

Investing in transformative care policies packages: The ILO Care Policies Investment Simulator

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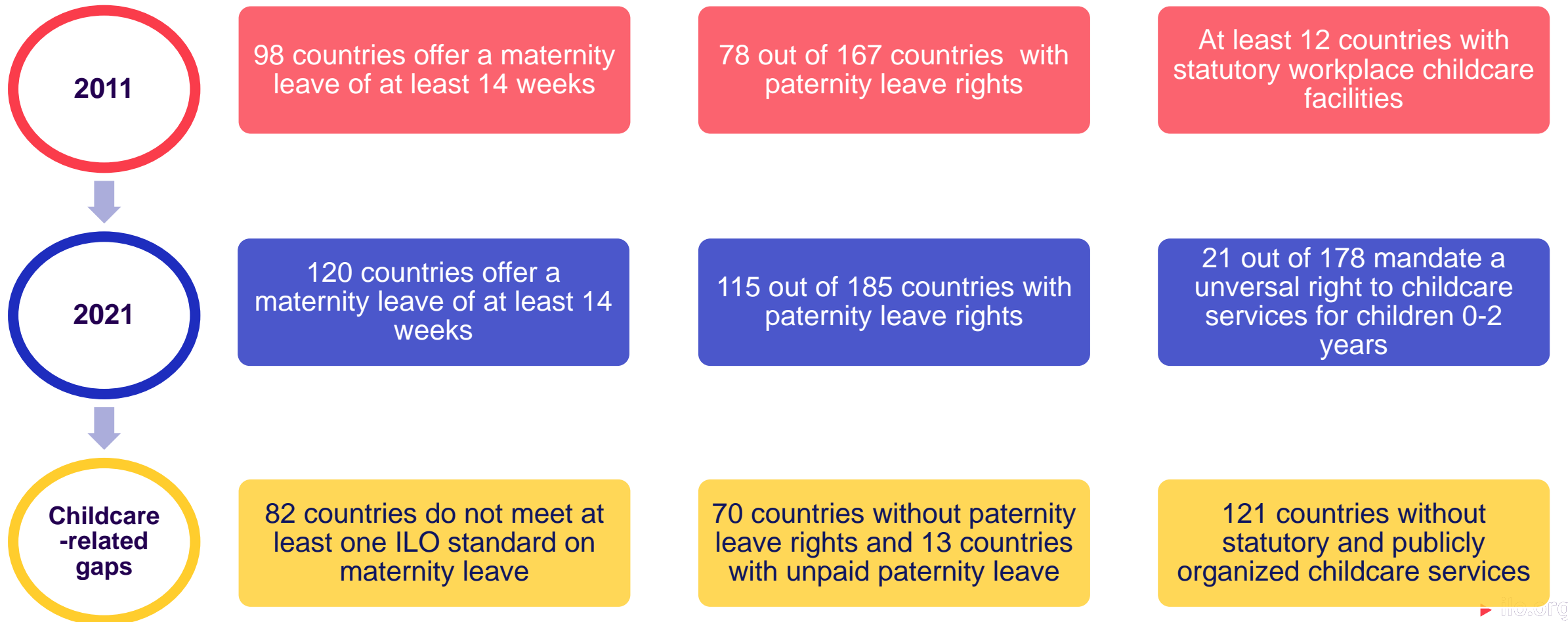
Why a focus on care policies?

- ▶▶ Paid and unpaid care work is vital for the functioning and resilience of families, businesses, economies and planet

- ▶▶ “Investment in the care economy” and “enabling a more balanced sharing of family responsibilities” grounded in **the ILO transformative agenda for gender equality**:
 - ILO **Centenary Declaration** for the Future of Work (2019)
 - **Global call to action** for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient (2021)

- ▶▶ “Large-scale investment in the care economy”: a key transformative measure of the UN Secretary-General’s **Our Common Agenda** and **UN Global Accelerator** on Jobs and Social Protection for Just Transitions initiative

