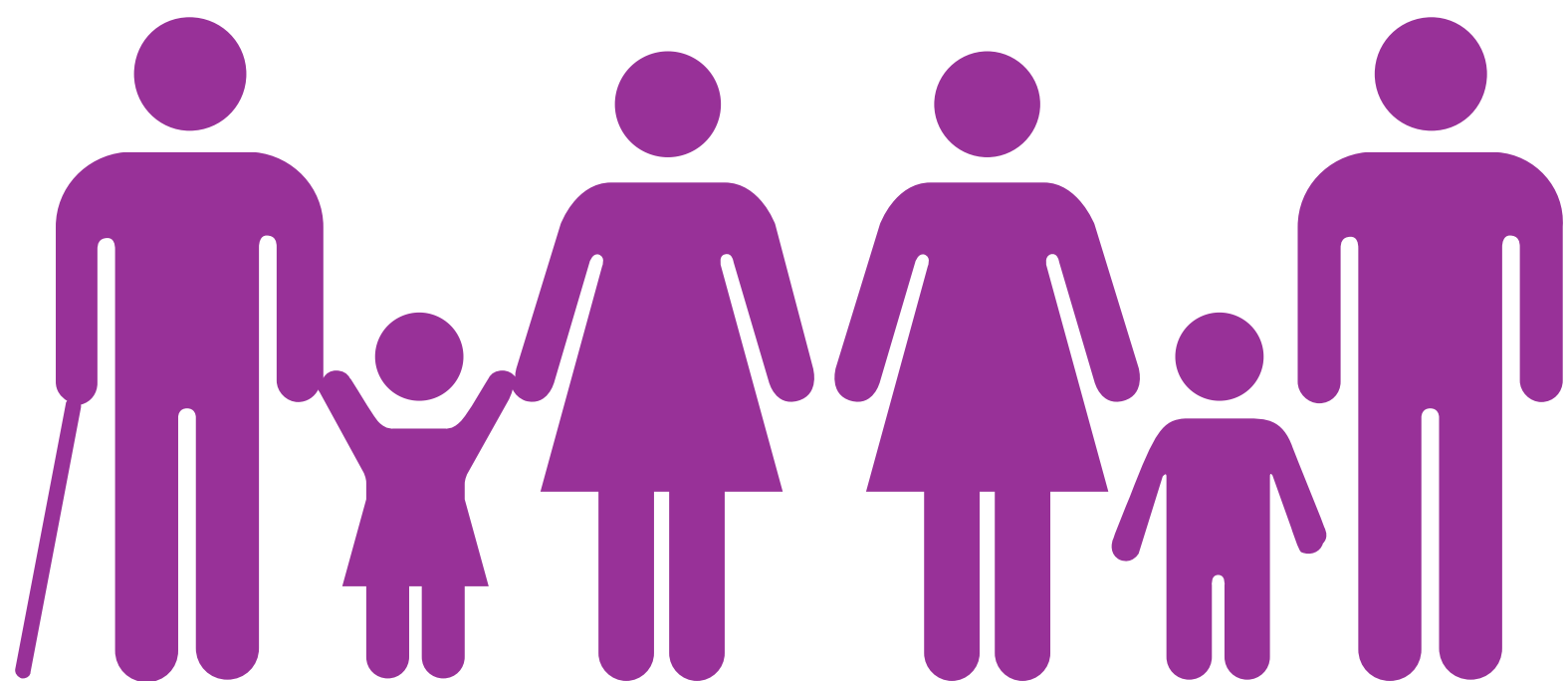

Unlocking the Potential: Investing in Uzbekistan's Care Economy for Societal Well-Being and Economic Growth



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Executive Summary

The care economy, essential for the well-being of care-dependent populations, encompasses direct and indirect care provided by informal caregivers, often unpaid and linked by pre-existing relationships. The UNDP emphasizes market-based solutions, aligning with the transformation of the care economy. This paper targets public and private investors, urging them to invest in the expanding care economy in Uzbekistan.

Investment in the care economy goes beyond economic contributions, addressing social and well-being dimensions. While unpaid care work holds intrinsic value, focusing on the economic returns of paid care opportunities can stimulate interest and contribute to gender equality. Private long-term care insurance, tax exemptions, and market-based solutions align with the UNDP's strategy, offering substantial benefits and market opportunities, particularly in sectors like care and well-being.

Population aging and the rising prevalence of chronic illnesses in Uzbekistan underscore the growing importance of the care economy. Unpaid care work, primarily undertaken by women, poses challenges. The paper explores the expanding preschool education system and state elderly care initiatives. The gender wage gap and an aging population create a demand for enhanced care infrastructure and private-sector partnerships.

Despite global demand and aging populations, the care economy faces challenges in accessing capital, short-term investment perspectives, and the absence of a well-established market. In Uzbekistan, cultural norms, regulatory gaps, and gender biases complicate care investments. Recognizing these challenges is crucial for unlocking the full potential of the care economy in Uzbekistan.

The private sector plays a fundamental role in organizing economic activities within a market-driven economy. The care economy ecosystem involves care enterprises, investors, intermediaries, and governments. To facilitate investments, a supportive environment aligned with social business models is crucial. The paper provides an entry points framework to guide investors in making conscientious decisions, and promoting the reduction, redistribution, and rewarding of care work.

Investing in the care economy in Uzbekistan is imperative for societal well-being and economic development. Collaborative efforts from the government, investors, and care service providers are essential to address challenges and create a culturally sensitive and sustainable care ecosystem. The entry points framework shown in this paper serves as a starting point for investors to explore opportunities and contribute to the development of a robust and inclusive care economy tailored to Uzbekistan's unique context.

Introduction

The care economy lacks a universally agreed-upon definition, though UN Women has established a working definition employed in this paper. **The care economy**, as delineated by UN Women, encompasses the generation and utilization of goods and services essential for the physical, social, mental, and emotional well-being of care-dependent populations, including children, the elderly, the ill, individuals with disabilities, and healthy adults in their prime working years.¹

This conceptualization encompasses both direct and indirect care. Direct care involves individualized relational tasks between caregivers and care recipients, such as breastfeeding infants, assisting children with homework, attending to bedridden elderly individuals, and providing emotional support to those facing terminal illnesses. On the other hand, indirect care does not entail person-to-person interaction but encompasses essential elements of care provision, such as common domestic tasks like cooking, cleaning, washing, shopping, and household repairs and maintenance.²

Informal caregivers, often unpaid and frequently linked by pre-existing relationships, such as family, friends, or neighbors, play a crucial role in providing care. However, not all informal caregivers are unpaid. Some individuals lacking necessary travel documents, training, or

¹ UN Women. 2018. Promoting Women's Economic Empowerment: Recognizing and Investing in the Care Economy. Issue Paper.

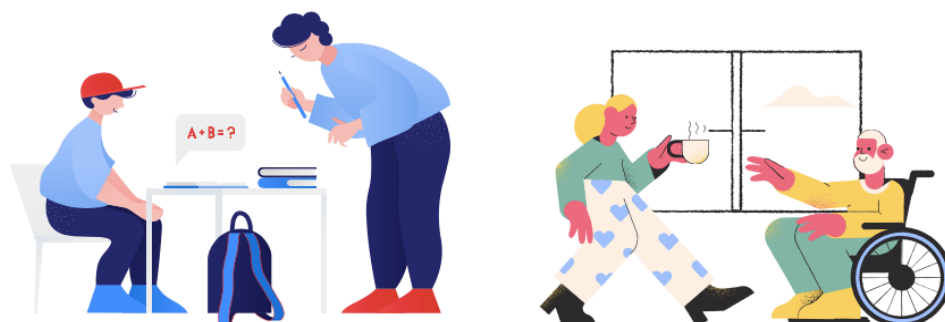
² Pathways towards decent work in the digitally enabled care economy in Southeast Asia, UN Women and Value for Women, 2023.

credentials migrate to other countries to offer care services, relegating them to the informal sector where remuneration is typically inadequate³.

