low fees to ensure affordability. SEWA is still dependent on external funding from donors, corporate sponsorships and government grants to cover its costs. SEWA also receives contributions in cash and in-kind donations from local businesses and other community members, particularly on special occasions such as festivals, birthdays and anniversaries, which contribute to covering their costs.



Business model #4: Employer-supported care provision models

Some governments in Asia and the Pacific are mandating employers to provide childcare. Some corporates have stepped up to deliver on these mandates.³⁵ They provide on-site services or outsource service provision to local day-care centres. Childcare entrepreneurs have seen the potential of providing services directly to such businesses (B2B). Some childcare enterprises partner with companies to operate on-site employer day-care centres; others use an online care reservation system that offers employers childcare vouchers, subsidies, or reserved places or subscriptions for their employees. Home-based care entrepreneurs are setting up their businesses near offices where employees can drop off their children before work. There is currently only a limited number of such partnerships or more formalized models. There are still gaps in our understanding of how these models work, especially regarding costs and fees. What we do know is that services offered by these childcare entrepreneurs are subsidised. In some countries, governments provide subsidies to employers to support childcare; in other cases, corporates provide them.

33 OneSky. Link to website: <https://aws-test.onesky.org/>

34 SEWA. Link to website: <https://www.sewa.org/>

35 Note: there is extensive research that employer-provided care can help with employee satisfaction, productivity and retention rates. International Finance Corporation (Sept. 2017). *Tackling Childcare: The Business Case for Employer-Supported Childcare*. Link: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/gender+at+ifc/resources/tackling+childcare+report_t



Business model #5: Care education and certification models (B2B and/or B2G)

Childcare entrepreneurs have also stepped in to fill the gap in training and certifying care workers and therefore serving new markets, such as B2G. This type of model contributes to increasing and standardising the quality of care services, and has the potential to support other childcare models we have discussed. It is an essential example of the complementary business solutions needed to contribute to a fully functioning care economy. Most childcare services do not offer training or skills development programmes for their care workers. Some childcare enterprises have developed in-house training, education and certification schemes alongside their regular childcare services. There are also care enterprises that specialise in upskilling care workers. Some childcare centres have teamed up with these specialized childcare training enterprises to upskill their staff.

B2B or B2G models from the region

TiTLi in India³⁶ is a government-funded teacher training and upskilling institute, aimed at the workers who staff Anganwadi, the Indian Government's nutrition and childcare centres. It provides training to upskill Anganwadi workers to provide non-formal pre-school education to children aged 2–5 years. The curriculum developed by TiTLi is accredited by 10 state governments, and TiTLi is working to make its curriculum accessible beyond Anganwadi workers. The increased skills of care workers have the potential to translate into improved educational outcomes for children. To date, more than 750 educators have been trained under the programme, potentially reaching the more than 5,000 children that they work with.

TiTLi CEO Pranjal Modi says, "Technology has made significant in-roads in the care ecosystem, helping caregivers build capacities and access clients remotely. We are rolling out WhatsApp Chat Bot and IVRS-based [interactive voice response system] interventions for reaching out to children in the remote areas of India who may or may not have access to the internet assuming that the IVRS system does not require internet connection as a Whatsapp Chat Bot probably does. We are also incentivizing innovation at the grassroots levels and rewarding front-line workers and cluster coordinators for suggesting and implementing innovative solutions in their areas."



36 TiTLi. Link to website: <https://titli.co>

Key takeaways from the landscaping study:

1

There are a variety of models, most focused on B2C.

Market-based solutions through Care Entrepreneurship have the potential to complement and enhance the public provision of care and/or support the delivery of public-supported childcare.

2

Existing primarily cater to urban-based customers, particularly in the case of online platforms.

A corollary is that minimal models serve low-income communities and families (base of the pyramid). More evidence is needed to back up this observation as our finding could be an artifice produced by the research design (i.e., regional focus, and primarily based on interviews with English-speaking care entrepreneurs).

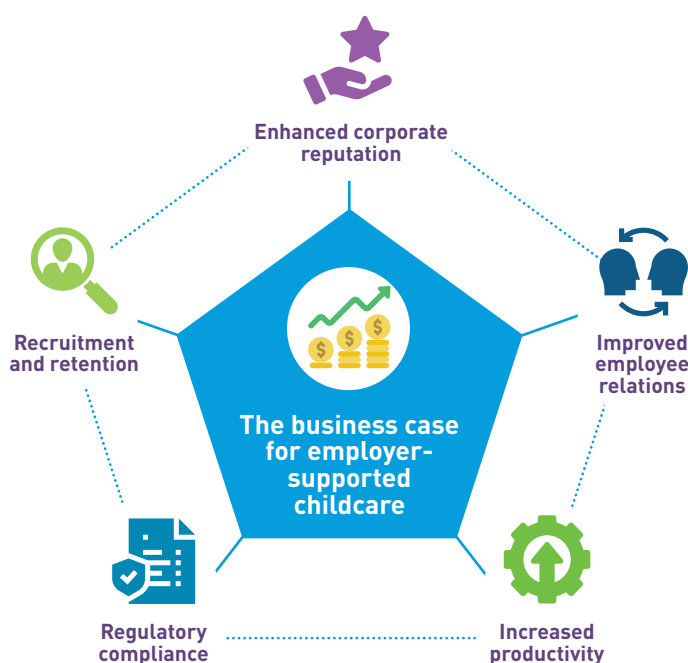
3

Industry learning and knowledge sharing is important.

A few companies mentioned that they are lacking more profound industry knowledge and that they have a limited understanding of how to strengthen the social impact of their enterprises. Many do not yet seem to be aware to position their enterprises as impact ventures, or even aware of the possibility, which would enable them to tap into different financial resources.



4.2 Employer-supported care and childcare enterprises



Employer-supported childcare has many tangible benefits. The provision of childcare can contribute to the development and wellbeing of young children, enable women's participation in paid work, and advance gender equality while increasing business profitability and improving the socio-economic status of communities.³⁷ In Asia and the Pacific, only a few countries, for example India, have to date mandated that employers provide childcare. A roundtable discussion in Malaysia with employers found that while maternity and paternity leave policies have improved considerably over the past few years, and employers in Malaysia provide an assortment of benefits to support workers flexibility with extra care leave etc., more needs to be done by governments to incentivize and/or support employers to provide flexible employer-supported care models.³⁸ Governments should therefore consider providing tax exemptions or mandates to share this cost and drive innovation.