Care policies: progress and challenges

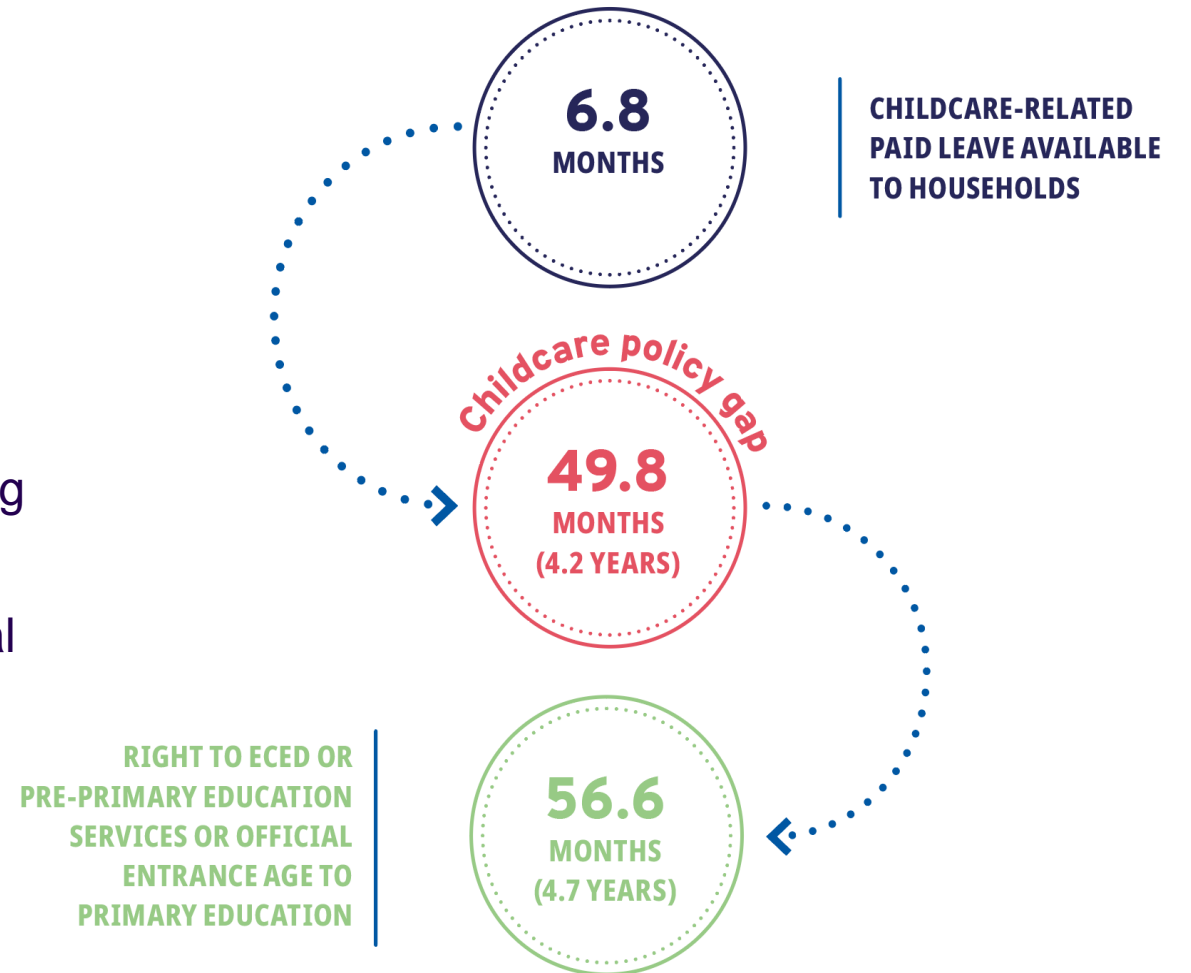


A large child

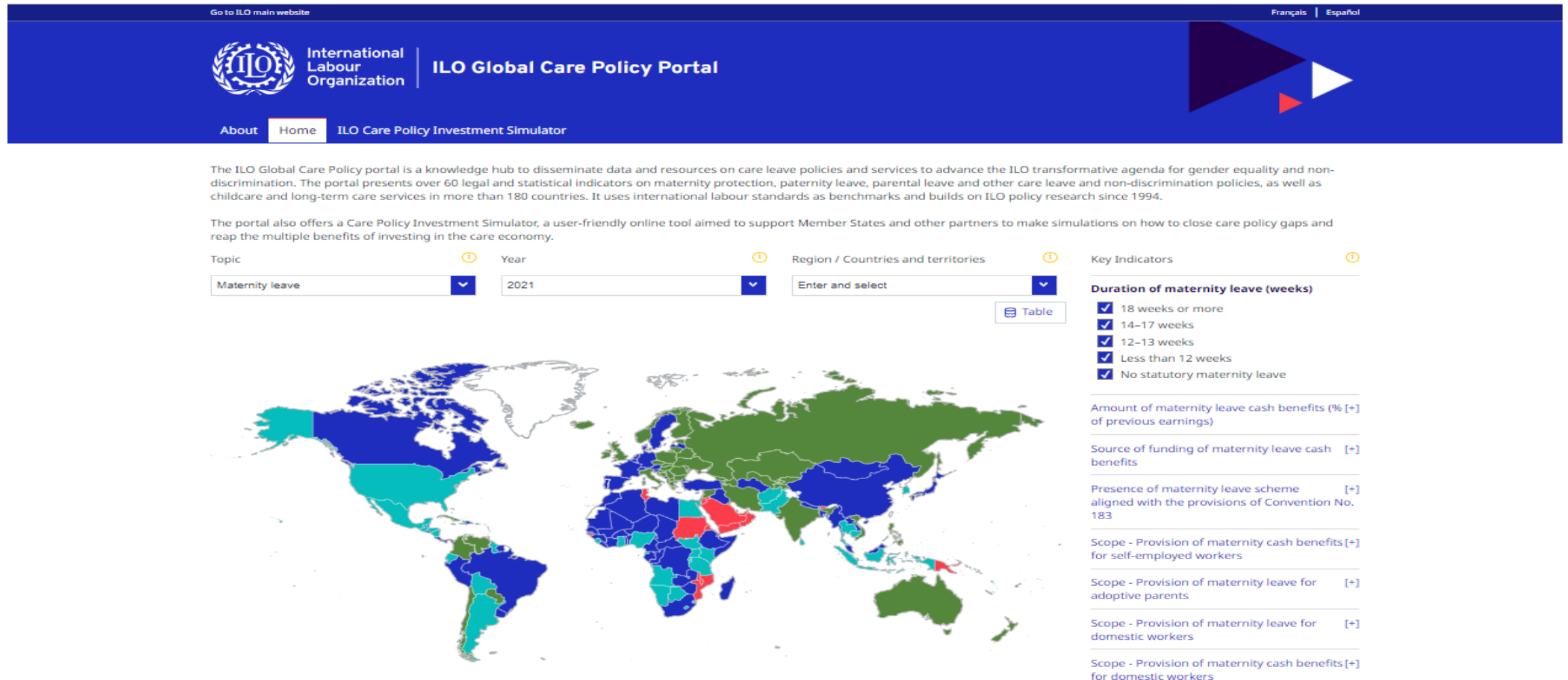
There is a need to ensure a continuum of childcare-related leave and services

Gaps in care policy provision can be assessed by reviewing the relationship between two main care policy areas:

- ▶ Childcare-related leave: maternity, paternity and parental leave
- ▶ Childcare services (universal and free or affordable)



The ILO Care Policy Portal presents over 60 legal and statistical indicators on maternity protection, paternity leave, parental leave and other care leave and non-discrimination policies, as well as childcare and long-term care services in more than 180 countries.



The screenshot shows the ILO Global Care Policy Portal interface. At the top, there is a navigation bar with the ILO logo, the text "International Labour Organization", and "ILO Global Care Policy Portal". Below this, there are tabs for "About", "Home", and "ILO Care Policy Investment Simulator".

The main content area includes a description of the portal as a knowledge hub for care leave policies and services. Below this, there is a section for the "Care Policy Investment Simulator" which is a user-friendly online tool for making simulations on closing care policy gaps.

The interface features several filters and a map:

