

Transforming Africa's Future: Leveraging Fiscal Policy to Finance the Care Economy for Inclusive Growth and Productive Employment

Solutions Session at the Second World Summit for Social Development

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Virtual

Background

The care economy—including childcare, eldercare, healthcare, and household work—is the invisible backbone of African economies, yet remains critically underfunded and undervalued. Over 70% of care work across Africa is unpaid and performed by women and girls, perpetuating gender inequalities, limiting educational and employment opportunities, and restricting women's participation in the formal workforce^{1,2,3}. If monetised, unpaid care work could represent up to 9% of global GDP—nearly \$ 11 trillion⁴. In Africa, women and girls spend around 3.4 times more time on care activities than men, comprising as much as 8.8% of GDP in some countries⁵. Despite this enormous value, unpaid care remains largely invisible in national accounts and is overlooked by policymakers.

Underinvestment in care services, regressive budgets, and mounting debt have shifted this burden to households, impeding inclusive growth and the realisation of the Sustainable Development Goals and Agenda 2063. Most African countries allocate minimal public funding to care, often viewing it as a private responsibility⁶. Rising debt service and regressive tax systems further crowd out social budgets, disproportionately impacting poor women. International financing also fails to prioritise foundational care infrastructure, such as access to water and community childcare.

Several barriers persist. The first is the perception that care is a costly burden with few immediate benefits. The second is uncertainty over the scale, pace, and distribution of returns on investment in the care sector—concerns that allow vested interests to impede progress. As a result, care remains excluded from national policy priorities.

The impact is especially severe for girls, many of whom are forced to drop out of school at a young age to meet household care needs. This not only undermines Africa's commitment to universal education but also blocks the continent from harnessing its demographic dividend. Unpaid care work leaves women and girls with less time and fewer choices for decent work,

¹ [Valiani, Salimah \(2023\). COVID-19, Future Pandemics and the Africa Care Economy Index. *SouthViews* No. 250 \(August\). South Centre.](#)

² [Valiani, Salimah \(2022\). *The Africa Care Economy Index*. United Nations Development Programme \(UNDP\) and FEMNET – The Africa Women's Development and Communication Network](#)

³ [Southern Africa Trust \(2025\). *Financing Care is Financing the Future*. 1 July 2025](#)

⁴ Ibid

⁵ [Valiani, Salimah \(2022\). *The Africa Care Economy Index*. United Nations Development Programme \(UNDP\) and FEMNET – The Africa Women's Development and Communication Network; Southern Africa Trust \(2025\). *Financing Care is Financing the Future*. 1 July 2025](#)

⁶

education, civic participation, and leisure, increasing their risk of poverty and limiting their potential.

Moreover, paid care roles—also dominated by women—often come with low wages and poor working conditions, further entrenching gender and economic disparities. However, strategic public investments in care infrastructure—such as universal childcare—offer huge transformative potential. For example, expanding childcare services in countries like Senegal and Tanzania could create hundreds of thousands to millions of formal jobs, drive economic growth, and reduce gender inequality. Every \$1 invested in the care sector generates two to three times as many jobs as traditional infrastructure, with up to 78% of those jobs going to women⁷. Improvements in care infrastructure—for example, accessible childcare, clean energy, and health services—could increase women’s labour force participation by up to 15% and ease the care burden shouldered by households, fostering inclusive growth⁸. Additionally, increasing women’s labour force participation could broaden Africa’s tax base and strengthen fiscal space, as more women move into formal, taxable work.

Unlocking these benefits requires African countries to recognise the care economy as essential to economic and social infrastructure. This will demand gender-responsive budgeting, progressive tax policies, targeted social spending, and innovative financing—including linking debt relief and crisis financing to national commitments on care. Partnerships across public, private, and community-led models, as well as scaling up proven innovations such as Rwanda’s onsite childcare—which has reduced absenteeism among female workers by 22% and boosted productivity⁹—are key steps forward. Progressive efforts like Kenya’s national care policy, aimed at institutionalising care and addressing unpaid work, serve as evidence-based models for the region.