Adapted by UN Women from IFC (2021)

37 International Finance Corporation (Nov. 2019). *Tackling Childcare: A guide for employer-supported childcare*. Link: <https://www.ifc.org/wps/wcm/connect/da7fb72-e4d9-4334-955f-671a104877a7/201911-A-guide-for-%20employer-supported-childcare.pdf?MOD=AJPERES&CVID=mVHadh3>

38 Panel participants at the Malaysian Round Table organized by UN Women and LeadWomen in Dec. 2021

Findings of a 2021 survey conducted by UN Women in Asia and the Pacific confirmed that investing in employer-supported childcare increased loyalty, employee satisfaction and productivity. In supporting their employees to meet their childcare needs, employers benefit too. Investing in the wellbeing and productivity of working parents can contribute to building and retaining a more resilient and skilled workforce, ensure business sustainability and enable lasting recovery post-COVID-19. Employers with childcare services and policies, such as paid parental or family leave and

flexible work arrangements, allowing employees to manage unpaid family and household care responsibilities, may find it easier to attract and retain workers. Besides, childcare can promote women's career advancement, improve diversity, and potentially enhance financial performance vis-à-vis competitors. Also, employers who take a holistic view of workers' lives, including their caregiving responsibilities, and who help address aspects that cause employee distraction, fatigue and absenteeism, can improve their workforce's performance and engagement.³⁷

WEA Employer Survey, 2021³⁹

Top reasons employers provide childcare:

- 72%** It increases employee satisfaction and retention
- 63%** It increases employee productivity and loyalty
- 50%** It is aligned with company values

Types of services employers want:

- i. flexible childcare models for fluctuating demand
- ii. high-quality, safe childcare and education services
- iii. cost-efficient models
- iv. on-site, off-site & online care matching services

The survey also found that there seems to be a preference for private childcare provision over public childcare provision, on the basis that it is more widely available and safer. However, a majority of respondents felt that privatized childcare is too expensive for most of its employees without any subsidies. Thus, employer-supported care services could create a potential market for care entrepreneurs with the right incentives and government support. This increased employer demand can play a role in scaling up childcare services by making them more accessible and affordable for their employees.

Employer-supported childcare can take various forms, and care entrepreneurs are well placed to offer the flexibility that employers need to serve the needs of their employees, including: i) on-site childcare centres (run by the employer or a third party); ii) off- or near-site childcare centres sponsored by one or more companies, including in the communities where employees reside; iii) childcare vouchers, subsidies, stipends, discounts, reserved seats or subscriptions to online care platforms (such as Care.com, UrbanSitter.com, Kiidu and Kiddocare; iv) back-up, after-hours, and sick-child services; and v) resource and referral services.

A customer survey conducted by Kiddocare in Malaysia found that the needs of parents are changing, with a substantial increase in the need for on-demand, flexible childcare since the COVID-19 pandemic.

Employers can also support childcare needs with family-friendly policies⁴⁰ such as: breastfeeding support; more flexible work options that can include home-based work/telecommuting/remote work; additional family leave (preferably paid); flexible hours/shifts; and reduced hours or staggered start and finish times. Employers could even consider providing their existing childcare services free of cost to essential workers, such as healthcare workers, when allowed and feasible, which was a recognized practice

supported by governments during the pandemic. Care enterprises researched could provide solutions to deliver such services to support employers in the provision of childcare.

The role of government is particularly important in encouraging employers to provide childcare. This can be via various mechanisms including mandates, subsidies, or public procurement calls. A good example of this in action is Pakistan, where women do more than 90 per cent of the unpaid care work and the female labour force participation rate is as low as 23 per cent.⁴¹ Good quality, affordable childcare and support for working mothers are important to the country's socio-economic development and business productivity. To encourage more companies to provide employer-supported childcare, some provincial governments in Pakistan have mandated the implementation of family-friendly policies, such as paid maternity and paternity leave, protection for pregnant employees and employer-supported childcare. Some companies have delivered on these mandates even though they are not monitored or enforced. Companies in Pakistan that provide childcare services, such as Unilever, see the benefits to the business through less attrition and the ability to retain their female workers.

³⁹ UN Women WeEmpowerAsia (2021). Employer-Supported Care Survey with 11 corporates in Asia-Pacific.

⁴⁰ UNICEF, ILO, UN Women (Mar. 2020). *Family-friendly policies and other good practices in the context of COVID-19: Key steps employers can take*. Link: <https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/Library/Publications/2020/Family-friendly-policies-and-other-good-workplace-practices-in-the-context-of-COVID-19-en.pdf>

⁴¹ International Labor Organization (2019). *The Unpaid Care Work and the Labor Market. An analysis of time use data based on the latest World Compilation of Time-use Surveys*. Link: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/publication/wcms_732791.pdf

WHEN EMPLOYERS RESPOND TO GOVERNMENT MANDATES AND INCENTIVES;

EXAMPLES OF EMPLOYER-SUPPORTED CHILDCARE ENTERPRISES

In response to the government of Pakistan's policies, Unilever has partnered with **Catco Kids**⁴² to provide onsite, bespoke childcare. The programme's cost is 50 per cent funded by Unilever, and is open to parents of children aged 0–5 years who require childcare (including employed fathers whose wives do not have access to childcare where they work). There is also an after-school facility for children aged 5–12 years. The childcare services are available onsite at Unilever's headquarters and next to Unilever's offices. Employees who use the facility have a NannyCam app on their mobile phones to continually monitor their children. Women can also charge the cost of care to the company if they cannot use the childcare facilities. With the workforce operating from home and the childcare facility closed, Unilever Pakistan offered its employees flexible work arrangements during the COVID-19 pandemic.

In 2017, India amended its Maternity Benefit Act requiring employers with 50 or more employees to provide childcare. This offers an opportunity for care business like **Klay Schools in India**; hence it is no surprise that numerous well-established corporates in India are using their services.⁴³

Klay Schools in India⁴⁴ offers pre-school, day-care, special education and day-care for corporates. All of its teachers are women, and 40 per cent come from challenging economic and social backgrounds. The teachers can bring their children to day-care at highly subsidised rates. Klay Schools has 300 corporate clients, each with 50+ employees, accounting for 30–35 per cent of its income stream. Corporates can choose from three different types of childcare services:

- Onsite/Near-site day-care is a facility for employees set up inside the corporate premises.
- Shared services is a day-care facility run by Klay Schools near the office, where most of the capacity is blocked for the employees, and the rest is open to outsiders.
- Underwriting/subsidised care enables corporates to block a certain capacity or subsidise childcare for employees at a specific centre or in centres across multiple locations.

HiMama is a Canadian-based firm that demonstrates how government subsidies can spur childcare innovation. The company recently secured a US\$70 million investment to scale up its provision of early childhood educators and affordable tools to improve educational outcomes. The start-up offers an app with everything from staff scheduling, daily reports, parental communication, payment collection and education tools to early childhood educators. Its products are used by more than 10,000 childcare centres in Canada and the US, with more than 1 million parents on the platform. Founded in 2013, the start-up 'bootstrapped' until it raised US\$7.5 million in 2019 and, in 2020, also silently raised US\$5 million from the Women in Tech fund of the Business Development Bank of Canada. The US\$70 million raised in 2021 will enable HiMama to serve additional childcare centres in Canada and the US to fuel further investments in product development. HiMama is just the latest company jumping in the fintech trend. Investors are willing to make such significant investments in childcare as they see the potential of this market growth with increasing government investment.

42 Based on an interview with Fatima Arshad, Sustainable Business Manager, Unilever Pakistan

43 Klay Schools. Link to website: <https://www.klayschools.com/corporate/corporate-day-care/>

44 Klay Schools. Link to website: <https://www.klayschools.com/>

5 UN WOMEN CARE ACCELERATOR



“It’s about time we recognize the important role care work plays in our society. We must pay attention to the industry as a whole and empower entrepreneurs in the care sector by providing more growth opportunities. As a public-private sector partnership, we should prioritize investment in care work for a more equal and gender-inclusive economic recovery from the coronavirus pandemic.”