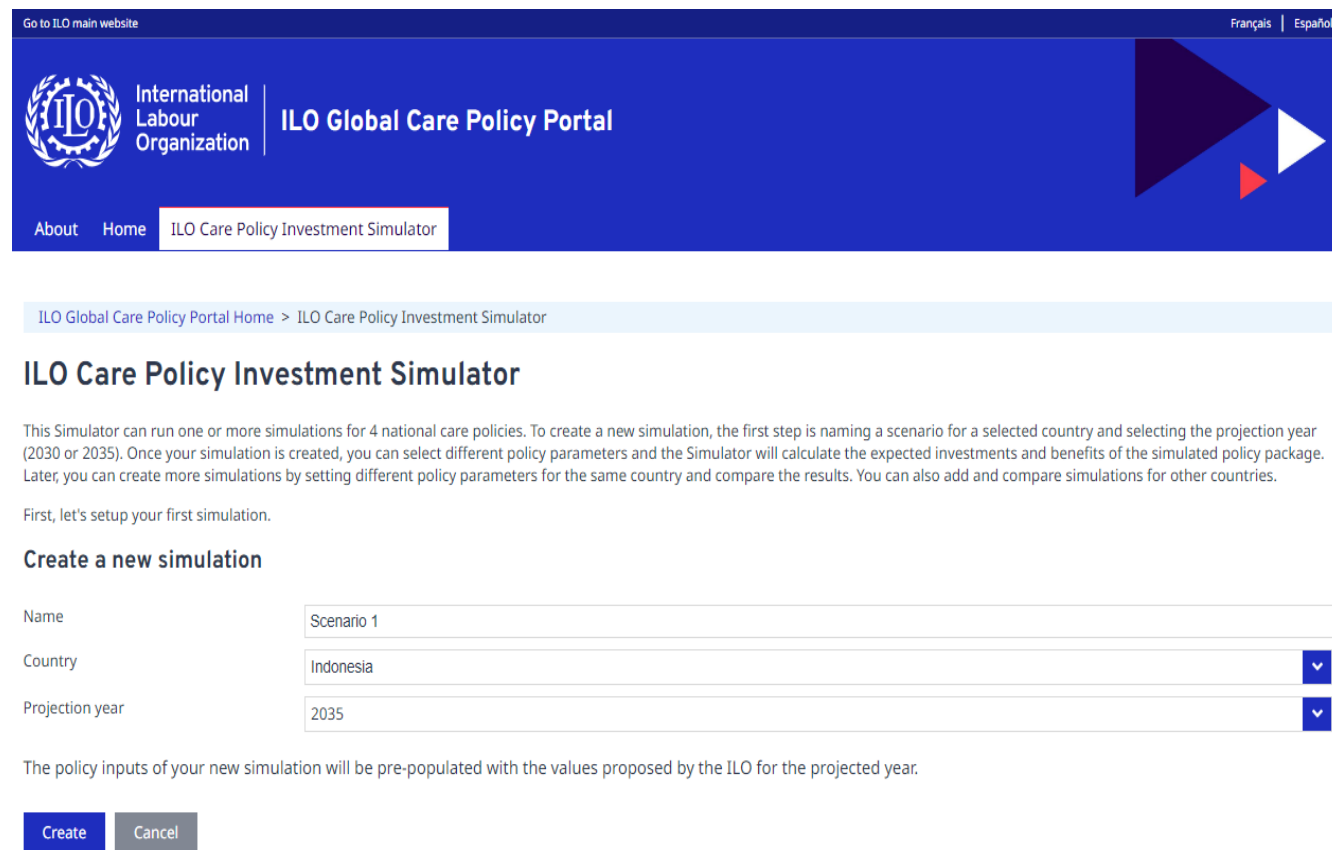
- Topic:** A dropdown menu currently set to "Maternity leave".
- Year:** A dropdown menu currently set to "2021".
- Region / Countries and territories:** A search box with the placeholder text "Enter and select".
- Key Indicators:** A list of indicators with checkboxes:
 - Duration of maternity leave (weeks):
 - 18 weeks or more
 - 14-17 weeks
 - 12-13 weeks
 - Less than 12 weeks
 - No statutory maternity leave
 - Amount of maternity leave cash benefits (% of previous earnings)
 - Source of funding of maternity leave cash benefits
 - Presence of maternity leave scheme aligned with the provisions of Convention No. 183
 - Scope - Provision of maternity cash benefits for self-employed workers
 - Scope - Provision of maternity leave for adoptive parents
 - Scope - Provision of maternity leave for domestic workers
 - Scope - Provision of maternity cash benefits for domestic workers

At the bottom, there is a world map where countries are color-coded according to the selected filters. A "Table" button is visible next to the filters.