The importance of market-based solutions for transforming the care economy is underlined by the United Nations Development Programme's (UNDP) Private Sector Strategy⁴, which articulates a comprehensive approach to making markets work for the Sustainable Development Goals (SDGs). In collaboration with governments, civil society, and businesses, this strategy aims to harness the potential of the private sector as a crucial actor in advancing the SDGs, with a specific focus on gender equality and the inclusion of poor and marginalized populations and communities.

The mission of the UNDP's Private Sector Strategy aligns with the transformation of the care economy by actively influencing investors and businesses of all sizes. By encouraging the embedding of SDGs into their operations, the strategy aims to create a ripple effect, ensuring that private sector entities actively contribute to societal well-being, especially in the realm of care services. Through the facilitation of multi-stakeholder partnerships, UNDP recognizes the interconnectedness of actors in the market system, thereby emphasizing collaborative efforts in transforming the care economy.

Primarily directed at investors both public and private, this paper aims to boost enthusiasm for and direct financial resources toward the expanding care economy in Uzbekistan. It provides a structured approach for investors to comprehend the potential opportunities and enormous demand within the care economy and identify strategic points for intervention.



³ 2023: Leaving No One Behind in An Ageing World, The Department of Economic and Social Affairs of the United Nations Secretariat, 2023.

⁴ UNDP Private Sector Strategy 2023-2025, 2023.

What are the benefits of Investment in the Care Economy?

Even when care work is assessed through GDP, employment impact, productivity, or income, its valuation remains confined to its economic contributions. This approach neglects the inherent value of care work, including its social and well-being dimensions. This paper emphasizes the economic returns of care work and shares this limitation as it does not encompass the intrinsic value of unpaid care work. Nevertheless, it is asserted that directing attention towards the economic returns in paid care opportunities can stimulate interest and investment in this domain, ultimately contributing to broader objectives related to gender equality.

To complement governmental initiatives, people have the option to acquire private long-term care insurance, as observed in countries like France and the United States where enrollment is voluntary⁵. Despite this, the private long-term care insurance market remains relatively modest, contributing minimally to funding long-term services. To cultivate a more substantial private market, governments can stimulate participation by regulating the pricing of long-term care insurance and ensuring market stability. Simultaneously, efforts can be made to enhance the perception of risk among the working-age population and their ability to estimate potential long-term care needs. Offering tax exemptions for long-term care facilities, equipment, medication, and other healthcare support could serve as an incentive for increased private investment.

Notably, there exists a symbiotic relationship wherein the private sector can reap substantial benefits by advancing the SDGs. This progress could open up market opportunities amounting to US\$12 trillion⁶, particularly concentrated in sectors crucial to the care economy, such as health and well-being. Furthermore, the attainment of SDG5, centered on gender equality, and

⁵ 2023: Leaving No One Behind In An Ageing World, The Department of Economic and Social Affairs of the United Nations Secretariat, 2023.

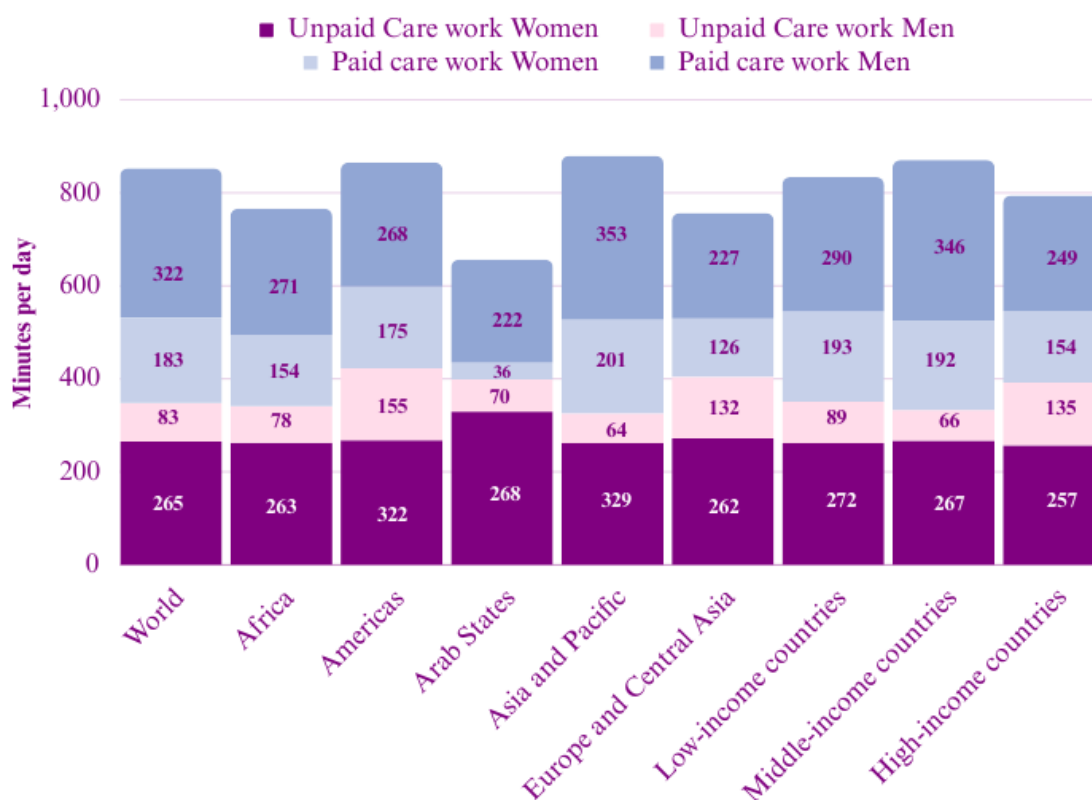
⁶ Business and Sustainable Development Commission. (2017). The Better Business Better World Report

the realization of economic parity for women, has the potential to contribute an additional US\$12-28 trillion to the global GDP within the care economy framework⁷.

The investment gap in the care economy is estimated at US\$5.4 trillion annually, equivalent to 4.2 percent of the total annual gross domestic product (GDP) by 2035⁸. Whereas, reducing and redistributing unpaid care work and formalizing paid care work is a key factor in improving gender inclusion in the economy and society. For instance, it is estimated that investing in the care economy could generate approximately 300 million jobs by 2035, of which 78% would be jobs for women and 84% would be in formal employment⁹.

The time that women and men spend on carework in 2018

Source: ILO, Models of care employment around the world



Within the care economy, numerous families make purchasing decisions as they seek essential products and services to support the well-being of family or household members. However, this narrative extends beyond families, encompassing a diverse array of buyers, including employers, insurance entities, care providers, and government agencies. Increasingly,

⁷ McKinsey & Company. (2016). Delivering the power of parity: toward a more gender-equal society.

⁸ ILO (07 March 2022). Greater investment in care could create almost 300 million jobs. [Link](#)

⁹ Value for Women. The Case for Care: Catalysing investments into the care economy in South and Southeast Asia. Value for Women: 2023.

individuals are recognizing that the realm of care holds economic significance, influencing various stakeholders beyond just families. Among these accelerator actors, employers play a foundational role in shaping the dynamics of the care economy.