— Anurag Maloo, Head of Partnerships
(Asia-Pacific) at Seedstars



The UN Women Care Accelerator (here on referred to as the CA) is an online-based acceleration and support programme for businesses led by or supporting women in the care industry. The programme aimed to promote women-led and/or women-impacting enterprises to build innovative solutions aiming to contribute to create business, employment and income opportunities for women and other care workers by supporting new, creative solutions in the care sector – thus turning the unequal care burden put on women into opportunities that benefit women, families, and communities by providing products, services, or tech solutions that can make care more accessible and affordable, and improve the overall quality of care services on- and offline.

Over a period of six months from 1 June 2021, selected small and medium-sized enterprises (SMEs) from Asia and the Pacific were provided with tailor-made training, paired with mentors and connected with potential investors, partners and experts to develop and scale up their business models. In addition to the business modules, the CA was unique in offering a gender equity track that supported participants to operate and grow as gender-inclusive businesses. Programme participants consisted of: i) care businesses, led by women or benefitting women in the Asia-Pacific region; ii) start-ups that aim to boost women’s participation in the care economy, or provide products or services, including child and elderly care, that make care more accessible and affordable to all or improve the quality

of care; and, iii) enterprises that offer innovative ways to create a more gender-inclusive culture in the care industry and promote an equal sharing of responsibilities between men and women.

In this sense, the CA is more of a Care Entrepreneurship impact accelerator. The CA experimented with how to bring together ecosystem players such as governments, investors, customers and other ecosystem builders; but the involvement of these actors varied at this early stage. Such a care ecosystem programme has not existed before in Asia and the Pacific.

UN WOMEN CARE ACCELERATOR SELECTED COMPANIES

From the 144 CA applicants, 82 per cent were women-led business. From the 13 selected enterprises, eight had a female founder or co-founder.



Collaboration partners and experts:

The CA is a UN Women initiative that leveraged UN Women's convening role and gender and inclusion expertise with business and impact investment expertise. To achieve this, the CA worked with Seedstars, an investment holding company that provides investments and business development expertise to entrepreneurs. The CA also partnered with social enterprise Bopinc, which focuses on serving populations at the bottom of the pyramid, with a thematic focus on creating training programmes that bolster and build women's entrepreneurship capabilities. UN Women provided tailored gender expertise for the participating enterprises as they conducted rapid gender assessments of their business practises, reviewed their

policies and procedures within their business plans, and sought to explore the wider gender implications of formalized childcare companies. In addition, a variety of other experts and mentors played an important role to ensure representation from different ecosystem players. In this first edition of the CA there was no active engagement of governments, yet policy experts were involved to ensure recommendations and learnings were captured. UN Women compiled initial data for future policy recommendations, client learning and identifying research gaps in the space.

Piloting Innovation: An integrated three-track approach

Each of these tracks considered separately is a challenge as there are no standard best practices to inform what they should include or how they form a Care Entrepreneurship ecosystem. Taken together, they make this accelerator a unique experimental venture that is able to test innovations and inclusive business practices.

Track 1

Ensure a gender-responsive approach to establish and manage the Care Accelerator

The CA paid particular attention to integrating a gender lens into all aspects of the programme, from its management and content to the selection of partners, participating enterprises, trainers and mentors. The WeRise Toolkit for Accelerators,⁴⁵ co-created with entrepreneurs, accelerators and finance experts from Asia and Europe, provides an excellent resource for creating gender-smart acceleration programmes. As a result of these efforts, for example, 75 per cent of participating enterprises in the CA had female founders or co-founders.

Still, there is more to be done to involve more partners who possess the expertise to run entrepreneurship programmes tailored to women and strengthen the engagement of investors with a gender-lens focus.

Track 2

Business development and finance

To help entrepreneurs develop their business models, the CA modules included business model reviews, product-market fit analysis, financial modelling, legal training, pitching and fundraising strategies. The inspiration for this track came from the standard acceleration curriculum for early-stage start-ups. This track also focussed on working with potential investors. The participants learned about funding opportunities, developed pitching narratives and refined their funding strategies. They then had the opportunity to meet with 20 interested investors. For most participants, this was their first-time pitch, yet some of the enterprises have received already equity investments, signalling the business potential of care enterprises.

Track 3

Gender and inclusion

The aim here was to help enterprises assess the gender responsiveness of their current business models across their entire operation. This included a gender self-assessment aligned with the Women's Empowerment Principles (WEPs) framework and a new WEPs Assessment developed for SMEs as part of the WeRise Toolkit for Entrepreneurs (Tool 4: Be an Inclusive Business, Be a WEPs Champion). This formed the base for developing a gender action plan for their business, and receiving guidance and support for embracing more inclusive business practices.

⁴⁵ UN Women (2021). *WeRise Toolkit for Accelerators*. Link: <https://asiapacific.unwomen.org/en/digital-library/publications/2021/10/werise-toolkit-for-accelerators#view>

Results of the Care Accelerator

A few broader achievements of the CA should be highlighted. First, the programme contributed to defining the care economy and making visible what has been invisible: namely the opportunity that care entrepreneurs have to contribute to addressing unpaid care work and how this can help to achieve the triple dividend mentioned above. The CA also helped to raise awareness of the broader issue of unpaid care work, and to make care enterprises' impact potential better understood by entrepreneurs themselves and by wider ecosystem players, including investors, governments and corporates (employers).

The programme contributed to re-thinking the care sector towards developing a true impact economy. The focus on advancing women's entrepreneurship at large is worthy of mention: Many entrepreneurship acceleration programmes are gender-blind, and the CA's gender-responsive approach contributed to attracting more women-owned businesses to participate and become a visible inspiration for existing women entrepreneurs in the care economy, and potential

new start-ups to develop gender-sensitive new products and services in the industry.

Finally, the CA has taken the first step towards building a Care Entrepreneurship ecosystem. Such an ecosystem programme did not exist before in Asia; it had to be built from scratch through peer-to-peer discussion, mentoring by industry experts, and connecting care entrepreneurs to broader ecosystem players, including investors. The CA brought together initial players and contributed to an increased awareness of the opportunities that Care Entrepreneurship can bring to the region. Of note is that during the implementation of the CA, other care ecosystem initiatives also began at the global level and in the region. One example is the previously mentioned global research project 'Transforming the Care Economy through Impact Investing,' through which UN Women will undertake deeper research with select CA participants.⁴⁶

What Care Accelerator participants said:



Source: UN Women CA Survey.

⁴⁶ International Development Research Centre (January 2022). *New action-research program seeks to transform the care economy*. Link: <https://www.idrc.ca/en/news/new-action-research-program-seeks-transform-care-economy>



“Through the Care Accelerator I have been connected by UN Women with another entrepreneur with whom we are now developing a new care solution especially tailored to rural communities and offering work opportunities for more women.”

— TiTLi, India



“The highlight of the programme was the interaction with investors.”

— Bihani, Nepal



“I liked the networking and mentoring opportunities.”

— Mobiva, Malaysia



“The Care Accelerator has enabled us to meet other entrepreneurs, exchange ideas and strategies. It helped us to re-think and speed-up our own business development strategies.”