An online policy modelling tool that allows for building tailor-made care policy investment packages and calculate related investment requirements and benefits

Scope and features

- ▶ **82 countries:** 14 in Africa, 9 in the Americas, 1 Arab State, 22 in the Asian and the Pacific region and 36 European and Central Asian countries
- ▶ **4 care policies:** childcare-related paid leave, breastfeeding breaks, early childhood care and education, and long-term care services
- ▶ **5 key results:**
 - public investment requirements;
 - job generation;
 - reduction in gender employment gaps;
 - reduction in gender earning gaps;
 - return on investments.
- ▶ **2 projection years (2030 and 2035) and several parameters** that could be modified by the user
- ▶ Possibility to **compare** between **scenarios** and **countries** to export the results



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Go to ILO main website Français | Español

International Labour Organization | ILO Global Care Policy Portal

About Home ILO Care Policy Investment Simulator

ILO Global Care Policy Portal Home > ILO Care Policy Investment Simulator

ILO Care Policy Investment Simulator

This Simulator can run one or more simulations for 4 national care policies. To create a new simulation, the first step is naming a scenario for a selected country and selecting the projection year (2030 or 2035). Once your simulation is created, you can select different policy parameters and the Simulator will calculate the expected investments and benefits of the simulated policy package. Later, you can create more simulations by setting different policy parameters for the same country and compare the results. You can also add and compare simulations for other countries.

First, let's setup your first simulation.

Create a new simulation

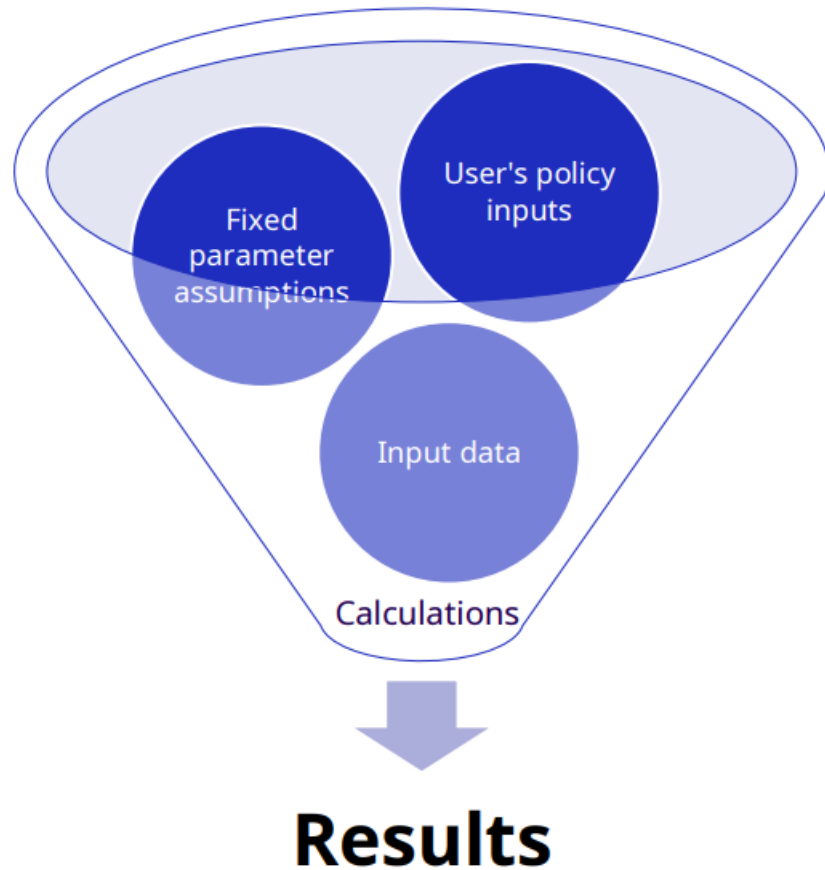
Name

Country

Projection year

The policy inputs of your new simulation will be pre-populated with the values proposed by the ILO for the projected year.

How the Simulator works?



Calculations

- ▶ The Simulator estimates the investment requirement for **free, universal** and **publicly funded leave policies and services**.
- ▶ It does so by calculating the investment requirement for all the population within the age range or corresponding requirements, and then subtracts the current public investment if available.
- ▶ The employment effects are calculated using input-output table analysis.

The Simulator does not limit the calculation to estimate the investment requirement for those that are not currently covered. In this way, the investment is guaranteeing a better care service system to be provided to all the people in need of care.

Given the time horizon of up to 2035, longer term impacts of improved health and education outcomes for children receiving services are not captured.

Adjustable user's policy inputs across four policy areas

ILO default parameters based on international standards and guidelines, country best practices and policy research

Childcare-related paid leave (maternity, paternity and parental leave)

- **Paid weeks of maternity leave**
 - At least 14 weeks paid at least at 67% of previous earnings (equivalent to 9.38 weeks paid at 100% = 14 weeks * 67%) or 18 weeks at 100%.
- **Paid weeks of paternity leave**
 - Between 0.6 and 18 weeks paid at a 100%
- **Paid weeks of parental leave**
 - Parental leave for both parents to reduce childcare policy gaps. Parental leave is paid at 67 per cent of previous earnings and is split equally between parents.

