

Indonesia Social Protection Technical Seminar (ISPTS)

# THE CARE ECONOMY IN INDONESIA

## AN INNOVATIVE APPROACH FOR FACILITATING INCLUSION OF WOMEN IN ECONOMIC DEVELOPMENT

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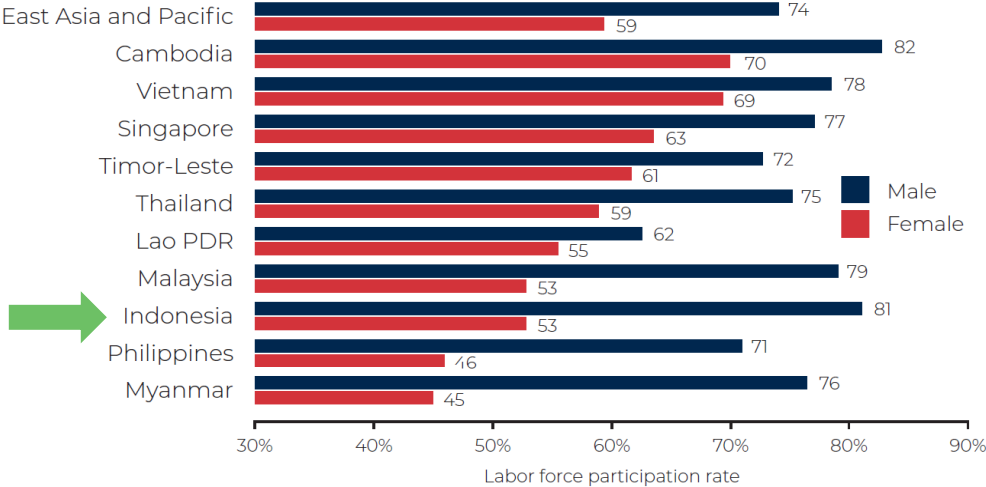


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# INDONESIA HAS A LARGE GENDER GAP IN WORKFORCE PARTICIPATION

Female labor force participation (FLFP) has remained unchanged for at least two decades, hovering around 51-53 percent

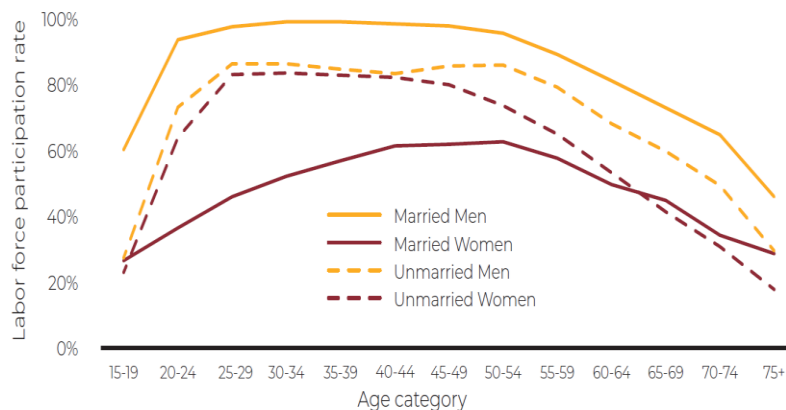
**LFP IN SOUTHEAST ASIAN COUNTRIES (%)**



Source: World Bank Gender Data Portal based on International Labour Organization (ILO) estimates for 2022.

# CARE AND FAMILY RESPONSIBILITIES ARE ONE OF KEY BARRIERS TO WOMEN'S ECONOMIC PARTICIPATION

LFP IN INDONESIA BY MARITAL STATUS AND AGE (%)



Source: World Bank staff calculation from National Labor Force Survey (SAKERNAS).

Marriage and childbirth correlate with women's exit from the workforce

- Social norms position women as the primary caregivers and men as breadwinners
- Labor markets and economic institutions do not support balancing work and care roles

# THE CARE ECONOMY IS CRITICAL TO WOMEN'S ECONOMIC PARTICIPATION AND SOCIAL WELL-BEING IN INDONESIA



Why investing in the care economy?

- Create new jobs
- Increase employment and productivity
- Improve human capital accumulation
- Contribute to economic growth

# SOME POLICY OPTIONS WITHIN SOCIAL PROTECTION INSTRUMENTS

- **Financial support:**
  - **Conditional Cash Transfers** for families: extend beyond enrollment fees to include expenses related to care, such as transportation, meals, books, uniforms, and more.
  - Subsidies, grants, tax credits for care service providers to reduce costs of entry and operation.
- **Skills training and accreditation for care providers:**
  - Developing a practitioner qualification framework and associated learning management and training programs on caregiving to be conducted periodically.
  - Simplifying and reducing the financial and transactional costs of licensing and accreditation for care providers.
  - Include training for care providers in the government's training programs, such as Skillhub, Prakerja, Skills for Jobs.

# INVESTING IN THE CARE ECOSYSTEM: POLICY OPTIONS WITHIN SOCIAL PROTECTION

- **Labor market policy reforms**
  - Apply minimum wage standards commensurate to educational attainment.
- **Social security measures**
  - Expanding the duration of paid maternity leave benefits and bringing it under a publicly provided social assistance system/social security system.

# INVEST IN THE CARE ECOSYSTEM, STARTING WITH CHILDCARE COMMUNITY-BASED CHILDCARE AND WOMEN'S EMPOWERMENT PROJECT



## RATIONALE:

- Most care provision in Indonesia is concentrated in informal arrangements
- Expanded access to ECED services is expected to promote women to participate in the labor force
- Increased female labor force participation will have economy-wide gains

# PROJECT DESCRIPTION

## Objective:

- to improve community-based childcare provision and women’s economic participation in selected villages (100 villages across 9 provinces)

## Project components:

1. Improving quality and accessibility of childcare services;
2. Women’s economic and social empowerment
3. Community advocacy to ensure support and sustainability of childcare initiatives

## Implementation:

- 2025 – 2029
- Yayasan Pemberdayaan Perempuan Kepala Keluarga (PEKKA),
- JSDF and ELP (Early Learning Partnership)



# The Care Economy in Indonesia:

## A Pathway for Women's Economic Participation and Social Well-being

“The report provides a comprehensive assessment of Indonesia's care ecosystem, with a focus on childcare, and makes practical recommendations for the government, private sector, and other stakeholders.”



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