— AYAT Care, Bangladesh

Experiences from the Care Accelerator: How enterprises innovated childcare solutions during the pandemic

As schools and childcare facilities shut their doors during region-wide lockdowns, parents were forced to quickly pivot and find alternative solutions. As the same time, childcare providers had to figure out new business models to adapt to the new childcare landscape, while also making sure that their care workers were taking safety precautions. They became known as essential workers since they had to be in contact with others and did not have the luxury of working from home. The care enterprises that entered the Care Accelerator adopted a number of strategies to ensure their continued survival; in

particular the use of online and technology solutions enabling them to close information gaps, develop new products and services and reach new clients. In fact, half of the companies in the CA were classified as “digitally enabled and/or platform businesses”, and the investors jury in the final pitching panel selected two of them as the most promising enterprises, emphasizing that investments into care enterprises will be more likely if they have strong digital strategies. **Below we highlight important experiences from our first CA cohort.**

- **Kiddocare⁴⁷ in Malaysia** saw the pandemic as an opportunity to improve staff conditions via technological improvements. Chief Executive Nadira Yusoff and her team want to create a circular economy where women can be trained to work as professional childcare providers to support other women and their childcare needs. This type of model aims to elevate the value of childcare workers in the economy with improved pay and working conditions as a result. Kiddocare is leapfrogging in terms of technology to find the value-added opportunities in professional childcare. According to Yusoff, the team is using an on-demand, online platform to improve access and also provide a greater degree of safety and security of services. **“Our model also uses backend data and AI technology to personalize support required throughout the child’s development,”** said Yusoff.
- **Nannyz.com⁴⁸, a Singapore-based website**, helps families find childcare professionals. During the pandemic, the company’s revenue initially dropped by half as the government clamped down on foreign domestic workers entering Singapore, along with social distancing and other restrictions. However, chief executive Michael Tunstill decided to focus on fine-tuning the platform to restore and diversify revenues by adding features that provide better matching of care workers to employers as well as improving safety for users.
- **Alfiah Strohal, founder of Kiidu⁴⁹**, not only wanted to create a simpler and faster process of hiring caregivers, but also wanted to ensure her staff had protected rights to fair pay and decent working conditions. To achieve this, Alfiah focused on building up the marketable skills of her workforce. **“Training is key to reducing many of the pain points between customers and caregivers, so we are focusing on skills, language and labour rights training,”** she said. **“We empower our caregivers by offering training that betters their opportunities to find the perfect job and helps them meet the parents’ and families’ expectations and standards while protecting them from abuse, work overload and unpaid jobs.”** Her team is also working on educating caregivers on safety and hygiene and encouraging them to get vaccinated or go for regular testing, to ensure safety for them and the clients.
- **Angels & I Children Daycare in Indonesia⁵⁰** also used a technology platform to provide superior childcare services. Chief executive Inna Widjajanti and her team changed their business model during the CA to be more accessible to parents through the creation of a digital platform where parents can find a suitable nanny according to the age and development level of the child. The nanny can also report the activities or progress/ milestones achieved daily, and parents can consult their children’s development through the app.

47 Kiddocare. Link to website: <https://kiddocare.my/>

48 Nannyz. Link to website: <https://www.nannyz.com/>

49 Kiidu. Link to website: <https://kiidu.com/>

50 Angels & I Daycare. Link to website: <http://aichildrencare.com>



The CA brought to the fore the importance of collaborating with experts from different spheres to build a well-functioning ecosystem. At present there is a lack of a well-established, Childcare Entrepreneurship network as in other impact areas. Many applicants had a minimal understanding of the importance of addressing unpaid care work and the broader social impact their enterprises could have, especially to advance women's economic empowerment. The businesses in the CA also found it useful to talk to their peers and understand the scope of new goods and services or types of delivery—such as via technology platforms. Keeping all the business experts engaged in the ecosystem beyond accelerator programs will require identifying what will motivate them to stay in the care ecosystem after their mentorship or advisory engagement. One option is promoting the care industry as a growing market and a vibrant entrepreneurial community. Another option is highlighting the impact it creates and the value of their input.

'Not every care enterprise needs to be a unicorn, we also need zebras!' So said one expert in the CA. This sums up a wider reality that not all businesses need or want equity investments. Many women entrepreneurs, especially those running community-based Care Entrepreneurship models, would prefer other forms of capital grounded more in the philanthropic rather than venture capital markets. Equally, debt, loans or blended finance should also be considered to ensure that the services offered are not only financially viable but accessible by the most vulnerable populations.

The gender equity track in the CA was successful because several enterprises were surprised by how little they understood this topic and how much there was still to be done. The most frequently self-identified challenges by the care enterprises to advance gender equality in their business were: the ability to design gender-responsive marketing practices; the creation of a grievance mechanism for reporting instances of sexual harassment of care workers and mitigate risks for customers; and measurement of progress. In addition, some entrepreneurs changed their communications and advertising materials to promote equal caregiving responsibilities between women and men within the household.

LESSONS FOR THE NEXT CARE ACCELERATOR

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- **Go local:** The CA was a pilot project that was regional by design. The next rounds should consider focusing on individual countries to allow for the inclusion of more community-based local models, to not limit participation because of language barriers, and to bring in specific financial expertise.
 - **Choose more targeted approaches:** The CA worked with enterprises from different development stages (from very early stage to investable enterprises) and served very different market segments. It will be beneficial to have more tailored support depending on the development stage of the enterprises and the segments they are serving,
 - **Provide tailored tech support:** Many participants expressed a desire to ramp up technical capacity to expand their products and services. These skills are best preserved locally and do not have to be care-sector specific.
 - **Catalyse more long-term partnerships:** Participants started to informally network; and therefore structural design to foster collaboration amongst enterprises and other ecosystem players would strengthen the impacts.
 - **Take a more systemic approach to the gender and inclusion track:** Working in a more structured way with CA enterprises would develop concrete approaches and provide support to strengthen their business conduct towards more inclusive approaches.
 - **Better understand the labour market in each country beforehand to ensure safeguarding of workers' rights:** It is important to recognize that formalized work does not necessarily equate to decent work.⁵¹ Care workers are often not contracted as employees, with little to no social protection, and poor job security. It is important that future CAs understand and develop strategies to mitigate against this feature of the sector.
 - **Understand that clients do not always want better-qualified childcare workers:** Try to promote models that balance affordability and quality. There is a need to raise more awareness of the benefits of high-quality care services to underscore the benefits to future generations and equitable economic development.
 - **Diversify the investor base and involve them earlier on in the CA, and help participants build their pitch:** As we mentioned earlier, not all childcare entrepreneurs need equity investments, but all can benefit from an investment strategy from the outset and guidance from seasoned investors from other sectors.
 - **Explore co-design with governments as they embark on their journey to make childcare a universal public good:** This could facilitate important learnings for government officials as they build their care economy policies and try to incentivize entrepreneurship.
 - **Build in research components:** The CA demonstrated that there are a lot of assumptions around childcare—oftentimes rooted in cultural narratives regarding who should look after children and why. Carefully designed mixed-methods research can help entrepreneurs build services for all types of women—from low-income ones who need cheap options at the market, to work-from-home mothers who do not want to have a double burden.

51 ILO 2030 Agenda for Sustainable Development. Link for website: <https://libguides.ilo.org/2030-agenda-en>

6

IT TAKES AN ECOSYSTEM

Why and how to build an entrepreneurial ecosystem for childcare



“At a personal and visceral level, the invisible is now visible as people felt the impact of the care economy coming undone – coming apart. It’s not ok to have a core part of what makes the economy tick not fully valued.”