To support reform, it is vital to improve data and accountability—using tools such as the Africa Care Economy Index to map gaps, recognise the full value of care, and set meaningful targets for gender equality and sustainable development. Financing Africa’s care economy is thus not only an issue of women’s rights but a strategic investment in inclusive growth, resilience, and long-term prosperity.

Session Focus

This solutions session will explore how innovative, equity-driven fiscal policy can drive investment in Africa’s care economy, generating millions of decent jobs—especially for women—while advancing full and productive employment. It will present evidence, country experiences, and effective policy pathways to transform the care sector into an engine of inclusive growth, social protection, and resilience.

Objectives

- Elevate the care economy as a strategic public investment for sustainable development.

⁷ Southern Africa Trust (2025). *Financing Care is Financing the Future*. 1 July 2025

⁸ Southern Africa Trust (2025). *Financing Care is Financing the Future*. 1 July 2025; World Bank (2022). *Expanding Access to Affordable and Quality Care*. Washington, DC

⁹ Muhammed, Joshua (2025). *Africa’s Unseen Workforce: Women and the Unpaid Care Economy*. *African Leadership Magazine*.

- Highlight evidence, innovations, and country case studies—including from Early Childhood Development (ECD) services in Tanzania—demonstrating how care investment boosts employment, women’s labour force participation, and poverty reduction.
- Identify effective policy tools and financing mechanisms—such as gender-responsive budgeting and blended finance—to mobilise resources for care and ECD systems.
- Foster partnerships among governments, the private sector (including national development banks), and development partners to advance transformative policies.
- Raise awareness of the broad economic and social benefits of increased public investment in care domestically and internationally.

Expected Outcomes

- Recognition of the care economy’s centrality to economic development, gender equality, and human capital growth.
- Concrete recommendations for integrating care investments into national budgets and macro-fiscal policy.
- Actionable action points and partnership commitments to build capacity, enhance data collection, and scale up innovative care models—including public-private partnerships.
- Elevated visibility and accountability for care commitments within global and regional frameworks, including the SDGs and AU Agenda 2063.

Format and Structure

The session will bring together senior government officials, policymakers, leaders from international organisations, development banks, civil society, academia, the private sector, youth and women’s organisations, and care workers’ associations. Grassroots voices will be prioritised. The inclusive format is designed to facilitate strategic dialogue, foster collaboration, and generate realistic solutions to unlock the potential of Africa’s care economy.

Session length: 75 minutes

Time	Activity
11:00 – 11:05	Welcome and Objective Setting – Zuzana Brixiova Schwidrowski, Director Gender, Poverty and Social Policy Division, UNECA) This serves to introduce the session, outline the agenda, and define the objectives of the session.
11:05 – 11:20	Opening remarks (5 minutes each) • Senior government official, Ministry of Finance and Planning, United Republic of Tanzania • UN Women Regional Director, East and Southern Africa, Anna Mutavati •
11:20-11:35	Keynote address: Dr Haroon Akram-Lodhi , Professor Emeritus of Economics, Global Justice and Development at Trent University in Peterborough, Canada, will

	present the latest research and a visionary call to action on investing in the care economy as a pathway to inclusive development in Africa. His presentation will set the stage for the upcoming panel discussion.
11:35 – 12:00	Panel discussion During this panel discussion, the panellists will answer one question for no longer than 5 minutes. Opportunities for scaling up investments in <i>the care economy</i>; • Investment in Early Childhood Development Services in Tanzania – UNICEF • Investing in free universal childcare in sub-Saharan Africa: Estimating spending requirements, gendered employment effects and fiscal revenue – UN Women • Leveraging gender-responsive budgeting to expand fiscal space for the care economy – (An expert's take) • Case study on Rwanda's journey on GRB linking it with fiscal space in the care economy - Senior government official, Republic of Rwanda, Q&A from the audience ▪
12:00 – 12:10	Q&A and next steps, facilitated by the moderator
12:10 – 12:15	Closing Remarks • UNICEF Regional Director for Eastern and Southern Africa, Etleva Kadilli