In the highly competitive realm of the current labor market, a recent McKinsey & Company survey¹⁰ revealed the substantial influence of employer-provided childcare benefits on employee attraction, retention, and advancement. The findings reveal that 69% of women actively seeking employment, with children aged five and under, express a heightened likelihood of choosing an employer offering assistance with childcare expenses or on-site childcare. Moreover, an impressive 83% of women and 81% of men with young children consider childcare benefits to be a pivotal factor, whether 'very important' or 'somewhat important,' in their decision to stay with their current company or explore alternative opportunities. Notably, 40% of respondents who had foregone pursuing promotions indicated that access to on-site childcare could have been a decisive factor in reconsidering and potentially reversing that decision.

The care consumer demographic extends beyond conventional assumptions, encompassing not only women, notably mothers and daughters managing the needs of aging parents, who traditionally constitute crucial targets within the care market. Globally, there is a shift, however, as fathers are increasingly demonstrating a heightened readiness to engage in caregiving responsibilities. Furthermore, families from diverse demographic backgrounds exhibit a comparable willingness to participate. The scope of the potential care market is more expansive than previously envisaged, indicating a broader and more diverse consumer base for investors.

¹⁰ Gitlin, Gummadi, Krivkovich, and Kunal, *The childcare conundrum: How can companies ease working parents' return to the office?*, McKinsey & Company, 2022.

Current State of the Care Sector in Uzbekistan

Life expectancy at birth in 2022 was 74.3 years¹¹, considering the annual population growth rate, changes in life expectancy indicators, as well as changes in the age structure of Uzbekistan's population, it can be assumed that population aging is growing at a faster rate every year. Also, given the increase in the birth rate in the long term, the development of the care economy will become increasingly crucial year by year.

On the contrary, the survival rates of individuals with chronic illnesses are also on the rise, suggesting that people will face an extended period of living with a disease throughout their lifetime. In Uzbekistan, persons over sixty years old in 2022, amounted to more than 3.2 million people, twice as much as in 2009¹².

The aging of the population and shifts in dependency care ratios have diverse consequences for societies and welfare states. On one side, there has been a consistent increase in global healthy life expectancy over the last two decades, indicating that older individuals can play a prolonged role in contributing to economic and social well-being, especially through activities like caring for their grandchildren.

The care and support requirements of aging populations have become more intricate over time. Traditionally, the extended families that lived together, whether beneficial or detrimental, were responsible for addressing the needs of the elderly. However, living arrangements for families and older people have undergone changes in both developed and developing nations in recent decades. These transformations, coupled with the overall aging trend, have amplified the need for diverse care options. The consequences of the escalating demand vary significantly for societies and individuals based on the type of care required and the individuals providing it. In the realm of long-term care, women emerge as the primary stakeholders, constituting the majority of both care recipients and those engaged in caregiving, whether compensated or not¹³.

¹¹ www.stat.uz

¹² www.stat.uz

¹³ 2023: Leaving No One Behind In An Ageing World, The Department of Economic and Social Affairs of the United Nations Secretariat, 2023.

In Uzbekistan, over 90 percent of individuals engaged in unpaid childcare and household responsibilities were women. In 2018¹⁴, approximately 57 percent of female entrepreneurs conducted their businesses from home, in contrast to 40 percent of their male counterparts. Additionally, one out of every four employed women worked part-time, while the ratio for employed men was one in five. Despite these statistics, the predominant portion of care work is undertaken without compensation within households. According to the Uzbekistan Statistics Agency¹⁵, women and girls in the country devote twice as much of their daily time, averaging 5.27 hours, to unpaid care and domestic chores compared to men and boys.

Being in employment and having family responsibilities is the norm across the world. In 2022¹⁶, there were 1.4 billion employed adults living with care dependents globally. The composition of households has varying impacts on the participation of women and men in the labor market.

Invariably, the time women allocate to unpaid care work significantly rises when young children are present in the household. Women with caregiving responsibilities face a "labor force participation penalty," while men residing with care recipients experience a "labor force premium."¹⁷ Among people in Uzbekistan aged 25 to 49¹⁸, having children under the age of 3 in the household, employment rates are consistently higher among men compared to women. Working men have a high and relatively stable employment rate regardless of living with children under 3 y.o., whereas more than half of women aged 25 to 49, having children under the age of 3 in the household, do not work.

Expanding the preschool education system has been identified as a priority in the country, with enrollment increasing from 32% in 2018 to almost 70% in 2022. Alternative models were introduced, including public-private partnerships, as a result, more than 21.6 thousand new preschool educational organizations have been opened since 2018. Over 6 years, the number of non-governmental preschool education organizations increased from 754 in 2018 to 1.8

¹⁴ Women and Work in Uzbekistan. Towards Gender Equality and Decent Work for All. Moscow, Russia: International Labour Organization, 2020.

¹⁵ Household sample survey data for 2018, www.stat.uz

¹⁶ Care work and care jobs for the future of decent work, ILO, 2023

¹⁷ "labor force participation penalty"- women living with young children face the most challenges in labor market in entering, promotion, career development, and wage; "labor force premium"- fathers of young children reporting the highest employment-to-population ratios and career development. Care work and care jobs for the future of decent work, ILO, 2023

¹⁸ Household sample survey data for 2018, www.stat.uz

thousand in 2022, and the enrollment of children by non-governmental preschool education organizations increased from 27.9 thousand to 151.3 thousand children. In total, today there are 20 thousand kindergartens operating, including state, non-state, and family-run ones. They are attended by 2.1 million or 71.8% of preschool children.

Year	2020	2021	2022	2023	2024 (budgeted)
Total number of State kindergartens	5965	6325	6384	6556	6610
Pupils number (thousand)	1033.5	1189.9	1245.7	1343.7	1364
Total current public expenditure (bln UZS)	4285.7	6171.8	7780	9161	10469
Per pupil public expenditure (mln UZS)	4.1	5.2	6.2	6.8	7.7
Capital public expenditure (bln UZS)	936.7	1120.5	1110.1	972.4	1020

(Table 1) Source: Ministry of Economy and Finance of Uzbekistan

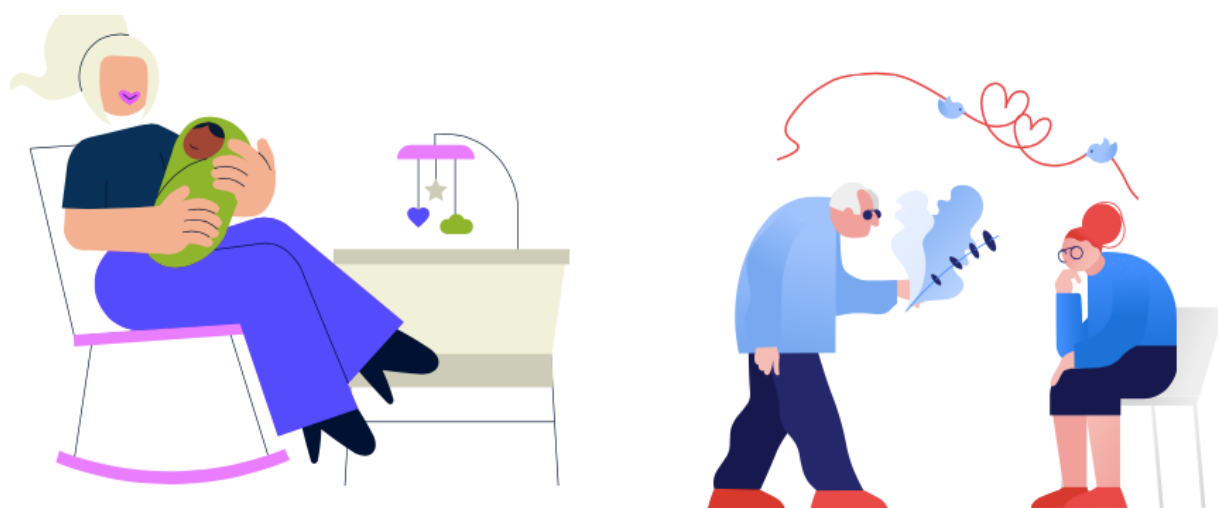
In order to reward and attract investors to the preschool education field the government introduced several initiatives such as financial benefits for those who run or open kindergartens in partnership with the state. These include¹⁹:

- Funds are allocated from the state budget to cover part of the costs of opening kindergarten. However, this amount should not be more than 50% of the expenses for one pupil of the childcare facility.
- If the agreement is concluded under the condition of "material, technical and financial provision", it is possible to receive additional funds from the state budget for the monthly salary of managers and specialists.
- Commercial banks provide preferential loans for the purchase of model houses in rural areas, apartments on the first and second floors of multi-family houses to open kindergartens. The interest rate is 1% per annum, the term is 15 years, and there is also a 3-year grace period.
- Preferential loans can also be obtained for the repair of facilities and the purchase of educational materials.

¹⁹ [Presidential Decree No. PQ-322 dated 14.07.2022 "On additional measures for the further development of public-private partnership in the field of preschool education"](#)

- In addition to tax exemptions, customs exemptions are provided for equipment, equipment, and training manuals brought to our country according to the approved lists. Tax and customs benefits are applied to kindergartens whose net income from the provision of services in the field of preschool education is not less than 80% of the total sales volume by the end of the reporting period.

Additionally, to maintain a system of non-state preschool education organizations www.nodavlat-bogcha.uz platform has been created. The platform performs as digitalized activities of preschool educational organizations, assisting in organizing the activities of non-governmental preschool educational organizations within the framework of the public-private partnership, financial support from the state, and real-time monitoring of educational processes' complex information system.



In the case of state elderly care and disability care, 7 "Sakhovat" boarding houses are operated for 847 single elderly people who live permanently in Uzbekistan²⁰, and do not have first-degree relatives or guardians obliged to take care of them in accordance with the Family Code, or who have group I and II disabilities from the age of 18. They are state medical and social institutions that provide medical and social services for those who live alone and need care.

There is a total of 4,240.8²¹ thousand individuals classified as pensioners and recipients of social benefits in Uzbekistan. The number of individuals receiving old-age pensions is 3,124

²⁰ National agency for social protection, 2023

²¹ Stat.uz

thousand people. While there are 429.6 thousand individuals receiving disability pensions who are unable to work due to a recognized disability, ensuring they receive financial assistance to support their livelihood. Of individuals who receive pension 63.4% of women are 55 years old and above, and 36.6% are men who are 60 years old and above. There are 13,736 “elderly living alone”, 4,681 “Lonely elderly”²², and 2352 public assistants who assist them with buying groceries and medicines, meal preparation, cleaning the house, and hygiene care²³.

While analyzing the demand of paid care sector jobs, advertisements available on the popular online platform²⁴ in Uzbekistan have been analyzed as sampling for the purpose of this paper. The provided data describes a non-state advertising service in Uzbekistan that facilitates the placement of online advertisements covering various topics. Users can utilize this platform to post ads related to job searches, services, the sale of cars, real estate, electronics, and more. As of the given information, there are a total of 832 vacancies listed on the platform related to the care sector. These vacancies are categorized into different types of care work, including 403 domestic work opportunities, 332 related to childcare, and 97 focused on elderly care. This breakdown provides insights into the huge demand for paid domestic and caregiving roles in the current listings but relatively small market mechanisms. The prevalence of job opportunities predominantly within Tashkent City may be attributed to the existing digital divide and varying levels of digital literacy across the diverse regions of Uzbekistan. Nevertheless, an observable trend underscores a notable demand within the care sector.

Unfortunately, like in the entire world in Uzbekistan, there is a gender wage gap, consequently, there is a gender wealth gap at retirement, since contributions to retirement accounts are typically a percentage of pay. For a number of reasons, one of the core ones is that women do an enormous share of unpaid work – often leaving the workplace to care for children and elderly family members. These career interruptions coincide with important earning years. Since 78 percent of households in Uzbekistan include at least one child of 0-17 years while 39 percent of households include a member of pensionable age²⁵, there is a huge demand for enhancing

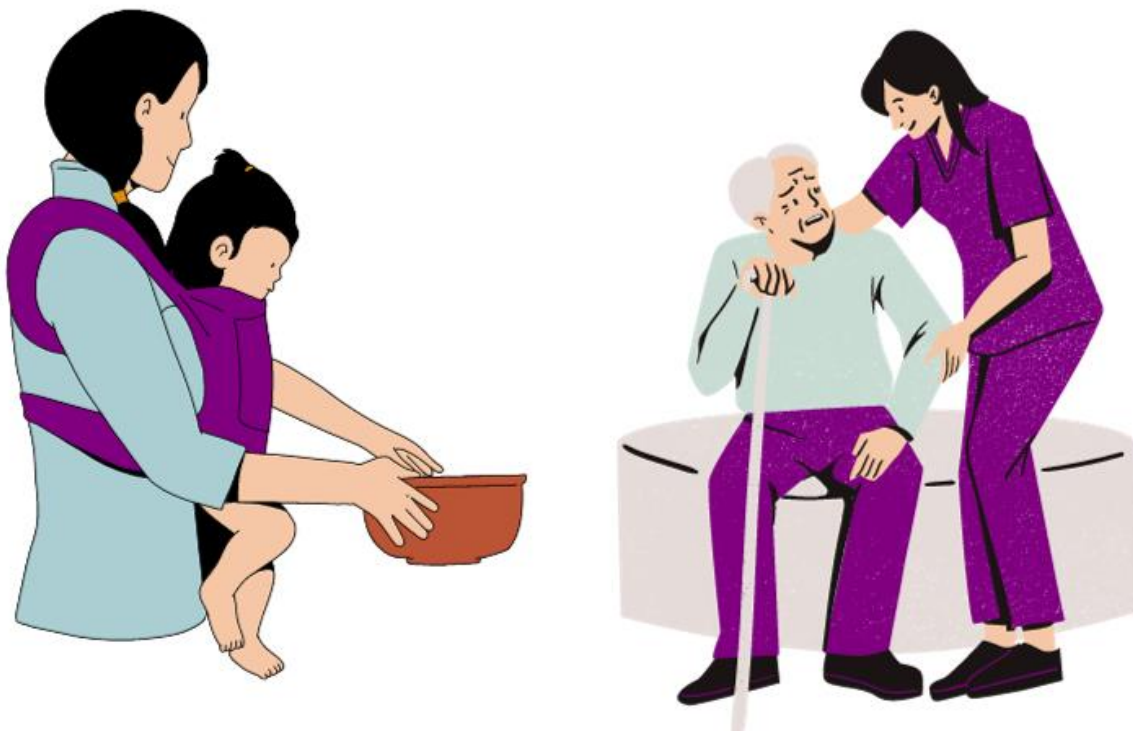
²² *Elderly living alone*- persons of retirement age (men over 60 years old, women over 55 years old) and persons with disabilities living in lonely and in need of external care. *Lonely elderly* people of retirement age, those in need of care and without children, parents, and family.