— Sana Kapadia,
GenderSmart Investing

Around the world, governments have pledged to “build back better”: But what does this mean for the care economy? Many national governments in Asia and the Pacific region have acted swiftly, with policies that seek to regulate childcare services and mandate the private sector to provide childcare services for employees (e.g., in India, Indonesia, Laos, Philippines, Singapore and Viet Nam).⁵²

52 Ibid.

These policies have provided an impetus for larger corporations to offer employer-supported childcare, and there are also growing private financial investments in education and childcare services.⁵³ However, while many countries in the region have put in place social insurance and social assistance programmes, with women as recipients of cash transfers and social welfare measures, there is a gap between the commitment to social protection policies at an overall level and the actual reach of programmes that recognize the care-differentiated needs of women.⁵⁴ Furthermore it is important to note that, given the special nature of the care sector, and childcare in particular, governments have a crucial role to play in setting and monitoring standards to ensure adequate protection for vulnerable populations.

However, addressing the huge gap between care provision supply and demand requires a multi-stakeholder approach beyond governments' responsibilities. It offers an opportunity for other actors to contribute. As demonstrated in the previous chapters, care enterprises are such players.

All of this makes business sense:

Since the ever-increasing demand for childcare requires action from all players, entrepreneurs can help spur innovation and address the lack of services with creative solutions. The increased demand for childcare and the gap in supply is opening spaces for new players to step in to provide solutions, and the care sector is ripe for innovation and change. There is no need to re-invent the wheel but rather learn from the experience of other sectors.

It is well documented that entrepreneurs have stepped in to address seemingly intractable social issues such as the lack of quality education, waste disposal and recycling, economic opportunities in low-income communities, and green climate solutions, to name just a few.⁵⁵ Experience from other sectors has demonstrated that private sector enterprises often drive innovation. For example, climate solutions such as solar cooking stoves, which addressed persistent challenges for base of the pyramid populations, have inspired investments in climate entrepreneurship ecosystems that have focused on creating new and scaling existing solutions. These investments have resulted in a variety of entrepreneurship accelerators and the set-up

of entire innovation ecosystems, such as the European Institute of Innovation and Technology (EIT)'s Climate Kic Programme. This is a knowledge and innovation community (KIC), working to accelerate the transition to a zero-carbon, climate-resilient society by identifying and supporting innovation that helps society mitigate and adapt to climate change.⁵⁶ **There is a similar potential to transform the care industry by applying an entrepreneurial ecosystem approach.**

An entrepreneurial ecosystem is a term that refers to a collective effort of many different participants towards a common goal. This social and economic environment is comprised of a set of interdependent actors and coordinated policies and business relationships that enable entrepreneurship.⁵⁷ There are distinct advantages to taking an ecosystem approach to solve complex supply issues: When many actors are brought into an ecosystem, from public to private, from local to national, there is a higher chance that supply will meet demand in innovative, sustainable and affordable ways. Furthermore, childcare is a sector with unique transformational welfare impacts. This means there is a vast potential to turn the 'care economy' into a 'care impact economy', which has a positive empowering impact on women, creates inclusive economic work and employment opportunities, and ensures investment in the quality of childcare as a foundation for the development of the next generation.

In an entrepreneurial ecosystem for childcare, different actors would cooperate to bring a unique set of comparative advantages. Governments need to provide an enabling policy environment. Investors must be willing to resource their growth and expansion. Entrepreneurial support networks and systems (e.g., accelerators) are needed to support business growth and development; families and other businesses must be willing to buy their services and products. Industry experts must provide mentorship, and researchers can provide evidence for their business models. Employers also have an important role to play, to deliver policies and practises to make childcare services more accessible, affordable and of good quality for their employees. Finally, agencies like UN Women and other multilateral organizations have a crucial role in convening these actors in support of developing and strengthening the care entrepreneurial ecosystem.

53 Education Matters (2017). *Asia-Pacific Pre-Primary Education and Childcare Industry Outlook to 2017 - India and China to Lead Growth*.

54 UNESCO (2016). *Asia Pacific Report: Financing for ECCE*. Link: <https://unesdoc.unesco.org/ark:/48223/pf0000245777>

UNESCAP (Oct. 2021). *Addressing Unpaid Carework in ASEAN*. Link: <https://www.unescap.org/kp/2021/addressing-unpaid-care-work-asean>

55 UNCTAD (2017). *Promoting Entrepreneurship for Sustainable Development: a Selection of Business Cases from the Empretec Network*. Link: https://unctad.org/system/files/official-document/diaeed2017d6_en.pdf

56 Climate-KIC, European Union (2022). Link to website: <https://www.climate-kic.org/>

57 Adapted from Tech Start-up School: Business Accelerator. Link to website: <http://www.techstartupschool.com/news/entrepreneurship-ecosystem-and-its-elements.html>

What steps can be taken to build an entrepreneurial ecosystem for childcare?

UN Women and its partners have adapted the ILO's 5R framework for decent work, to provide a **4R roadmap** for these efforts:⁵⁸

- ➔ **Recognize:** childcare as a qualified profession for ECCE
- ➔ **Redistribute:** childcare from a private, non-paid occupation to a remunerated public good
- ➔ **Reward:** the creation of paid childcare jobs that reduce the burden of unpaid childcare
- ➔ **Represent:** Social dialogue and collective bargaining for childcare workers

This can be done by means of a targeted approach to create a new care-specific entrepreneurship ecosystem, and/or build on well-established entrepreneurial ecosystems in Asia (especially gender-responsive ones) and adding care as the next nexus. Yet, it needs to be recognized that care is a very human-centred sector and will require different approaches, additional stakeholders and capacity building for all potential ecosystem players, to ensure building a true impact economy.



Entrepreneurial ecosystem players: Opportunities and responsibilities



“The Rapid Policy Assessment reveals that many policymakers are cognizant of the link between unpaid care work and poor participation of women in the economy. The emergence of childcare enterprises presents an opportunity for policymakers to innovate how policies and regulations can support the new players to enter the market and scale their operations. At the same time, governments have a critical role to play in ensuring decent work opportunities for care workers, affordability, accessibility and quality of care for those seeking services.”

— Anuradha Mundkur, Co-Founder Equalis

A rapid scan of selected Asia and the Pacific countries (India, Indonesia, Malaysia, Philippines, Thailand and Viet Nam) shows that there were wide variations in the depth and scope of childcare policies. In no country was there a single consolidated policy. This means that participants in the sector will need to work together to build the formal childcare system.

58 ILO (2018). *Care work and Care Jobs: For the Future of Decent Work*. Link: https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_633135.pdf



For governments

For governments, the primary responsibility is therefore the creation of an enabling environment. Given that childcare is currently an occupation that is 'hidden' in the home and carried out for free, there is much work to be done to support the formalization and growth of a childcare ecosystem and encourage the private sector to partner with governments to fill provisional gaps. COVID-19 has added urgency to this challenge, with an estimated 81 million jobs lost in Asia and the Pacific — distributed as 32 million jobs for women and 49 million jobs for men.⁵⁹ The formalization of childcare therefore represents an opportunity to create an array of public goods including quality and affordable childcare, increased female labour-force participation and more and better jobs, especially for women.