Early childhood care and education (ECCE)

- **% of children in ECED or pre-primary**
 - 0-2 years: 50%-60% enrolled
 - 3-5 years: 90%-100% enrolled
- **Hours per week per child (ECED or pre-primary)**
 - 40 hours to reflect a full-time coverage for 52 weeks per year
- **Number of children per staff with pedagogical qualifications**
 - 4-5 children aged 0-2
 - 8-15 children aged 3+
- **Pay of early childhood educators:**
 - 100% of primary teachers' wage to guarantee high quality of education.

Breastfeeding breaks

- **Minutes per day**
 - Between 60 and 120 hours per day for 6 months as the recommended period for exclusive breastfeeding (WHO, 2021)

Long-term care (LTC)

- **Recipient to LTC workers ratio**
 - 2.5-4 beneficiary/worker (according to age group)
- **Share of personal care workers (% of LTC workers)**
 - Between 1/3 and 100%
- **Pay level of personal care workers**
 - 75% of nurses' wage

Simulator results – Investment requirements and Job generation



▶ **0.30% of GDP**

Or US\$362 billion, to expand adequately paid childcare related leave and breastfeeding breaks by 2035

▶ **1.97% of GDP (or 1.6 % of GDP after taxes)**

Or US\$ 1.9 trillion, to expand Early childhood care and education provision by 2035

▶ **2.2% of GDP (or 1.7 % of GDP after taxes)**

Or US\$3.1 trillion, to expand long-term care provision by 2035

▶ **295 million jobs**

94 million direct jobs in ECCE and 135 million direct jobs in long-term care 66 million indirect jobs

▶ **Gender transformative**

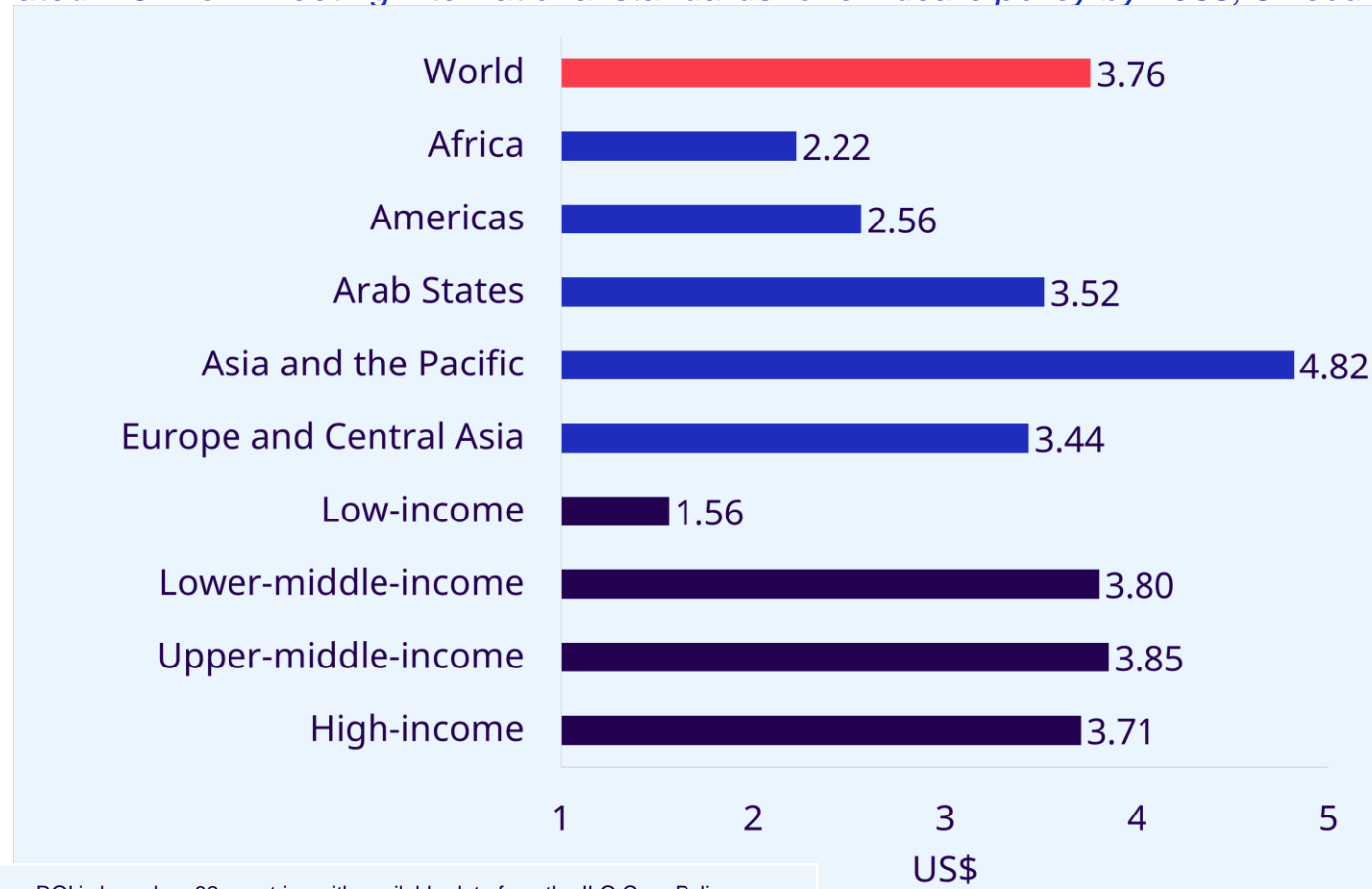
84 per cent of new jobs would potentially go to women, from which 95 per cent would be formal employment on average