²³ National agency for social protection, 2023

²⁴ [Accessed on 27/11/2023](#)

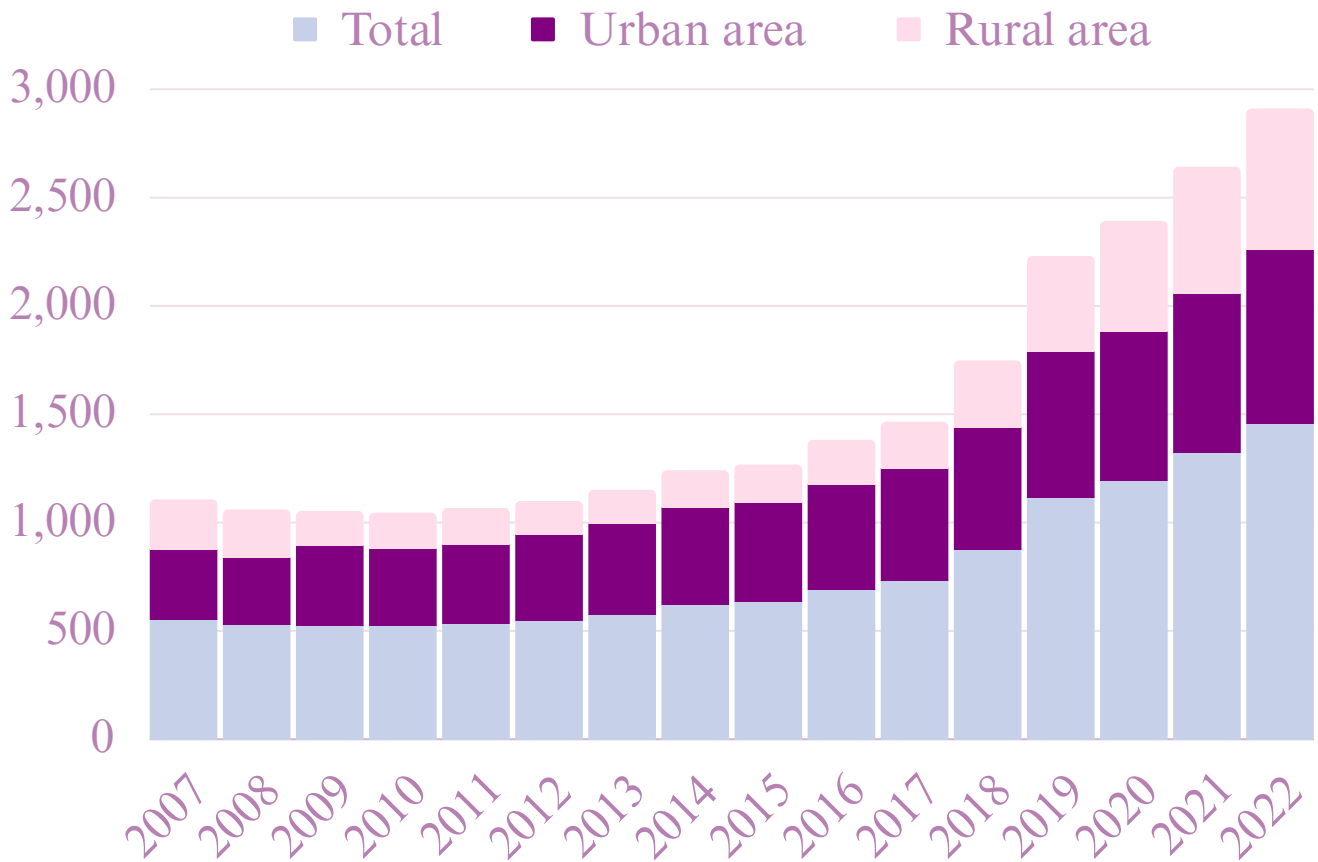
²⁵ Building national social protection system fit for Uzbekistan’s children and youth, UNICEF, 2019.

the development of the care economy through both institutionalizing and partnering with the private sector to avoid the burden on public sector and unpaid caregivers.



Highlights

Number of children in preschool education institution at the end of the year in Uzbekistan, (thousand people)
Source: Statistics Agency of Uzbekistan



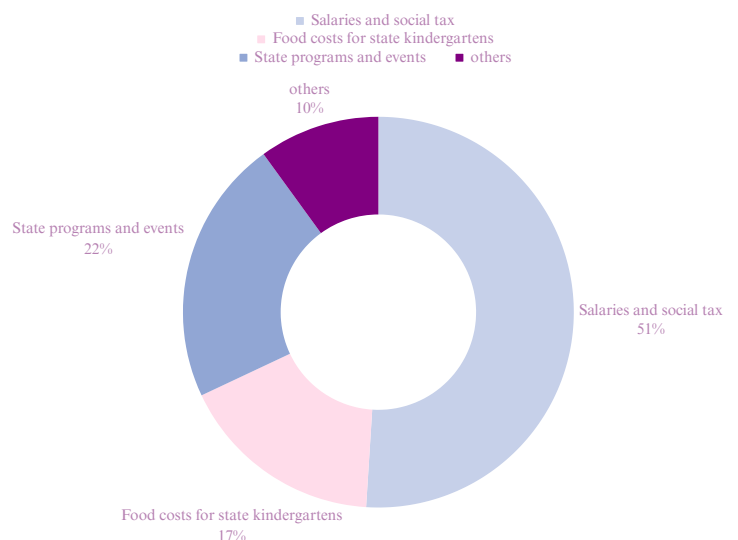
2022

Employment rate among persons aged 25 - 49 living with children under the age of 3 in the household, in Uzbekistan. Source: Statistics Agency of Uzbekistan