Some of the basic elements of a childcare policy and regulatory framework include:

Governments are responsible for creating policy & regulation frameworks for Childcare Entrepreneurship

INVESTMENT

Budget for childcare services, procurement of goods and services to incentivize employer provision of childcare

DOING BUSINESS

Digital platform guidance and regulations, professional standards and accreditations for care workers/businesses

LAWS

Child safety, quality standards, labor laws

SEX-DISAGGREGATED DATA

i.e. number of workers in the formal childcare sector and ownership of registered childcare businesses

Source: UN Women

Governments can incentivize and enable more care entrepreneurs to set up businesses by making starting a business, in general, more appealing and less complex. Care entrepreneurs have indicated that setting up a business, in general, is very bureaucratic and demotivating. Simplifying processes that make it easier to receive international investments and applying for business grants less cumbersome can stimulate business development. Special efforts should be made to support women-led and owned businesses and digital solutions to democratize access and to create mutual partnerships between governments and care enterprises. Governments are also still unsure about the best ways to regulate tech-enabled businesses (i.e. matchmaking platforms), which appears to be one of the most common delivery models emerging in the care sector. For now, some early entrepreneurs have used this space to offer their services, however, this has risks for the care workers if it is not well regulated in the long run.

59 UNESCAP (Sep. 2021). *COVID-19 and the Unpaid Care Economy in Asia and the Pacific*. Link: <https://www.unescap.org/kp/2021/covid-19-and-unpaid-care-economy-asia-and-pacific>

It is important here to highlight that gender norms sort migrants (who represent a large part of care workers in Asia and the Pacific) into different categories of work and entrap women at the bottom end of the occupational hierarchy, with minimal scope for upward mobility or new job skills. In the informal care economy, there is also limited social protection, contractual protection, income security, access to healthcare, or opportunities for skill development.⁶⁰ By mid-2020, 83 million people from the Asia-Pacific region were living outside their countries of birth, that is, almost 30 per cent of the world's international migrant stock and nearly 44 per cent of these migrants were female, many of whom are working in domestic/care jobs.⁶¹ They were at heightened risk of abuse and exploitation in the absence of travel documents, social protections, and public services prior to the pandemic.⁶² Currently, South-East Asia hosts the largest number of women migrant domestic/care workers.⁶³ Governments will need to develop special policies for migrants in the childcare sector.



For Entrepreneurs

Entrepreneurs are often the best pollinators of new ideas, and experience from other sectors has demonstrated that private sector enterprises often drive innovation.⁶⁴ During the pandemic, some governments worked with social enterprises to ensure a holistic response: One example is the Government of India's project with social enterprise Dharma Life, which used village networks to coordinate digital home visits, doctor consultations, and vaccinations.⁶⁵ New attention is being paid to the care economy and the ways in which entrepreneurs can step in to provide innovative approaches to public goods provision. This attention is a great opportunity for entrepreneurs to re-evaluate the value proposition of childcare. Furthermore, entrepreneurs' willingness to take risks to create positive change in society through their initiatives creates an enabling environment for innovative solutions.⁶⁶

Importantly, the combination of social entrepreneurship with women's entrepreneurship in the highly feminized care industry can offer opportunities for women to grow successful businesses while transforming an entire industry—creating an impact industry led by women. These inclusive business models will enable childcare entrepreneurs to contribute to transform the 'care economy' into a 'care impact economy'. Addressing the availability, affordability and quality of childcare pays a triple dividend⁶⁷ [see page 13] to empower women, create good job opportunities and ensure investment in the quality of childcare as a foundation for the development of the next generation.

Childcare entrepreneurs can piggy-back on investment models from other sectors. Resources like UN Women's WeRise Toolkit provide them with tools to understand their investment needs.⁶⁸ Entrepreneurship ecosystems already exist for various sectors,⁶⁹ and in the region there have been successful funding rounds in the care economy for health-tech start-ups and companies. These efforts have shown how government-funded collaborations in the care economy can function.⁷⁰ Entrepreneurs can increase their chance of securing investments by better understanding how investors look at the care sector and pitching their businesses accordingly. While investors may be still new to the childcare sector they may have linked interests (e.g., gender or technology). Therefore, entrepreneurs can consider potential intersections across thematic areas. By strengthening the positioning of care enterprises as social impact businesses, it is possible to target an increasing number of impact investors. Not every enterprise needs or wants equity investment. Especially in the care sector, it will be important for enterprises to understand what capital and investments they need.

60 ILO (Dec. 2020). *Who are the women on the move? A portrait of female migrant workers*. Link: <https://loststat.ilo.org/who-are-the-women-on-the-move-a-portrait-of-female-migrant-workers/>

61 IOM (2021). *Asia-Pacific Migration Data Report*. Link: <https://publications.iom.int/system/files/pdf/Asia-Pacific-Migration-%20Data-Report-2020.pdf>

62 UN Women (2020). *Guidance Note for Action: Addressing the Emerging Impacts of the COVID-19 Pandemic on Migrant Women in Asia and the Pacific for a Gender-Responsive Recovery*. Link: <https://asiapacific.unwomen.org/en/digital-library/publications/2020/04/guidance-for-action-addressing-the-emerging-impacts-of-the-covid-19-pandemic-nder-responsive-recovery>

63 ILO (2016). *Migrant Domestic Workers Across the World: global and regional estimates*. Link: https://www.ilo.org/global/topics/labour-migration/projects/gap/publications/WCMS_490162/lang--en/index.htm

64 Williams, R. (Sep. 2020). *What Is an Entrepreneurial Ecosystem, Really?*. Source Link. Link: <https://www.joinsourceink.com/2020/09/03/what-is-an-entrepreneurial-ecosystem-really/>

65 Dharma Life. Link to website: <https://dharmafire.in/we-for-village.php>

66 *Financier Worldwide Magazine* (May 2020). *The impact of social entrepreneurship on economic growth*. Link: <https://www.financierworldwide.com/the-impact-of-social-entrepreneurship-on-economic-growth#.Y1iu7exBz6Z>

67 UN Women (2015). *Gender equality, child development and job creation: How to reap the 'triple dividend' from early childhood education and care services*. Link: <https://www.unwomen.org/en/digital-library/publications/2015/12/gender-equality-child-development-job-creation>

68 UN Women (2021). *WeRise Toolkit for Entrepreneurs*. Link: <https://asiapacific.unwomen.org/en/digital-library/publications/2021/10/werise-toolkit-for-entrepreneurs>

69 Tech Startup School. Link to website: <http://www.techstartupschool.com/news/entrepreneurship-ecosystem-and-its-elements.html>

70 Koh, D. (Jul. 2019). *An overview of APAC's healthtech landscape – the first half of 2019*. *Mobi Health News*. Link: <https://www.mobihealthnews.com/news/asia/overview-apac-s-healthtech-landscape-first-half-2019>



For companies (employers) in all sectors

As companies (employers) in all sectors try to entice their employees back to the office, the provision of childcare services on-site represents a powerful tool not only to enhance employee satisfaction, but also to improve longer-term profitability and sustainability. Employers can use a combination of offerings to help their employees' childcare needs. This includes on-site childcare centres (run by the employer or a third party), partnering with off- or near-site childcare centres, partnering with other businesses to sponsor childcare centres, including in the communities where employees reside, providing childcare vouchers, subsidies, stipends, discounts, reserved seats, subscriptions to online care platforms, and supporting back-up, after-hours and sick-child services.