▶ **High returns on investment**

Tax revenue and an average US\$3.8 GDP increase per US\$1 invested from higher maternal employment and earnings

The Care Policy Simulator provides estimates of the return on investment of public spending on childcare-related leave and early childhood care and education (ECCE) services. ROI is defined as the US\$ increase in GDP per each US\$ spent on these services and policies, based on mothers not suffering a motherhood pay penalty over their lifetime (labour income).

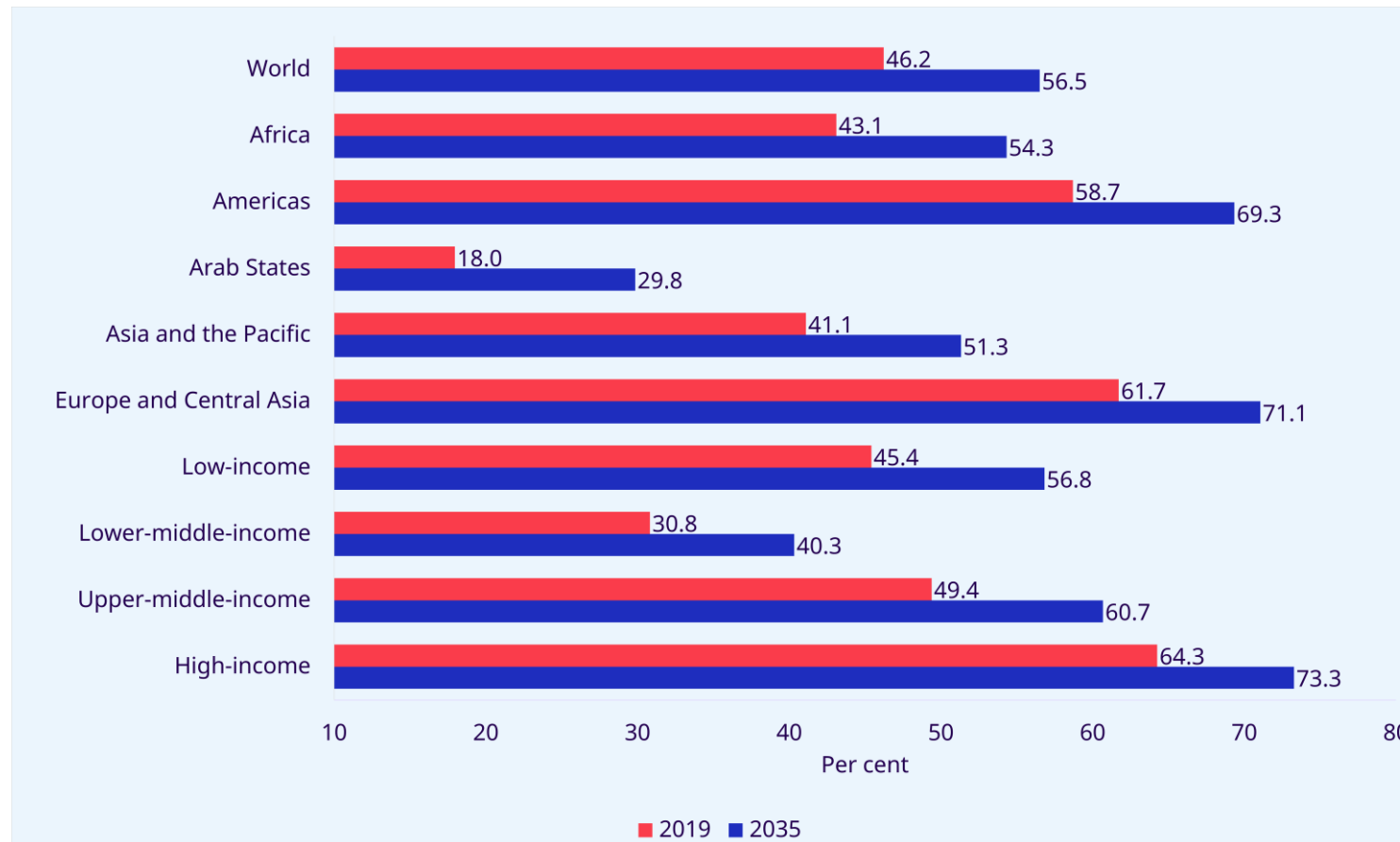
Estimated ROI from meeting international standards for childcare policy by 2035, 82 countries