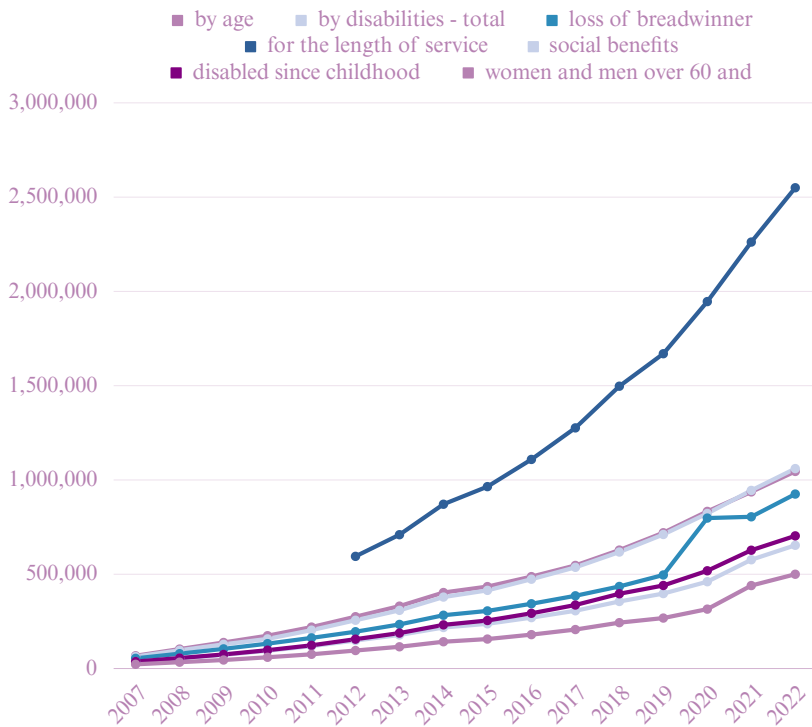


94% of men and 46% women were employed

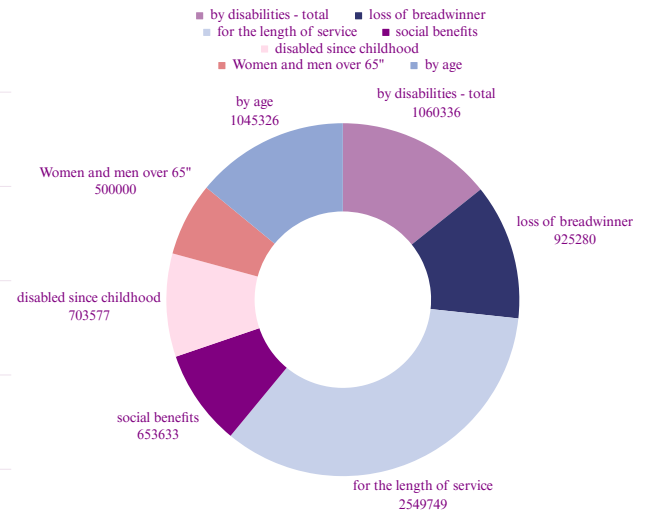
Expenditures on State preschool education 2023.
Source: Ministry of Economy and Finance of Uzbekistan



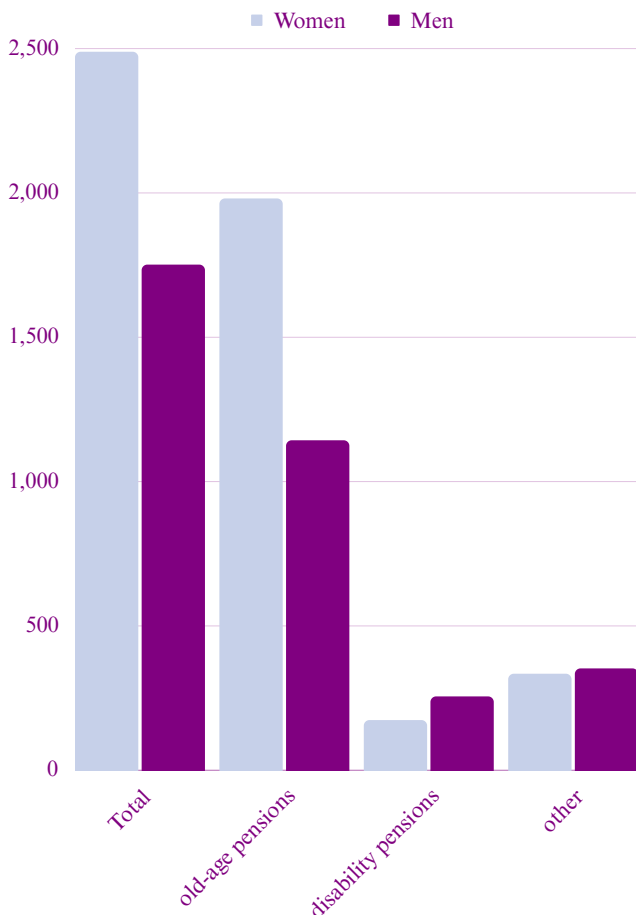
Average size of pensions and social benefits by type of pension provision (UZS). Source: Statistics Agency of Uzbekistan



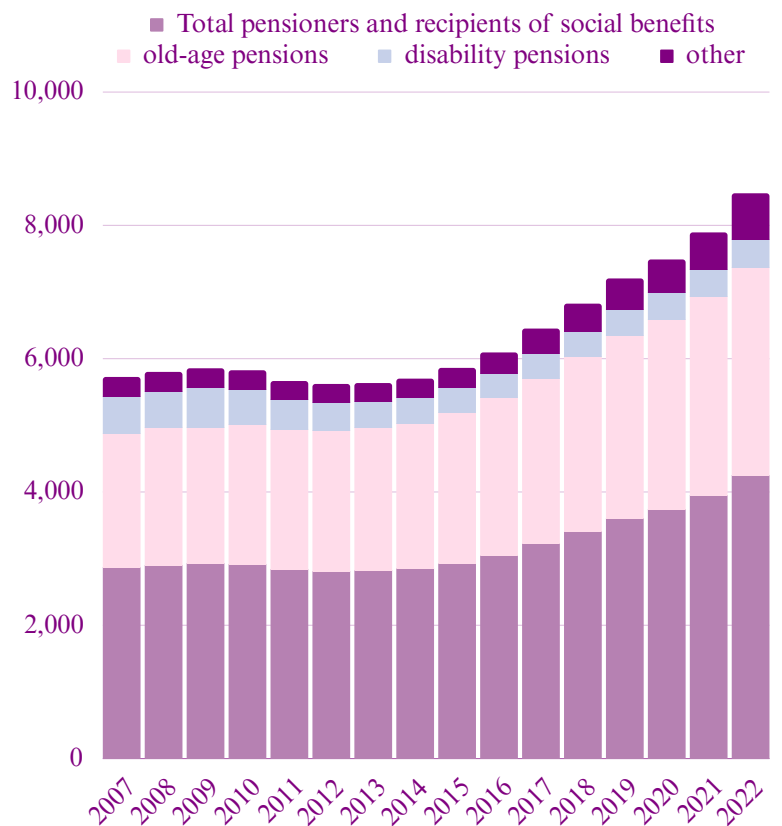
Types of social benefits and pension provision in 2022 Source: Statistics Agency of Uzbekistan



Number of pensioners and recipients of social benefits by gender and type of pension in 2022 (thousand people) Source: Statistics Agency of Uzbekistan



Number of pensioners and recipients of social benefits by type of pension provision in Uzbekistan (thousand people) Source: Statistics Agency of Uzbekistan



Key Challenges for Investing in the Care Economy

According to UNDP's assessment²⁶, despite encouraging progress, substantial obstacles persist at macro, meso, and micro levels in fully harnessing the contributions of businesses and markets to the SDGs. One notable challenge is the limited access of many businesses to capital for supporting environmentally friendly and inclusive investments and innovations that yield profits. The prevalence of short-term perspectives continues to guide the majority of investment decisions, posing a hindrance to long-term sustainability goals.

Investing in the care economy is crucial for societal well-being and economic development. The global population is aging rapidly, with people aged 65 and over projected to reach 1.6 billion by 2050²⁷. This demographic shift accentuates the need for robust investments in the care sector to meet the rising demand for healthcare and support services.

Despite the growing demand, the care economy lacks a well-established market. According to a report by the World Health Organization (WHO), there will be a global shortage of 18 million health workers by 2030. This shortage highlights the untapped potential for market growth and the urgency to invest in building a sustainable care infrastructure. Investing in the care economy is uncharted waters in Uzbekistan, where demographic trends indicate an aging population and changing family structures.

In Uzbekistan, unpaid care work is deeply ingrained in cultural norms, with family members traditionally providing support. However, with urbanization on the rise, the need for formalized paid care services is growing. According to the World Bank, globally and nationally urban population is expected to increase by 50% by 2030, necessitating the development of a market that accommodates both traditional family-centric care and emerging paid care services. Moreover, the economic contributions of both unpaid and paid care work often go unrecognized. Despite the

²⁶ UNDP Private Sector Strategy 2023-2025, 2023.