Establishing public-private partnerships

Public-private partnerships can build new sources of seed finance and growth capital. Governments are investing in a number of areas that will require private sector know-how and provision, including: brick-and-mortar facilities, investments in increasing quality of care through upskilling and certification, and ICT infrastructure. Since private investors are still hesitant about their returns in the childcare sector, these forms of blended finance can help care entrepreneurs attract the capital they need to scale their business while providing financial returns to investors.

Another promising approach to this new opportunity is social impact investment: By simultaneously pursuing social and economic objectives, social entrepreneurs seek market-based solutions to address social and environmental challenges faced by communities, such as lack of access to affordable, accessible, high-quality childcare.⁷¹



Convening the different actors

Convening the different actors and processes in an ecosystem is an important step in its establishment. Organizations such as UN Women can play this role, as a convener, builder and coordinator of multi-stakeholder coalitions that are recognized by both governments and the private sector. UN Women's triple mandate of normative support, coordination and operational activities represents a significant asset in bringing together the diverse care ecosystem actors. In practice this means the following:

- i. **Working on policy reform** related to Care Entrepreneurship within the wider care economy
- ii. **Promoting women's entrepreneurship programmes in the care economy:** Donors can lead the way to support gender-inclusive care business models and practices
- iii. **Building entrepreneurial ecosystem** programmes from ideation, incubation to acceleration programmes
- iv. **Convening new innovative blended finance mechanisms for Care Entrepreneurship,** including public and private investors from philanthropy to capital markets

UN Women and NGOs can individually and collectively support the set up of these gender-sensitive ecosystem programmes, including incubation and acceleration initiatives that target care enterprises, especially women-led/owned and -benefitting care enterprises. These types of programmes interact directly and deeply with entrepreneurs and other ecosystem players that support them.

71 UNCTAD (2017). *Promoting Entrepreneurship for Sustainable Development: a Selection of Business Cases from the Empretec Network*. Link: https://unctad.org/system/files/official-document/diaeed2017d6_en.pdf

7 CONCLUSIONS AND RECOMMENDATIONS



“The business case for childcare is pro-women, pro-children, and pro-poor... And now is the time to innovate, scale-up existing models and leverage public and private investment to build a care ecosystem that will ensure that children get the best early education, that women are empowered, decent work is created and society benefits from entrepreneurial zeal in this space.”

— Katja Freiwald, Regional Lead, Women’s Economic Empowerment, UN Women Regional Office for Asia and the Pacific



THINK PIECE INSIGHTS

We have argued that entrepreneurship is an important policy lever to fill the childcare supply gap. The way to do this is to build an enabling ecosystem that can reap a triple dividend: increased female labour-force participation; better early childhood education quality; and an increased number of quality jobs for women and women-led companies.

The following insights are intended to spark further discussion and catalyse actions to build the Childcare Entrepreneurship ecosystem in Asia and the Pacific:

1

Care Entrepreneurship can support a shift from unpaid to paid childcare that is affordable, accessible and of high quality.

Market-based solutions through Care Entrepreneurship have the potential to complement and enhance the public provision of care and/or support the delivery of public-supported childcare. Although the ecosystem is at an early stage in terms of financing and regulation, there are exciting models being developed all over Asia and the Pacific.

Yet, even basic definitions are lacking in some countries, where care enterprises are almost seen as a synonym for healthcare enterprises. Governments are still grappling with how best to regulate the childcare sector and develop a comprehensive childcare service delivery policy and regulatory framework that clearly outlines service delivery standards, including caregiver qualifications and remuneration. Government intervention will be essential to provide significant support to childcare enterprises by creating financial incentives for market-based childcare services, direct subsidies to families for childcare, and strengthening mandates and support for employers to provide childcare.

2

Technology not only helps to fill information gaps, but can be leveraged to provide other complementary services.

Like other online ‘labour’ platforms in the region (e.g., Gojek, Grab), online childcare businesses have an important function as marketplaces that match care workers and customers in a faster way. But these businesses can be more than just online job boards; they can also provide services such as payment interfaces, contract templates, care-worker and employer vetting, and even support contract negotiations. The potential for growth via technology platforms will need to be carefully balanced with adequate protections for care workers, who often fall between the cracks due to the part-time and low-paid nature of their employment, as well as child-protection measures. As childcare moves from informality to a more formalized sector, so too must labour rights and protections.

3

To build the new Childcare Entrepreneurship ecosystem, foundational finance, capacity building and development are needed.

Ideation, incubation, and acceleration programmes are needed to build a fully supporting entrepreneurship ecosystem for the care economy. Opportunities to build on established entrepreneurship ecosystems should be seized. Blended finance can mitigate the perceived risks of childcare businesses, which are not always viewed as financially viable or interesting investments. There is a need to increase awareness of the benefits of high-quality care services among governments, employers, and families, especially in the childcare sector—investments in quality care are an investment in future generations and a source of inclusive and equitable economic development. Innovative and blended finance is needed to advance Care Entrepreneurship and not every care enterprise needs to be a ‘unicorn’. Community-based models can be very useful, as they can be more readily accessible mechanisms of offering affordable care, without profit-maximization as the driving force. Similarly, blended public, philanthropic and private investments will be essential to maintain childcare as an affordable public good.

4

Models to reach the bottom of the pyramid exist, but they are few and often informal.

They tend to be run as micro-enterprises and receive limited financing. There are possibilities to grow this segment through franchise models or models supported by NGOs and blended investment in ways that serve low-income communities. More research is needed, including at a country-specific level, to identify existing models that have already been established in other entrepreneurship ecosystems in Asian countries. Cross-sectoral learning can support efforts to create new ideas that embrace a multi-stakeholder approach.

5

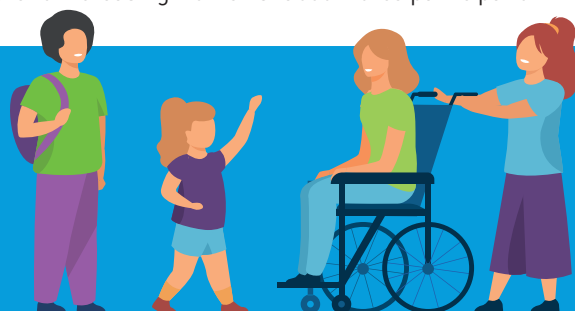
Not all care enterprises are impact-driven or gender-inclusive.

Childcare enterprises in the region have limited awareness of gender equality, and only a few have policies and practices that promote inclusive business conduct and decent work opportunities. Further, many do not consider themselves social impact businesses. While both men and women run care enterprises, there is limited data on how many care enterprises are led or owned by women. A key issue is the lack of trained or certified care workers across all the care enterprise models. Many clients are not yet willing to pay higher prices to have qualified (trained) care workers. This makes it challenging for care enterprises to promote the benefits of training to their care workers. There is a need to raise more awareness of the benefits of high-quality care services among governments, employers, and families, especially in the childcare sector. Investments in quality care are an investment in future generations and a source of inclusive and equitable economic development.

6

Data is scarce.