Note: Arab States comprises only Saudi Arabia. The average ROI is based on 82 countries with available data from the ILO Care Policy Investment Simulator (2023c) and weighted by the projected GDP in US\$ by 2035. Source: ILO Care Policy Investment Simulator, 2023.

▶ The employment impacts of investment in care services could increase women’s employment rates globally.

Women’s employment-to-population ratios by region and income group, 2019 (reference year) and 2035 (simulated)



Note: Arab States comprises only Saudi Arabia. Source: ILO calculations based on labour force and household surveys data for 2019 or latest available for the 2019 estimates, and projected values from the macrosimulation model for 2035. The percentages estimates are based on 82 countries with available data from the ILO Care Policy Investment Simulator (2023c) and weighted by the baseline employed population aged 15 and above in 2019. Source: ILO Care Policy Investment Simulator, 2023.

Simulator Results – County application in Indonesia

- ▶ The ILO estimates that investing in universal childcare and long-term care services could **generate almost 10.4 million jobs by 2035**
 - 4.3 million direct jobs in childcare
 - 4.3 million direct jobs in long-term care
 - 1.7 million indirect jobs in non-care sectors

- ▶ Closing these large policy gaps would require a **progressive and sustainable annual investment of US\$57 billion** (2.6 per cent of GDP before taxes) by 2035. Tax revenue from increased earnings and employment would reduce the funding requirement for all policies to a **net 2.4 per cent of GDP (after taxes)** in 2035

- ▶ The investment in a universal and comprehensive care policy package **could improve gender gaps in employment rates and wages :**
 - women's employment rate from 49% in 2019 to 56.8% by 2035
 - gender gap in monthly wages from 20.6% in 2019 to 10.4% by 2035

- ▶ It is estimated that a care package that extends adequately paid childcare-related leave as well as early childhood care and education services **would result in 2.5 dollars of GDP increase per dollar spent.**

▶ Video demonstration

Site:

<https://www.youtube.com/watch?v=6LRz2oPIR-Q>

Purpose of the demonstration:

www.ilo.org/globalcare

1. How to create a **new simulation**.
2. How to **modify the policy inputs** to create your own simulation.
To use the simulator you need to register for free.
3. How to use the **graph option** to compare policies.
4. Explanation of the **results section**.
5. How to **compare** between simulations and countries.
6. Learn how to **download the Excel** with results.

ILO Care Policy Investment Simulator

Build tailor-made care policy investment packages

Set your policy parameters in **4 care policy areas**:

- Maternity, paternity and parental leave
- Breastfeeding breaks
- Early childhood care and education services
- Long-term care services

Get results for **over 80 countries** on:

- Public investment requirements
- Job generation
- Reduction in gender employment gaps
- Reduction in gender earning gaps
- Return on investment

To visit, scan:



ilo.org/globalcare

Available in **English, French and Spanish**

