



**The Asia Foundation**  
Improving Lives, Expanding Opportunities

# CARE ECONOMY DIALOGUE



TOWARD A RESILIENT AND SUSTAINABLE  
CARE ECONOMY IN MALAYSIA



MARCH 2023



# INTRODUCTION

The Asia Foundation, in partnership with the Australian High Commission in Malaysia, convened the "Care Economy Dialogue: Toward a Resilient and Sustainable Care Economy in Malaysia" on March 28, 2023 at Le Meridien Hotel, Kuala Lumpur.

Bringing together senior officials from key government ministries and representatives from the private sector and civil society, the dialogue drew attention to the current status of the care economy in the country, gaps and issues in the sector, and potential solutions moving forward.

This brief presents the highlights of the dialogue divided into the following sections:

- Care Economy in Malaysia
- Understanding Care Sector Issues
- Proposing Ways Forward

The insights from the panelists, as well as the points raised by the audience, are vital to the ongoing discussions and policy reform considerations around the care sector in Malaysia.



Source: Getty Image/ Alex Liew

## | CARE ECONOMY IN MALAYSIA

### **Care work plays an essential role in the fabric of society and the economy.**

Care is a basic human right and providing care for those who cannot care for themselves is vital to human health and social welfare. The care sector has been growing steadily in the past years, generating employment and economic opportunities worldwide. It is considered to be the third largest economy globally, after the United States and China, and more than twice the size of the global agriculture sector.

### **Childcare is a top priority in Asia and the Pacific, including Malaysia.**

Reforms in the childcare sector have been highlighted in the Twelfth Malaysia Plan, based on the growing

demand for care services, including for the elderly and differently-abled groups. Discussions include professionalizing care work, and providing access to equitable childcare services and facilities especially for women.

### **The "silver economy" is increasingly gaining importance in Malaysia.**

Malaysia officially attained an aging nation status in 2022, following a fast growth in its aging population. With 7.3% of its current population aged 65 and above, the country faces both challenges and opportunities relative to elderly care, employment and income security.

# | UNDERSTANDING CARE SECTOR ISSUES

**Women bear the burden of unpaid care responsibilities, which translates to low labor participation and return-to-work rates.**

The International Labor Organization (ILO) reports that more than 16.4 million hours are spent on unpaid care daily, with women accounting for 76.2% of these hours, more than three times as much as men. This equates to up to 31 hours per week spent by women caring for children or the elderly and carrying out household chores, a significant amount of unpaid work and time almost equivalent to a full-time job. In Malaysia, women cite care work and related childcare issues as reasons for women dropping out of the workforce.

**Care work remains undervalued and unregulated, with no set standards for safety, ethics, or quality of care provided.**

In the region, most policies in the care sector focus on formal paid care



professionals, often neglecting informally-employed care workers, including migrants and those on digital platforms. Childcare and elderly care services and infrastructure are not regulated, and issues arising from care provision - namely psychological distress and mental health - are often overlooked.

**There is limited data on the care economy to guide effective programming and policymaking.**

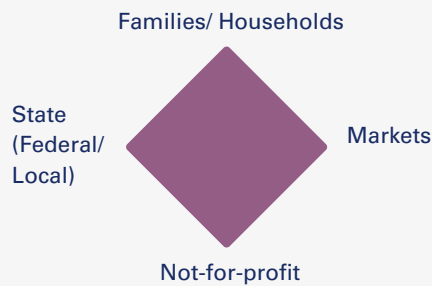
At present, huge data gaps exist in studying and understanding the care sector. There is limited information and statistics on the intersection of care with climate change, gender-based violence, and disaster; investments in care types other than childcare; and care related to informal workers and migrant populations, among others.



# PROPOSING WAYS FORWARD

## Malaysia can learn from best practices in the care sector in the region.

There is much to learn from other countries in terms of care sector policies and programs. At the regional level, the UN ESCAP (Economic and Social Commission for Asia and the Pacific) and ASEAN (the Association of Southeast Asian Nations) report on “Addressing Unpaid Care Work in ASEAN” provides a blueprint for policy actions in care infrastructure, care-related social protection, care services and employment-related policies. Razavi’s Care Diamond, illustrated below, also serves as a useful framework in building a common understanding of the care economy in the region.



## A whole-of-society collaboration is needed to strengthen and streamline the care economy in Malaysia.

Advancing reforms in the care sector in Malaysia requires the involvement of not only the government, but also stakeholders from the private sector, academia, and civil society.

Collaborations must focus on three urgent areas:

- Professionalization of care work, including setting training qualifications and industry standards for care services;
- Enabling innovations for social enterprises working in the care sector; and
- Initiating a “true accounting” of care work, looking into its unpaid nature and providing a measure of its contribution to the economy and national GDP.





Source: The Asia Foundation

**Several policy reforms and initiatives to advance Malaysia’s care industry are in the pipeline.**

The Prime Minister’s Office Special Task Force to Facilitate Business (PEMUDAH) convenes a Technical Working Group for Sustainable Development Growth (TWGSDG) which specifically looks into the Care Industry (Industri Jagaan).

Chaired by the Ministry of Economy, the technical working group is comprised of representatives from the Ministry of Women, Family and Community Development, Ministry of Human Resources, Ministry of Higher Education, Ministry of Foreign Affairs, Ministry of Health, and selected contributing organizations, including The Asia Foundation.

The Parliament has tabled the Social Work Profession Bill, along with the Older Persons Bill, for discussion this year.

Source: The Asia Foundation

There is also ongoing work on increasing legal protection for women and children through the Childcare Center Act 1984, Care Centers Act 1993, Anti-Sexual Harassment Act 2022, Housewives’ Social Security Act 2022, and amendments to Employment Act 1955.

The National Council of Women’s Organisations in Malaysia (NCWO) has also put forward a proposal to increase women’s participation in the workforce through the growth of the care economy, aligned with the Malaysia Madani ambition.

In terms of budget, Malaysia’s 2023 budget allocation for the care sector includes:

- RM15 million loan for childcare operators and facilitation of childcare center registration;
- RM180 monthly childcare fee subsidy for civil servants; and
- RM5000-7000 nursery fee subsidy per household per month.



Source: The Asia Foundation

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- Nadira Yusoff, Founder and CEO of Kiddocare Sdn Bhd

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