Given this emerging space, there is limited data available on the size of the Childcare Entrepreneurship market; well-established data platforms, such as the Global Entrepreneurship Monitor (GEM) do not capture such segmented data. Equally, no sex-disaggregated data is available on the ownership of enterprises, nor is any other data on the size of these enterprises. Furthermore, there is no data on the impact that these existing enterprises have on reducing women’s unequal share of childcare responsibilities, which would help determine how much they contribute to increasing women’s labour force participation.



THINK PIECE CONCLUSIONS

The shift of non-remunerated childcare towards formality has the potential to reap efficiency gains, allowing women to make empowered decisions based on a larger variety of options, as opposed to being the unquestioned and unpaid caretaker at home.

This shift will require all ecosystem players to acknowledge both their opportunities and obligations to create a Childcare Entrepreneurship system that can achieve the triple dividend and catalyse Care Entrepreneurship.

For governments



Enable new delivery mechanisms for childcare entrepreneurs to contribute to closing the gap between care supply and demand. Governments can better recognise and reward care work by professionalizing the sector, providing clear mandates and financial support for minimum wages and better working and employment conditions for paid care work. This will lead to more opportunities to develop the care impact economy, as enterprises will have clear pathways to provide more decent work and employment opportunities.

Co-financing – subsidies / incentives for employers. Governments must play a crucial role to provide investments in care infrastructure and use financial tools such as tax exemptions for employers if they provide childcare services and/or tax benefits for families to enable affordable care for all and/or support directly to care enterprises. A holistic finance support strategy needs to be designed to ensure affordability and accessibility of care services.

Strengthen legal protections for children, parents, and employees. Governments need to keep pace, for example, with new digitally-enabled childcare platforms, with newly formalized care workers, and with the special needs and vulnerabilities of migrant workers.

Simplify business processes for care entrepreneurs. Simplifying processes that make it easier to receive investments and less cumbersome to apply for business grants can stimulate business development. Special efforts should be made to support women-led and -owned businesses and digital solutions to democratize access, and create mutual partnerships between governments and care enterprises.

Collect data. Currently there is a dearth of real-time data on childcare and the size of its contribution to GDP or employment. As the sector becomes more formalized and investment finds viable models, governments can help track progress with real-time and impact information.

For corporations (larger employers)



Learn the lessons of COVID-19 and embrace flexible, family-friendly policies and practices to increase productivity and retain workers. Policies such as on-site and/or off-site employer-supported childcare can vastly increase employee satisfaction, productivity, and retention rates. This can be achieved by, for example, exploring partnerships with childcare enterprises for flexible on-site or on-demand services. Care enterprises can be useful partners for larger companies as they bring tailored, locally viable solutions that are cost-effective.

For (care) entrepreneurs



Take advantage of the range of business models for childcare services: From B2C, B2B and B2G, there is now a range of approaches that can be deployed and provide business-development opportunities for care entrepreneurs and neighbouring sectors.

Grow models to reach the base of the pyramid. They exist, but are few and often informal. Where they exist, they tend to be run as micro-enterprises and receive limited attention regarding investments/acceleration programmes. There are possibilities to grow this segment through franchise models or models supported by NGOs. Financial sustainability remains challenging across the different enterprise models and requires blended investment.

Take advantage of tech platforms to reach customers, which can close knowledge gaps, allow entrepreneurs to expand relationships without brick-and-mortar investments and increase business scalability, which in turn will attract more investors and can contribute to providing more decent work opportunities for care workers. Going beyond a simple matching service will improve offerings, in turn meeting more and different customer needs.

Embrace impact-driven and gender-inclusive business approaches. Some innovative enterprises researched in this Think Piece have demonstrated strong impact-driven approaches; they understand the broader impacts of their businesses models on women's economic participation – provision of decent work in the care sector and improved education outcomes for children. The gender equity track in the CA was successful because most enterprises were surprised by how little they understood this topic and how much there was still to be done to build truly inclusive businesses.

Look for entrepreneurship support programmes for knowledge exchange, network building and investment opportunities. The start-ups in the CA found it incredibly insightful to talk to their peers and determine how many variations are possible on seemingly similar business models. They also identified opportunities, such as business models that can have an enabling or supporting role for their own care enterprises. Entrepreneurship Acceleration Programmes also provide an important entry point for partnerships and future investments.

For investors and entrepreneurship organizations (including NGOs)



Remember that entrepreneurs need different kinds of support along the way: The CA demonstrates that entrepreneurs can benefit from a range of financial and business-development services and mentoring. Investors need to be creative with their financial support and consider blended, community-based, philanthropic, impact and equity investments, among others.

Build ecosystem capacity on gender-smart practices and equality. Gendered norms that see care work as women's work pose challenges for care enterprises. UN Women and NGOs should individually and collectively set up more gender-sensitive entrepreneurship ecosystem programmes. This includes incubation and acceleration programmes targeting care enterprises that are women-led/owned and -benefitting care enterprises. Especially in the care sector, it will be important for enterprises to understand what capital and investments they need, and resources like UN Women's WeRise Toolkit provide them with tools to understand their investment needs.

Leverage existing and established entrepreneurship support organizations. There is a broad variety of entrepreneurship services available in Asia-Pacific, yet many of these do not yet focus on the care economy. Along with establishing dedicated platforms and programmes, expertise and networks can be leveraged from other sectors. There is also a benefit of introducing elderly care with childcare entrepreneurs to spark cross-sector learning.

Expand and capacitate well-established entrepreneurs outside the care sector to pivot their offerings to include care products and services. For example, established matchmaking platforms could expand their services into the care economy.

For donors, academics, CSOs (NGOs)



Investments in the care sector are pro-poor and pro-women: As such, they should be prioritized by donors as their clients aim to recover from the devastating and gendered effects of COVID-19. Donors can ensure that childcare services for low-income communities are developed by supporting care entrepreneurs and NGOs that serve this market segment. Public-private partnerships can help build social impact businesses and address funding gaps by building more viable models for care enterprises and NGOs to service this market. This will also ensure that newly developed offerings are designed to be affordable. Donors can play a vital role through innovative finance models, providing securities to de-risk investments into the care-economy.

Research must be laser-focused on what entrepreneurs really need: For example, to gain funding, to develop their business models, or to explore how childcare services can have an important social impact. Donors can deploy their vast research capacity to support women's employment programs and the delivery of the SDGs.

Digital transformation, especially platform businesses, can be a key enabler to increase accessibility to different and flexible care services. Yet there is a research gap in understanding how these businesses can truly contribute to create more decent work opportunities in the care economy and beyond.

Donors can bring together different stakeholders to build the ecosystem: With concessional finance innovations, new delivery models can be tested without fear for failure. Convening organizations including the UN can connect the dots with other development programmes that have strong touchpoints to the care economy.

UN Women Regional Office Asia and the Pacific

August 2022 Publication developed by:

This paper is authored by UN Women Asia and the Pacific as part of the WeEmpowerAsia, a programme funded by and in partnership with the European Union.

WeEmpowerAsia (WEA)

WEA was a 2019-2022 joint programme of the European Union and UN Women aimed at increasing the number of women who lead and participate in business across seven countries: China, India, Indonesia, Malaysia, the Philippines, Thailand and Viet Nam. WEA aimed to build inclusive and sustainable growth and stronger links between European and Asian markets through gender-sensitive trade and supply chains.



Funded by the European Union



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