²⁷ 2023: Leaving No One Behind In An Ageing World, The Department of Economic and Social Affairs of the United Nations Secretariat, 2023.

significant impact of care work on the economy, there is a lack of understanding among investors. Recognizing the economic benefits and social significance of care work is crucial for attracting investments.

Investors in Uzbekistan may face various perceived risks associated with unpaid and paid care work. The lack of regulatory frameworks for paid care services and potential resistance to formalized care from traditional family structures pose challenges. There is a lack of regulatory environment in the care sector, underscoring the need for tailored risk mitigation strategies. On top of that, gender biases influence investment decisions in Uzbekistan, where traditional gender roles may impact the recognition of the economic value of care work. Recognizing this gender disparity and valuing the contribution of women in both unpaid and paid care sectors is crucial for informed investment decisions.

Moreover, there is a lack of a care needs assessment before providing care services in order to assess the level of support a person needs, and whether they're eligible for any financial support toward it. It should be noted that care receivers may not always be aware of when they require assistance. This can be challenging for friends and family members to observe and therefore needs a sensitive approach.

The Uzbek government plays a vital role in shaping the care economy. With an increasing need for formalized care services, there is an opportunity for the government to invest in infrastructure, training programs, and regulatory frameworks.

Addressing these challenges is vital for unlocking the full potential of the care economy in Uzbekistan. Collaborative efforts from the government, investors, and care service providers are essential to create a culturally sensitive and sustainable care ecosystem that benefits both investors and society at large. By understanding and proactively mitigating these challenges, stakeholders can contribute to the development of a robust and inclusive care economy tailored to the unique context of Uzbekistan.

Making Markets Work for Care Economy: Entry Points for Investors

One effective approach to substantially decrease unpaid care labor involves offering services for early childhood education, elderly care, disability assistance, and domestic work. By doing so, the burden of caregiving can be transferred from parents or other unpaid caregivers to paid professionals and services. The research involved examining market systems that address the care sector and conducting a thorough review of foreign experiences. The provision of these services has the potential to reduce time poverty, enhance overall well-being, and enable unpaid caregivers to invest more time in income-generating activities.

The UNDP²⁸ characterizes the private sector as a fundamental framework for organizing economic activities within a market-driven economy, emphasizing the significance of private ownership. In this system, production is propelled by markets and competition, with private initiative and risk-taking playing pivotal roles in initiating and shaping activities. To enable investments in the care economy in Uzbekistan, it's essential to create a supportive environment that aligns with social business models and the specified care business characteristics.

The care economy ecosystem involves a diverse range of stakeholders, including care enterprises such as start-ups and market-oriented innovations, along with various investors who address opportunities in the care sector. Intermediaries play a crucial role in connecting investors to employers through services like investment support, business development, and network connections. Governments contribute by providing protection for vulnerable populations, shaping social norms through care policies, institutionalizing care work, and developing care infrastructure. They also influence the care economy through business regulations and providing tax incentives for care sector businesses. Additionally, not-for-profit organizations contribute catalytic capital to kick-start care investments in new regions. These stakeholders perform as the key driver investors and perform close interconnections within the care economy ecosystem.

²⁸ UNDP's Private Sector Development and Partnership Strategy (2023-2025), UNDP, 2023.

To provide ideas to investors on facilitating investments in the care economy, below is shown entry points framework. This framework is derived from the research findings presented in earlier sections. It outlines various approaches for investors to make conscientious decisions that promote the reduction, redistribution, and rewarding of care work. The framework does not categorize care investments based on the impact-returns spectrum, and it does not prescribe specific recommendations or pathways for readers. The framework is intentionally simplified to encourage to begin considering the concepts presented in this paper. The aim is to assist investors in understanding potential opportunities for investing in care, refining existing strategies, and identifying additional ways to participate in the care economy. **Policymakers, philanthropic investors, and communities**, especially, have the opportunity to play a key role in addressing crucial market deficiencies that hinder the growth and expansion of care enterprises:

1. GOVERNMENT'S SUPPORT FOR ENHANCING INVESTMENTS IN THE CARE SECTOR:

-Providing support for entrepreneurs looking to establish direct care enterprises, offering guidance on setting up and managing caregiving services.

-Offering financial incentives or subsidies to help initiate and sustain social cooperatives, ensuring that they adhere to high standards of care.

-Developing training programs within the entrepreneur support framework to enhance the skills of care workers in direct care enterprises.

-Implementing fee-for-service in direct care enterprises, ensuring fair compensation for care services rendered. Providing financial and administrative support to facilitate the adoption of fee-for-service models.

-Developing certification programs and training initiatives to prepare individuals for employment in direct care enterprises.

-Developing subsidy programs or financial assistance to support low-income clients in accessing care services.

-Facilitating the establishment of a business specializing in care services. Streamline the process for obtaining their status and provide tax incentives to attract more organizations to the sector.

-Tailoring direct care services to cater to low-income individuals, ensuring affordability and accessibility.

-Developing partnerships between enterprises and government agencies to coordinate efforts in addressing specific care needs within communities.

EX: Singapore²⁹ has been proactive in developing its eldercare sector. Initiatives such as the Action Plan for Successful Aging and the Healthcare Productivity Fund aim to support innovation, training, and the adoption of technology in the care sector.

EX: Spain has a cooperative model known as "Sociedad Cooperativa de Iniciativa Social" (Social Initiative Cooperative Society). These cooperatives receive financial support from both regional and national governments. Financial incentives may include grants, low-interest loans, and subsidies for social cooperatives engaged in healthcare and caregiving.

EX: Wisconsin's Child Care Subsidy program³⁰, Wisconsin Shares, helps families pay for child care. If the parent is eligible, child care can be subsidized for children under the age of 13 (up to 19 of special needs).

EX: South Korea³¹ provides financial support to social enterprises, including those in the care sector. Government grants and subsidies aim to promote social entrepreneurship, innovation, and the provision of high-standard care services.

EX: In the UK, financial support for social enterprises, including cooperatives in the care sector, comes from various sources, including government grants, social investment funds, and tax

²⁹ [2023-action-plan.pdf \(moh.gov.sg\)](https://www.moh.gov.sg/files/ASSETS/GetAsset/2023-action-plan.pdf)

³⁰ <https://dcf.wisconsin.gov/wishares>

³¹ Kil, H.J. (2023). Social Enterprises and Benefit Corporations in South Korea. In: Peter, H., Vargas Vasserot, C., Alcalde Silva, J. (eds) The International Handbook of Social Enterprise Law . Springer, Cham. https://doi.org/10.1007/978-3-031-14216-1_38

incentives. The Social Investment Tax Relief (SITR)³² is an example of a tax incentive aimed at encouraging investment in social enterprises.

EX: Westchester County Public-Private Partnership for Aging Services (WPPP)³³ was launched in 1991 as a partnership of government, business, and voluntary service agencies, with a mission to improve the quality of life for a diverse, aging population through creative programming. This umbrella organization asks corporations to contribute funds, sponsor specific programs, and donate in-kind support for local community initiatives.

2. CARE AS A PROFITABLE INVESTMENT SECTOR

-Integrating labor-saving technologies within direct care enterprises to enhance the efficiency and quality of care services.

-Development and promotion of time-saving products or technologies that contribute to care outcomes, aligning with the care adjacent.

-Promotion of the employment model within direct care enterprises, emphasizing the creation of quality jobs in the care sector

-Organizational support and training programs for care enterprises to enhance collaboration and efficiency.

-Venture capital can invest in innovative care-related startups, providing not only financial support but also strategic guidance and industry expertise to help these ventures grow. Creating a platform that connects care startups with social venture capital firms, promoting dialogue and collaboration to meet funding needs.

-Developing platforms or services that link direct care enterprises with potential clients, streamlining the matchmaking process. Launch social business incubators tailored to support

³² [Seed Enterprise Investment Scheme \(SEIS\) \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

³³ Hodgson, Nancy A., 'Aging in Place: The Role of Public-Private Partnerships', in Olivia S. Mitchell (ed.), *New Models for Managing Longevity Risk: Public-Private Partnerships* (Oxford, 2022; online edn, Oxford Academic, 24 Mar. 2022)

startups in the care sector. Offer resources, mentorship, and training programs to nurture innovative solutions and business models.

EX: Jazza Centre³⁴ is a for-profit social enterprise that trains and places domestic workers in Kenya. The enterprise formalizes the employment process for domestic workers by ensuring that domestic workers and employers sign employment contracts. Jazza Centre increases recognition and reward for domestic workers by negotiating fair terms of employment and skill development. It reduces the burden of care work in households through provision of trained domestic workers.

EX: Wroblewski and Drake launched Magnify Ventures³⁵ in 2020 and closed on \$52 million for its debut fund. The fund is anchored by Pivotal Ventures and focus on early-stage companies, but also invest further up the capital stack too. The fund looks at four main sectors: parenting and family life, future of work, household optimization, and aging and longevity.

EX: Nanas & Amas³⁶ connects domestic workers, such as babysitters, home helpers, and elderly caregivers, with families that require their services. This Peruvian agency aims to transform domestic work into a platform so that women who did not have the opportunity to do it at the time can grow, living the happy and prosperous lives that they deserve.

EX: At Elder³⁷ uses a matching service to ensure matched with a carer who understands needs and complements personality of customers. They're able to perform all kinds of elderly care tasks – including medication prompting and keeping up with social activities.

3. COMMUNITIES AS CARE ENABLERS

-Development of Knowledge sharing platforms

³⁴ [Business Mapping - Care Economy \(the-care-economy-knowledge-hub.org\)](https://the-care-economy-knowledge-hub.org)

³⁵ [Magnify Ventures Looks To Tap 'Massive' Care Economy With Debut \\$52 Million Fund \(forbes.com\)](https://forbes.com)

³⁶ [Business Mapping - Care Economy \(the-care-economy-knowledge-hub.org\)](https://the-care-economy-knowledge-hub.org)

³⁷ [Our introductory agency status | Elder](#)

-Establishing care cooperatives where members collectively provide and receive care services, fostering a community-based approach.

EX: The Care Economy Knowledge Hub stimulates growth and investment in market-based solutions. Its objective is to transform the care economy through identifying, documenting and amplifying market-based solutions that recognize, and reduce, redistribute and reward unpaid and paid care and domestic work.

EX: Invest in Care³⁸, an initiative by The Holding Co., is the home of original, comprehensive industry guides and insights. These resources cover the significant opportunities for innovation in the systems, services, and products that make up the care economy.

EX: Avantee³⁹ is an app that allows multiple caregivers around a care recipient to be connected. Caregivers can share updates, track changes in a care recipient's health, organize grocery delivery with families, remind everyone of appointments and prescriptions - all on a secure communication platform between the family and care recipient.

4. ALL ORGANIZATIONS ARE TO SHIFT TO CARE-FRIENDLY ORGANIZATIONS

-Extending organizational support benefits to employees, reducing the burden of unpaid care work through initiatives such as flexible working arrangements or on-site childcare facilities. Implementing family-friendly policies that financially support workers with caregiving responsibilities.

EX: L'Oréal⁴⁰ offers a global minimum of 14 weeks paid maternity leave and six weeks paid paternity or co-parenting leave, with this standard often exceeded depending upon the country context. This benefit falls under one of four pillars of the L'Oréal 'Share and Care' Social Program, which integrates a suite of policies – including social benefits, flexible and telework opportunities, and physical and mental health care – to promote a responsible, global workplace.

³⁸ [About Invest in Care](#)

³⁹ [Designing Multi-User Product Experiences \(investin.care\)](#)

⁴⁰ Family-friendly workplaces, UNICEF, 2020.

-Benefits or services that reduce or redistribute unpaid care work, such as offering childcare vouchers, eldercare support, or subscriptions to care concierge services for employees.

EX: Wellthy⁴¹, a B2B care company, is a digital platform and care concierge service for families with chronic, complex, and ongoing care needs, helping employees manage” logistical and administrative aspects of care.” Top employers such as Salesforce, Kohler, Fidelity, and News Corp have engaged Wellthy as a care benefit.

Policy Recommendations

To stimulate the acceleration of the sustainable care economy in Uzbekistan, a multifaceted strategy is recommended. This involves not only advocating for comprehensive corporate care policies that go beyond conventional elements like childcare and parental leave but also addressing the limited understanding of the compelling care business case among employers. It is crucial to encourage innovative partnership models that incentivize employer-supported care, foster diverse care enterprise models, and specifically develop additional models to serve underserved populations.

Additionally, investing in care workforce development through robust training programs and collaborative efforts with educational institutions is crucial to cultivating a skilled and well-equipped workforce. To ensure the efficacy of these initiatives, establishing a comprehensive monitoring and evaluation framework is crucial, alongside addressing the challenges associated with thin profit margins in care models through the exploration of blended financing strategies. Recognizing and adequately compensating care workers is fundamental, and embracing digitally enabled care services will further enhance efficiency and accessibility. It is essential that public institutions understand diverse challenges and take policy measures to reap the benefits of the care sector of the economy, such as:

⁴¹ [Designing Multi-User Product Experiences \(investin.care\)](#)

- Establishing a comprehensive regulatory framework for the care sector to address the lack of regulations for paid care services. This framework should ensure the quality, safety, and standardization of care services, fostering investor confidence.
- Policy measures addressing population aging such as the promotion of active and healthy aging, the expansion of lifelong learning, and the encouragement of private savings, are encouraged to be widely embraced by the government.
- Public investment in care infrastructure, training programs, and regulatory frameworks. This will play a crucial role in supporting the formalization of care services and bridging the gap between traditional family-centric care and emerging paid care services.
- Public awareness campaigns highlighting the economic benefits and social significance of care work. This includes recognizing the contribution of women in both unpaid and paid care sectors, aiming to shift societal perceptions and attract investments.
- Introduction of tax incentives for private investors in the care economy. This can include exemptions for long-term care facilities, equipment, care services, and other support. Such incentives would stimulate private investment and contribute to the overall growth of the care market.
- Collaboration between the government, investors, and care service providers. Joint efforts can lead to the creation of a culturally sensitive and sustainable care ecosystem, leveraging the strengths of each stakeholder for the benefit of both investors and society.
- Initiatives to promote gender equality in the care sector. This includes challenging traditional gender roles and biases that may influence investment decisions. Recognizing and valuing the contribution of women in the care economy is essential for informed and equitable investment.
- Leveraging workplace measures within the private sector is crucial. This includes efforts to dismantle gender stereotypes surrounding unpaid care work and alleviate the disproportionate burden on women through the provision of care services. Encouraging employers to adopt family-friendly policies and supportive work environments can contribute to this objective.

A combination of these measures can enhance the well-being of caregivers and improve care outcomes. They can challenge gender norms around caregiving by recognizing the inherent value of unpaid care work. Paid care work can become a more attractive employment proposition for both men and women. New business opportunities could open and boost the broader economy. This comprehensive approach aims to create a supportive environment for care economy investments in Uzbekistan, fostering sustainability and inclusivity to meet the diverse needs of its population.

